ECN CAPITAL

Management Discussion & Analysis

SEPTEMBER 30, 2019

The following management discussion and analysis ("MD&A") provides information management believes is relevant to an assessment and understanding of the financial condition and results of operations of ECN Capital Corp. (the "Company" or "ECN Capital") as at and for the three and nine-month periods ended September 30, 2019, in comparison to the corresponding prior year periods. This MD&A, which has been prepared as of November 7, 2019, is intended to supplement and complement the condensed unaudited interim consolidated financial statements and notes thereto, prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), as at and for the three and nine-month periods ended September 30, 2019 (the "interim consolidated financial statements"), which readers are encouraged to review in conjunction with their review of this MD&A. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the two years ended December 31, 2018 and 2017 and the related MD&A. Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com and on the Company's website at www.ecncapitalcorp.com.

Certain comparative figures have been reclassified to conform to the current period's presentation. All amounts set forth in this MD&A are in U.S. dollars unless otherwise noted.

Cautionary Statement

This analysis has been prepared taking into consideration information available to November 7, 2019. Certain statements contained in this report constitute "forward looking statements". When used in this report, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", and similar expressions, as they relate to the company, or its management, are intended to identify forward looking statements. Such statements reflect our current views with respect to future events and are subject to inherent risks, uncertainties and numerous assumptions, including, without limitation, general economic and industry conditions, reliance on debt financing, dependence on borrowers, dependence on financing its business through funding commitments and the sale of loan portfolios to banks and other financial institutions, inability to recover receivables, competition, interest rates, regulation, demand for financing in the specialty finance sector, insurance, failure of key systems, debt service, future capital needs and such other risks or factors described from time to time in reports of ECN Capital.

By their nature, forward looking statements involve numerous assumptions, known and unknown, risks and uncertainties, both general and specific, which contribute to the possibility that predictions, forecasts, projections and other forms of forward looking information may not be achieved. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward looking statements and readers are cautioned that the list of factors in the foregoing paragraph is not exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Accordingly, readers are cautioned not to place undue reliance on forward looking statements or interpret or regard forward-looking statements as guarantees of future outcomes. Except as may be required by applicable Canadian securities laws, we do not intend, and disclaim any obligation to update or rewrite any forward-looking statements whether oral or written as a result of new information, future events or otherwise.

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Overview

ABOUT ECN

ECN Capital Corp. ("ECN Capital" or the "Company") is a leading provider of business services to United States ("U.S.") based banks, credit unions and life insurance companies (collectively our "Partners"). ECN Capital originates, manages and advises on prime consumer credit portfolios on behalf of its Partners, specifically unsecured loan portfolios, secured loan portfolios and credit card portfolios. Our Partners are seeking high quality assets to match with their deposits or liabilities. Headquartered in South Florida and Toronto, the registered office is located at 200 Bay Street, Suite 1625, Toronto, Ontario, Canada. ECN Capital has approximately 570 employees and operates (principally) in the United States. The Company is a public corporation and trades on the Toronto Stock Exchange under the symbol "ECN".

BUSINESS STRATEGY

ECN Business Model

The Company owns a portfolio of business services providers that operate under a fee-based, asset-light model through which it leverages highly specialized industry knowledge to originate, manage and advise on prime credit portfolios to a growing network of Partners. ECN Capital partners with these financial institutions rather than competing with them. Our core portfolio companies are: Service Finance, the Kessler Group and Triad Financial Services. ECN Capital has managed and advisory assets[1] of approximately $33 billion and our customers include more than 90 bank, credit union and insurance company partners. Specifically, our Partners are the decision makers inside each institution who are looking for appropriate portfolio solutions to match customer deposits and liabilities. We meet our customer needs by offering the following prime consumer portfolio solutions:

- Unsecured consumer loan portfolios - Home improvement loans
- Consumer credit card portfolios - Affinity and co-branded credit cards and related financial products
- Secured consumer loan portfolios - Manufactured home loans

The Company's focus is to drive origination and asset management growth as well as broadening our Partner relationships through the marketing of all three solutions across our network of 90+ Partners. In pursuit of these objectives: (i) The Company provides its portfolio companies with modest capital, knowledge and scale to help grow their businesses within their large addressable markets; and (ii) Management has also begun the process of deepening our relationships with key Partners with a view to expanding Partner relationships to more than one solution.

The Company's investments are made within these strategic parameters and have demonstrated each of the following value propositions:

- Significant barriers to entry through established long-term regulatory relationships with financial services regulators; strong long-term relationships with the banks, credit unions,

1. This is a non-IFRS measure. Please refer to the "Non-IFRS and Other Performance Measures" section of this MD&A for a definition and reconciliation of this measure.

insurance companies, payment networks that are its customers and exclusive/preferred manufacturer and dealer arrangements that drive the Company's origination services; and proprietary intellectual capital;

- Established originator / manager / adviser of prime consumer credit portfolios with a history of strong performance across business cycles;
- Excellent credit quality and track record of excellence in providing managerial and advisory services;
- Capital-light businesses with solid growth profiles; and
- Scalable platforms with established operations and information technology.

A description of each of our core business segments is provided below.

Core Business Segments:

Service Finance (100% owned) - Home Improvement Loans

The Service Finance segment was formed on the completion of our investment in Service Finance on September 7, 2017. Founded in 2004, Service Finance is a premier portfolio solutions platform focused on originating and managing short duration unsecured consumer loans for 20+ Partners. These loans are primarily prime and super-prime retail installment contracts to finance home improvement projects in the U.S. Originations are sourced through national dealer networks through exclusive and preferred programs with top manufacturers in the home improvement industry. Originations are sold to third party financial institutions without recourse with respect to credit losses, prepayments or yield, and Service Finance retains the exclusive right to service all retail installment contracts that it originates. Service Finance is headquartered in Boca Raton, Florida and is licensed in all 50 States.

The Kessler Group (96% owned) - Consumer Credit Card Portfolios and Related Financial Products

The Kessler Group segment was formed on May 31, 2018 on the completion of our investment in the Kessler Group. Founded in 1978, the Kessler Group is an industry leading platform focused on managing, advising and structuring consumer credit card portfolios for 25+ Partners. The Kessler Group has created over 6,000 partnerships between banks/credit card issuers and affinity co-brand groups and currently has approximately $28 billion in managed credit card portfolios and related assets. The Kessler Group is headquartered in Boston, Massachusetts.

Triad Financial Services (100% owned) - Manufactured Home Loans

The Triad Financial Services segment was formed on December 29, 2017 in connection with the completion of our investment in Triad Financial Services. Founded in 1959, Triad Financial Services is the oldest manufactured housing finance company in the U.S. Triad Financial Services is a premier portfolio solutions platform focused on originating and managing longer duration secured consumer loan portfolios for 50+ Partners. These assets are primarily prime and super-prime loans to consumers for the purchase of manufactured homes throughout the U.S. with limited recourse. Originations are sourced through a decades old national network of dealers and manufacturers. In addition to originating prime consumer loans, Triad Financial Services manages manufactured housing portfolios for third party owners and provides floor plan financing for select dealers and manufacturers. Triad Financial Services is headquartered in Jacksonville, Florida and is licensed in 47 States.

Key Business Developments

The Company is in the final stages of divesting its legacy assets and will continue to redeploy capital into its three scalable business services platforms. Our key developments in support of this strategy for the three and nine-month periods ended September 30, 2019 are outlined below.

M&A CORPORATE DEVELOPMENT

The Kessler Group Leadership Transition

In the first quarter, Scott Shaw transitioned to the role of Chief Executive Officer ("CEO") at the Kessler Group. In conjunction with this transition, two related events occurred:

- ECN acquired the 20% non-controlling interest held by Howard Kessler and restructured his employment contract. Mr. Kessler became Chairman Emeritus and founder, without any ongoing compensation, and will continue to support the M&A business and provide coaching and mentoring support, as required, to Mr. Shaw and others on the Kessler Group management team.

- Mr. Shaw as the new CEO, with 25 years of tenure, undertook a detailed operations review, which resulted in the elimination of eight positions which, together with the elimination of compensation payments to Mr. Kessler, will reduce compensation costs by about $5 million on an ongoing basis.

OTHER CORPORATE DEVELOPMENTS

Completion of Transition of Head Office to South Florida

In April 2019, the Company completed the relocation of its senior management team to South Florida. As part of the transition, the Board of Directors of ECN has agreed to an extension of Steven Hudson's employment arrangement through 2023, and Mr. Hudson will continue to serve as CEO through the term of the contract.

CORPORATE FINANCE DEVELOPMENTS

Senior Credit Facility Update

On October 16, 2019, the Company successfully executed an amendment of its senior credit facility that extends the maturity date from December 31, 2022 to December 31, 2023 and maintains the size of the facility at $1 billion, which is commensurate with the current liquidity requirements of our businesses.

Normal Course Issuer Bid

On August 16, 2019, the TSX approved the renewal of the Company's Normal Course Issuer Bid ("NCIB") for commencement on August 20, 2019. Pursuant to the renewal, the Company may repurchase up to an additional 22,228,161 common shares, representing approximately 10% of the public float. The NCIB will end on the earlier of August 19, 2020 and the completion of purchases under the NCIB. The Company did not repurchase any of its common shares under the NCIB during the quarter ended September 30, 2019.

Substantial Issuer Bid

On January 15, 2019, the Company completed a second modified "Dutch auction" substantial issuer bid ("SIB") to purchase for cancellation up to C$265 million of its outstanding common shares ("Shares") from shareholders for cash. The Company has taken up and paid for 70,666,666 Shares at a price of C$3.75 per share for an aggregate purchase price of approximately C$265 million ($US 201.5 million) including fees and expenses.

Results of Operations

OPERATING HIGHLIGHTS FOR THE QUARTER

1. Adjusted net income[1] for the quarter ended September 30, 2019 was $20.6 million and adjusted net income applicable to common shareholders[1] was $18.2 million or $0.08 per share for the quarter ended September 30, 2019, exceeding our budget for the third consecutive quarter.

2. Adjusted EBITDA[1] in the third quarter of 2019 was $34.0 million, compared to $38.0 million in the third quarter of 2018. The decrease reflects lower earnings at the Kessler Group due to higher one-time transaction fee revenue in the prior year quarter, partially offset by strong performance in our Service Finance and Triad Financial Services segments.

3. Total originations for the quarter ended September 30, 2019 were $639.1 million compared to $509.0 million in the third quarter of 2018, which represents a year over year increase of 25.6%. The increase reflects the continued growth of the origination activity in both our Service Finance and Triad Financial Services segments.

4. Managed and advisory assets[1] totaled $32.6 billion as at September 30, 2019, compared to $28.8 billion in the third quarter of 2018. The increase reflects the growth across each of our business segments, which is in line with our budget expectations.

5. The divestiture of our legacy aviation, commercial and vendor finance and railcar assets remain on track. In the third quarter, the Company disposed of 8 aircraft for net proceeds of $40 million. As a result, total legacy assets classified as held-for-sale are down to $185 million from $334 million at December 31, 2018 and $230 million at June 30, 2019.

1. This is a non-IFRS measures. Please refer to the "Non-IFRS and Other Performance Measures" section of this MD&A for a definition and reconciliation of these measures.

The following table sets forth a summary of the Company's consolidated results from continuing operations and is to be read in conjunction with the Company's interim condensed consolidated financial statements for the same periods.

	For the three-month period ended			For the nine-month period ended	
(in 000's for stated values, except percent, ratio and per share amounts)	**September 30, 2019** $	June 30, 2019 $	September 30, 2018 $	**September 30, 2019** $	September 30, 2018 $
Select metrics					
Originations	**639,124**	598,010	508,950	**1,656,335**	1,349,879
Average earning assets - Owned (1)	**327,770**	337,702	281,950	**352,912**	207,898
Average earning assets - Managed and advisory (1)	**32,398,453**	32,020,111	28,628,539	**31,944,213**	15,814,974
Period end earning assets - Owned	**332,328**	323,211	311,331	**332,328**	311,331
Period end earning assets - Managed and advisory	**32,617,957**	32,178,949	28,774,422	**32,617,957**	28,774,422
Operating highlights:					
Portfolio origination services	**27,652**	27,227	22,580	**73,019**	56,981
Portfolio management services	**28,146**	23,432	22,170	**71,978**	42,864
Portfolio advisory services	**2,452**	6,475	18,130	**20,326**	22,519
Total portfolio revenue	**58,250**	57,134	62,880	**165,323**	122,364
Interest income	**5,276**	5,062	6,093	**16,436**	10,410
Other revenue	**(189)**	(193)	692	**199**	3,816
	63,337	62,003	69,665	**181,958**	136,590
Operating expenses	**29,332**	28,762	31,626	**87,127**	73,103
Adjusted EBITDA (1)	**34,005**	33,241	38,039	**94,831**	63,487
Depreciation & amortization	**1,416**	1,388	740	**4,110**	1,835
Interest expense	**5,857**	7,154	9,751	**19,462**	22,504
Adjusted operating income before tax and NCI (1)	**26,732**	24,699	27,548	**71,259**	39,148
Non-operating items:					
Share-based compensation	**4,555**	2,970	4,882	**13,685**	10,750
Amortization of intangibles	**6,452**	6,453	4,287	**19,358**	10,478
Accretion of deferred purchase consideration	**2,035**	1,223	—	**4,616**	—
Corporate restructure costs	**—**	—	54	**12,549**	54
Purchase price premium on non-controlling interest	**—**	—	—	**28,138**	—
Unrealized (gain) loss on economic currency hedge	**—**	—	—	**(4,789)**	—
Business acquisition costs	**—**	—	—	**—**	13,404
Non-controlling interest	**315**	326	5,349	**1,187**	5,349
	13,357	10,972	14,572	**74,744**	40,035
Net income (loss) before income taxes from continuing operations	**13,375**	13,727	12,976	**(3,485)**	(887)
Income tax expense (recovery)	**5,172**	2,871	9,629	**(1,763)**	(659)
Net income (loss) from continuing operations	**8,203**	10,856	3,347	**(1,722)**	(228)
Cumulative dividends on preferred shares	**2,407**	2,389	2,447	**7,201**	7,436
Net income (loss) from continuing operations attributable to common shareholders	**5,796**	8,467	900	**(8,923)**	(7,664)
Net (loss) income from discontinued operations	**(3,431)**	(932)	(60,830)	**(6,523)**	(51,315)
Net income (loss) for the period attributable to common shareholders	**2,365**	7,535	(59,930)	**(15,446)**	(58,979)
Weighted Average number of shares outstanding (basic)	**240,171**	239,647	326,888	**243,331**	342,880
Earnings per share (basic) - continuing operations attributable to common shareholders	**$0.02**	$0.04	—	**$(0.04)**	$ (0.02)
Non-IFRS Measures					
Adjusted operating results:					
Adjusted EBITDA (1)	**34,005**	33,241	38,039	**94,831**	63,487
Adjusted operating income before tax and NCI(1)	**26,732**	24,699	27,548	**71,259**	39,148
Non-controlling interest in the Kessler Group	**315**	326	4,700	**1,187**	5,349
Adjusted operating income before tax (1)	**26,417**	24,373	22,848	**70,072**	33,799
Adjusted net income (1)	**20,605**	19,011	19,471	**54,656**	28,013
Adjusted net income applicable to common shareholders (1)	**18,198**	16,622	17,024	**47,455**	20,577
Adjusted net income per share (basic) (1)	**$0.09**	$0.08	$0.06	**$0.22**	$0.08
Adjusted net income applicable to common shareholders per share (basic) (1)	**$0.08**	$0.07	$0.05	**$0.20**	$0.06

(1) This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of these measures.

The following discussion relates to the results of operations for the three and nine-month periods ended September 30, 2019 presented on a continuing operations basis.

Q3 AND Q3 YTD 2019 vs Q3 AND Q3 YTD 2018

The Company reported net income of $8.2 million and a net loss of $1.7 million for the three and nine-month periods ended September 30, 2019, respectively, compared to net income of $3.3 million and a net loss of $0.2 million for the same prior year periods. The increase in net income for the three-month period ended September 30, 2019 compared to the prior year three-month period was primarily due to the growth of both our Service Finance and Triad Financial Services businesses. The decrease in net income for the nine-month period ended September 30, 2019 compared to the prior year-to-date period was primarily attributable to the purchase price premium plus associated transactions costs to acquire the non-controlling interest in the Kessler Group and restructuring charges related to the completion of the transition of the Company's head office to South Florida, both of which occurred during the first quarter of 2019.

Total originations for the three and nine-month periods ended September 30, 2019 were $639.1 million and $1,656.3 million, respectively, compared to $509.0 million and $1,349.9 million for the comparable prior year periods. Managed and advisory assets were $32.6 billion as at September 30, 2019, up from $28.8 billion at September 30, 2018.

Adjusted EBITDA[1] was $34.0 million and $94.8 million for the three and nine-month periods ended September 30, 2019 compared to $38.0 million and $63.5 million for the comparable prior year periods. The decrease in adjusted EBITDA[1] for the three-month period ended September 30, 2019 compared to the prior year three-month period was primarily due to a decrease in Kessler Group revenue, partially offset by strong growth in Service Finance and Triad Financial Services. Kessler Group revenue for the prior year three-month period included approximately $16.6 million in portfolio advisory fees on four different transactions. The increase in adjusted EBITDA[1] for the nine-month period ended September 30, 2019 compared to the prior year nine-month period reflects strong growth in both Service Finance and Triad Financial Services and the inclusion of the Kessler Group operating results for the full nine-month period.

Adjusted net income[1] was $20.6 million and $54.7 million for the three and nine-month periods ended September 30, 2019, respectively, compared to $19.5 million and $28.0 million for the comparable prior year periods. The increases compared to the prior year reflect the strong growth in both Service Finance and Triad Financial Services and the inclusion of the Kessler Group operating results. Additionally, adjusted net income[1] for the three and nine-month periods ended September 30, 2019 reflects lower expenses attributable to the non-controlling interest in the Kessler Group segment.

1. This is a non-IFRS measure. Please refer to "Non-IFRS and Other Performance Measures" in this MD&A for a definition and reconciliation of these measures.

Operating expenses were $29.3 million and $87.1 million for the three and nine-month periods ended September 30, 2019, respectively, compared to $31.6 million and $73.1 million for the same prior year periods. The decrease in operating expenses for the three-month period ended September 30, 2019 compared to the prior year quarter was primarily due to lower Kessler Group compensation costs, and specifically the impact of the expense reductions initiated in the first quarter of 2019. The increase in operating expenses for the nine-month period ended September 30, 2019 compared to the prior year-to-date period was primarily attributable to growth in Service Finance and Triad Financial Services and the inclusion of the Kessler Group results, partially offset by lower corporate operating expenses as a result of the completion of the Company's restructuring and transition to the new head office in South Florida.

The table below illustrates the Company's operating expenses for the three and nine-month periods ended September 30, 2019 and September 30, 2018:

	For the three-month period ended		**For the nine-month period ended**	
	September 30, 2019	September 30, 2018	**September 30, 2019**	September 30, 2018
(in 000's for stated values)	**$**	$	**$**	$
Service Finance	**8,031**	5,616	**23,247**	18,104
The Kessler Group (1)	**7,666**	12,030	**25,888**	15,103
Triad Financial Services	**7,823**	7,281	**22,020**	20,179
Business segment operating expenses	**23,520**	24,927	**71,155**	53,386
Corporate operating expenses	**5,812**	6,699	**15,972**	19,717
Total operating expenses	**29,332**	31,626	**87,127**	73,103

(1) Kessler Group operating expenses for the nine-month period ended September 30, 2018 represent operating expenses for a four-month period from the date of acquisition.

Business Segment Results

RESULTS OF SERVICE FINANCE - HOME IMPROVEMENT LOANS

The following table sets forth a summary of the Company's select metrics and results from the Service Finance segment, for the three-month periods ended September 30, 2019, June 30, 2019, and September 30, 2018 and the nine-month periods ended September 30, 2019 and September 30, 2018.

	For the three-month period ended			For the nine-month period ended	
(in 000's for stated values, except percent amounts)	**September 30, 2019** **$**	June 30, 2019 $	September 30, 2018 $	**September 30, 2019** **$**	September 30, 2018 $
Select metrics					
Originations	**468,076**	428,321	362,166	**1,197,907**	959,236
Managed assets, period end	**2,331,909**	2,049,581	1,621,067	**2,331,909**	1,621,067
Managed assets, period average	**2,190,745**	1,955,791	1,527,972	**2,002,967**	1,339,743
Dealer advances	**46,660**	43,358	13,835	**46,660**	13,835
Held-for-trading financial assets	**75,407**	112,597	181,199	**75,407**	181,199
Operating results					
Revenue	**28,427**	25,204	20,992	**73,389**	56,310
Operating expenses	**8,031**	7,852	5,616	**23,247**	18,104
Adjusted EBITDA (1)	**20,396**	17,352	15,376	**50,142**	38,206
Interest & depreciation expense	**1,040**	1,483	1,481	**4,408**	2,755
Adjusted operating income before tax (1)	**19,356**	15,869	13,895	**45,734**	35,451

(1) For additional information, see descriptions in the "Non-IFRS and Other Performance Measures" section.

Service Finance - Home Improvement Loans

In the third quarter, originations at Service Finance were approximately $468 million which, excluding PACE loans, represents an increase of approximately 35.4% compared to the same quarter in 2018.

Historically, originations have followed a seasonal pattern, with the second and third quarters being the strongest performing quarters. This is illustrated in the table below which shows originations for each of the most recent quarters:

Originations (US$ millions)[2]								
Q3, 2017	Q4, 2017	Q1, 2018	Q2, 2018	Q3, 2018	Q4, 2018	Q1, 2019	Q2, 2019	Q3 2019
249	208	222	336	346	307	290	426	468

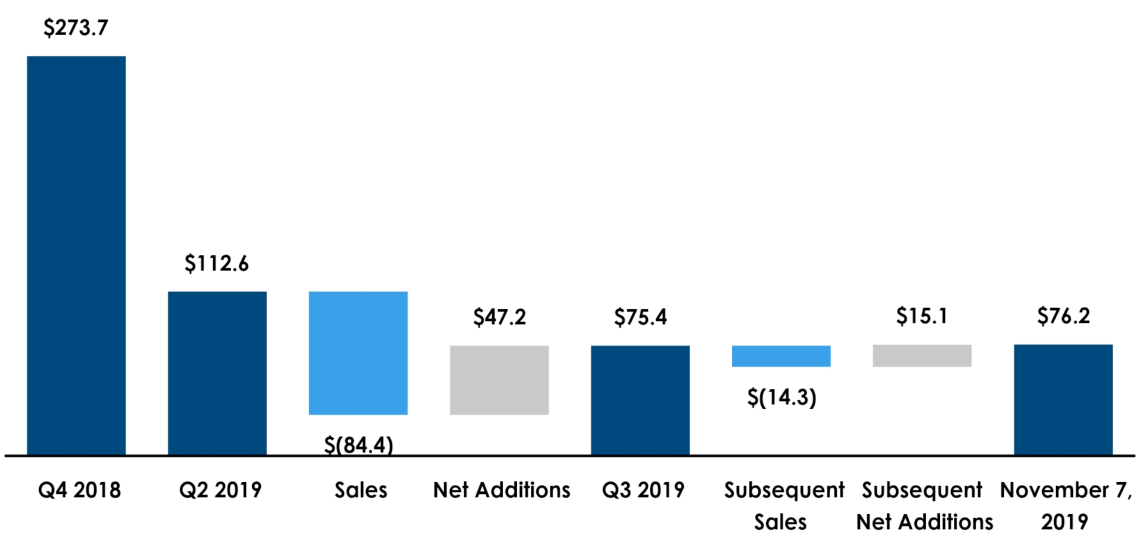
(2) Includes results from periods prior to the Company's acquisition of Service Finance on September 7, 2017. Amounts presented exclude originations of PACE loans.

Adjusted EBITDA and adjusted operating income before tax were $20.4 million and $19.4 million respectively, for the third quarter of 2019 compared to $15.4 million and $13.9 million, respectively, for the third quarter of 2018. This represents an increase of 32.6% and 39.3%, respectively.

Dealer advances as at September 30, 2019 were $46.7 million compared to $43.4 million at the end of the preceding quarter and $13.8 million as at September 30, 2018. Dealer advances consist primarily of staged fundings to key dealers with respect to committed home improvement loans. These loans are similar to Triad Financial's successful floorplan initiative and strengthen the relationship with Service Finance's key dealers. The increase in dealer advances outstanding compared to the prior quarter reflects the continued growth in exclusive arrangements with top home improvement dealers.

Held-for-trading assets as at September 30, 2019 were $75.4 million compared to $112.6 million at the end of the preceding quarter. Held-for-trading assets consist of loans that are originated on behalf of our bank partners with the intention of selling through under a portfolio sales agreement. In the third quarter of 2019, Service Finance successfully reduced held-for-trading assets by $84.4 million via sales and principal repayments. Net additions of $47.2 million in the quarter primarily reflect our complimentary flow program that we launched in early 2019 at the request of a bank partner. Complimentary flow program loans have the same credit quality and performance as our existing core loans (average FICO is >760), but have other criteria that differs from Service Finance's existing core loans (e.g. loan size). We will continue to originate and sell these loans through to our bank partners under ongoing portfolio sales agreements. Subsequent to quarter-end, we reached an agreement to sell an additional $14.3 million of held-for-trading assets, which was offset by $15.1 million of new originations, resulting in held-for-trading assets of $76.2 million as at November 7, 2019.

Held-for-Trading Financial Assets
(US$ millions)



The Company maintains its 2019 outlook of $1.6 billion to $1.8 billion in originations and $62 million to $66 million in adjusted operating income before tax. Please see the table below for the Company's 2019 outlook for the Service Finance segment.

Service Finance - Home Improvement Loans 2019 Outlook

	2019 Forecast Range	
Select Metrics (US$ millions)		
Originations	**1,600**	**1,800**
Managed and advised portfolio (period end)	**2,500**	**2,700**
Income Statement (US$ millions)		
Revenue	**96**	**101**
Adjusted EBITDA	**66**	**70**
Adjusted Operating Income Before Tax	**62**	**66**
Adjusted EBITDA margin	**~69%**	**~69%**

RESULTS OF THE KESSLER GROUP - CONSUMER CREDIT CARD PORTFOLIOS

The following table sets forth a summary of the Company's select metrics and results from the Kessler Group segment for the three-month periods ended September 30, 2019, June 30, 2019 and September 30, 2018, and the nine-month period ended September 30, 2019.

	For the three-month period ended			For the nine-month period ended
	September 30, 2019	June 30, 2019	September 30, 2018	**September 30, 2019**
(in 000's for stated values, except percent amounts)	**$**	$	$	**$**
Operating results				
Revenue	**17,965**	19,957	33,447	**62,484**
Operating expenses	**7,666**	8,419	12,030	**25,888**
Adjusted EBITDA (1)	**10,299**	11,538	21,417	**36,596**
Interest and depreciation expense	**709**	984	674	**2,514**
Adjusted operating income before tax and non-controlling interest (1)	**9,590**	10,554	20,743	**34,082**
Non-controlling interest in the Kessler Group	**315**	326	4,700	**1,187**
Adjusted operating income before tax (1)	**9,275**	10,228	16,043	**32,895**

(1) For additional information, see descriptions in the "Non-IFRS and Other Performance Measures" section.

The Kessler Group - Consumer Credit Card Portfolios Segment

Adjusted EBITDA and adjusted operating income before tax were $10.3 million and $9.3 million, respectively, for the third quarter of 2019 compared to $21.4 million and $16.0 million, respectively, for the third quarter of 2018. In the current quarter, the strategic partnerships, risk-based marketing and credit card portfolio management business segments continued to perform in line with our expectations. These businesses produce recurring management and investment fee revenue streams, which collectively contributed approximately 87% of Kessler Group revenues in the third quarter. The portfolio advisory business segment, which is the Kessler Group's traditional M&A business segment, represented approximately 13% of revenues in the third quarter. Under the leadership of Scott Shaw, the Kessler Group's new CEO, the primary strategic focus has been to reduce reliance on transactional M&A fees and invest in the growth of its businesses that produce recurring management and investment fee income.

To date, the Kessler Group has originated, syndicated and advised on credit card portfolio transactions totaling $0.9 billion[1], including a new transaction that closed in the third quarter of 2019. In an alignment of interests with third party institutional investors, the Kessler Group invested modest capital in each portfolio (~10% of the $0.9 billion aggregate purchase price). In addition to return on capital, the Kessler Group, as portfolio manager, is entitled to receive management and incentive fees.

1. The credit card issuer retains ownership and servicing rights for all customer accounts. Consequently, ECN and its syndicate partners assume no regulatory responsibilities and have no access to or responsibility for maintaining the confidential information for individual credit card account holders.

The Kessler Group - Consumer Credit Card Portfolios 2019 Outlook

The Company maintains its 2019 outlook of $44 million to $48 million in adjusted operating income before tax (ECN's share of $42 million to $46 million). Please see the table below for the Company's 2019 outlook for the Kessler Group segment.

	2019 Forecast Range	
Income Statement (US$ millions)		
Revenue	**86**	**90**
Adjusted EBITDA	**46**	**49**
Adjusted Operating Income Before Tax (100%)	**44**	**48**
Adjusted Operating Income Before Tax (ECN share)	**42**	**46**
Adjusted EBITDA margin	**~53%**	**~54%**

RESULTS OF TRIAD FINANCIAL SERVICES - SECURED CONSUMER LOAN PORTFOLIOS

The following table sets forth a summary of the Company's select metrics and results from the Triad Financial Services segment, for the three-month periods ended September 30, 2019, June 30, 2019 and September 30, 2018 and the nine-month periods ended September 30, 2019 and September 30, 2018.

	For the three-month period ended			For the nine-month period ended	
	September 30, 2019	June 30, 2019	September 30, 2018	**September 30, 2019**	**September 30, 2018**
(in 000's for stated values, except percent amounts)	**$**	$	$	**$**	$
Select metrics					
Originations	**171,048**	169,689	146,784	**458,428**	390,643
Managed assets, period end	**2,379,869**	2,288,214	2,157,244	**2,379,869**	2,157,244
Managed assets, period average	**2,334,042**	2,260,688	2,132,242	**2,266,691**	2,053,961
Manufactured housing loans	**99,296**	89,254	67,534	**99,296**	67,534
Held-for-trading financial assets	**16,550**	5,679	—	**16,550**	—
Operating results					
Revenue	**16,725**	16,308	14,012	**44,667**	36,162
Operating expenses	**7,823**	7,706	7,281	**22,020**	20,179
Adjusted EBITDA (1)	**8,902**	8,602	6,731	**22,647**	15,983
Interest and depreciation expense	**1,156**	1,120	736	**3,332**	1,299
Adjusted operating income before tax (1)	**7,746**	7,482	5,995	**19,315**	14,684

(1) For additional information, see descriptions in the "Non-IFRS and Other Performance Measures" section.

Triad Financial Services - Secured Consumer Loan Portfolios Segment

Total originations in the third quarter of 2019 of $171.0 million represent an increase of 16.5% compared to the same quarter in 2018.

Traditionally, this business is impacted by seasonality, with the second and third quarters of the year being the strongest performing quarters. This is illustrated in the table below which shows originations for each of the most recent quarters:

Originations (US$ millions)[2]								
Q3, 2017	Q4, 2017	Q1, 2018	Q2, 2018	Q3, 2018	Q4, 2018	Q1, 2019	Q2, 2019	Q3 2019
129	119	94	150	147	135	118	170	171

(2) Includes results from periods prior to the Company's acquisition of Triad Financial Services on December 29, 2017.

Adjusted EBITDA and adjusted operating income before tax were $8.9 million and $7.7 million, respectively, for the third quarter of 2019 compared to $6.7 million and $6.0 million, respectively, for the third quarter of 2018.

Manufactured housing loans consist primarily of floorplan loans as well as a modest amount of loans originated on behalf of bank partners with the intention of selling through under a portfolio sales agreement. The floorplan loans enable key dealers to finance their inventory and support the growth of their businesses. These loans strengthen the relationship with our key dealers and manufacturers.

The Company expects Triad Financial Services to provide consistent earnings contributions with the floorplan initiatives leading to increased core market share, originations growth from the introduction of new funding partners and the growth in shipment rates in the manufactured housing industry.

The Company maintains its 2019 outlook of $600 million to $620 million in originations and $22 million to $25 million in adjusted operating income before tax. Please see the table below for the Company's 2019 outlook for the Triad Financial Services segment.

Triad Financial Services - Secured Consumer Loan Portfolios 2019 Outlook

	2019 Forecast Range	
Select Metrics (US$ millions)		
Total Originations	**600**	**620**
Floorplan line utilized	**100**	**110**
Managed & advised portfolio (period end)	**2,500**	**2,600**
Income Statement (US$ millions)		
Revenue	**55**	**60**
Adjusted EBITDA	**26**	**30**
Adjusted Operating Income Before Tax	**22**	**25**
Adjusted EBITDA margin	**~47%**	**~50%**

RESULTS OF CORPORATE SEGMENT

The following table sets forth a summary of the Company's select metrics and results from the Corporate segment, for the three-month periods ended September 30, 2019, June 30, 2019 and September 30, 2018 and the nine-month periods ended September 30, 2019 and September 30, 2018.

	For the three-month period ended			For the nine-month period ended	
(in 000's for stated values, except percent amounts)	**September 30, 2019** **$**	June 30, 2019 $	September 30, 2018 $	**September 30, 2019** **$**	September 30, 2018 $
Operating results					
Revenues	**220**	534	1,214	**1,418**	5,005
Operating expenses	**5,812**	4,785	6,699	**15,972**	19,717
Adjusted EBITDA (1)	**(5,592)**	(4,251)	(5,485)	**(14,554)**	(14,712)
Depreciation & amortization	**521**	503	337	**1,375**	1,000
Interest expense	**3,847**	4,452	7,263	**11,943**	18,538
Adjusted operating income before tax (1)	**(9,960)**	(9,206)	(13,085)	**(27,872)**	(34,250)

(1) For additional information, see descriptions in the "Non-IFRS and Other Performance Measures" section.

Corporate

Revenue was $0.2 million for the quarter compared to $0.5 million for second quarter of 2019. Revenue primarily consists of income from legacy corporate investments and the decrease in the quarter reflects the continuing wind-down of this portfolio.

Corporate operating expenses of approximately $5.8 million were up compared to our normalized run rate of approximately $5.5 million per quarter due to costs related to the pursuit of strategic tuck-in M&A and other growth opportunities. Interest expense decreased compared to the second quarter of 2019 as a result of a lower average debt balance during the third quarter of $477.3 million compared to $527.2 million in the preceding quarter and a lower average borrowing rate.

ECN CAPITAL

Financial Position

The following tables set forth a summary of the Company's balance sheet, including a breakdown by core business segment, as at September 30, 2019, June 30, 2019 and September 30, 2018.

	September 30, 2019						
(in 000's for stated values, except percentage amounts)	**Service Finance** $	**The Kessler Group** $	**Triad Financial Services** $	**Corporate** $	**Continuing Operations** **$**	**Discontinued Operations** $	**Total** **$**
Assets							
Cash	6,973	18,389	5,988	2,140	**33,490**	—	**33,490**
Restricted funds	1,283	—	30,920	—	**32,203**	—	**32,203**
Accounts Receivable	6,133	64,956	17,588	913	**89,590**	22,668	**112,258**
Finance assets:							
Loans receivable	46,660	94,415	99,296	—	**240,371**	—	**240,371**
Held-for-trading financial assets	75,407	—	16,550	—	**91,957**	—	**91,957**
Total finance assets	122,067	94,415	115,846	—	**332,328**	—	**332,328**
Retained reserve interest	—	—	24,287	—	**24,287**	—	**24,287**
Goodwill and intangible assets	359,346	247,139	65,063	1,570	**673,118**	—	**673,118**
Deferred tax assets	—	—	—	40,606	**40,606**	—	**40,606**
Other assets and investments	37,839	20,224	7,027	124,304	**189,394**	3,155	**192,549**
Assets held-for-sale	—	—	—	—	**—**	185,089	**185,089**
Total Assets	**533,641**	**445,123**	**266,719**	**169,533**	**1,415,016**	**210,912**	**1,625,928**
Liabilities							
Debt	74,227	94,415	92,605	190,079	**451,326**	—	**451,326**
Other liabilities	25,843	139,961	37,096	75,196	**278,096**	11,990	**290,086**
Total Liabilities	**100,070**	**234,376**	**129,701**	**265,275**	**729,422**	**11,990**	**741,412**
Earning Assets - Owned and Managed							
Earning assets - owned	122,067	94,415	115,846	—	**332,328**	—	**332,328**
Earning assets - managed and advisory	2,331,909	27,906,179	2,379,869	—	**32,617,957**	—	**32,617,957**
Total Earning Assets - Owned and Managed and Advisory	**2,453,976**	**28,000,594**	**2,495,715**	**—**	**32,950,285**	**—**	**32,950,285**

Total finance assets for continuing operations were $332.3 million at September 30, 2019 compared to $323.2 million at June 30, 2019, and $311.3 million at September 30, 2018. The increase compared to the preceding quarter primarily reflects the growth in loans at Triad Financial Services and an additional participation in credit card portfolios at the Kessler Group, partially offset by the sale of loan portfolios at Service Finance.

Accounts receivable of $65.0 million at the Kessler Group were up $29.8 million compared to the prior quarter, primarily due to an increase in risk-based marketing receivables of approximately $20 million and a $7 million receivable from the syndication of an investment in a credit card portfolio that was collected immediately subsequent to quarter-end.

Earning assets - managed and advisory of $32.6 billion as at September 30, 2019 reflects managed loans of $2.3 billion at Service Finance, $2.4 billion in managed loans at Triad Financial Services and $27.9 billion in advisory assets at the Kessler Group.

Debt from continuing operations of $451.3 million increased by $13.6 million compared to June 30, 2019, reflecting the investment in the new credit card portfolio, partially offset by net repayment activity during the quarter.

	June 30, 2019						
(in 000's for stated values, except percentage amounts)	Service Finance $	The Kessler Group $	Triad Financial Services $	Corporate $	**Continuing Operations** **$**	Discontinued Operations $	**Total** **$**
Assets							
Cash	7,725	14,249	4,997	2,547	**29,518**	—	**29,518**
Restricted funds	2,789	—	29,496	—	**32,285**	—	**32,285**
Accounts Receivable	6,400	35,185	18,825	489	**60,899**	9,245	**70,144**
Finance assets							
Loans receivable	43,358	72,323	89,254	—	**204,935**		**204,935**
Held-for-trading financial assets	112,597	—	5,679	—	**118,276**	—	**118,276**
Total finance assets	155,955	72,323	94,933	—	**323,211**	—	**323,211**
Retained reserve interest	—	—	22,941	—	**22,941**	—	**22,941**
Goodwill and intangible assets	356,379	244,724	65,398	1,515	**668,016**	—	**668,016**
Deferred tax assets	—	—	—	44,155	**44,155**	—	**44,155**
Other assets and investments	37,443	21,021	12,603	111,886	**182,953**	3,513	**186,466**
Assets held-for-sale	—	—	—		**—**	230,191	**230,191**
Total Assets	**566,691**	**387,502**	**249,193**	**160,592**	**1,363,978**	**242,949**	**1,606,927**
Liabilities							
Debt	124,285	60,567	80,499	172,375	**437,726**	—	**437,726**
Other liabilities	23,520	124,880	37,968	83,524	**269,892**	11,320	**281,212**
Total Liabilities	**147,805**	**185,447**	**118,467**	**255,899**	**707,618**	**11,320**	**718,938**
Earning Assets - Owned and Managed							
Earning assets - owned	155,955	72,323	94,933	—	**323,211**	—	**323,211**
Earning assets - managed and advisory	2,049,581	27,841,154	2,288,214	—	**32,178,949**	—	**32,178,949**
Total Earning Assets - Owned and Managed and Advisory	**2,205,536**	**27,913,477**	**2,383,147**	**—**	**32,502,160**	**—**	**32,502,160**

(in 000's for stated values, except percentage amounts)	Service Finance $	The Kessler Group $	Triad Financial Services $	Corporate $	Continuing Operations $	Discontinued Operations $	Total $
	September 30, 2018						
Assets							
Cash	15,222	38,359	9,674	—	63,255	3,850	**67,105**
Restricted funds	225	40	19,036	—	19,301	10,294	**29,595**
Accounts Receivable	27,408	38,249	21,348	3,313	**90,318**	521	**90,839**
Finance assets							
Loans receivable	—	40,920	67,534	21,677	**130,131**	147,475	**277,606**
Held-for-trading financial assets	181,199	—	—	—	**181,199**	—	**181,199**
Equipment under operating leases	—	—	—	—	**—**	210,276	**210,276**
Total finance assets	181,199	40,920	67,534	21,677	**311,330**	357,751	**669,081**
Retained reserve interest	—	—	21,152		**21,152**		**21,152**
Goodwill and intangible assets	355,743	252,571	66,145	578	**675,037**	—	**675,037**
Deferred tax assets	—	—	—	37,122	**37,122**	—	**37,122**
Other assets and investments	12,595	14,759	1,552	140,811	**169,717**	64,532	**234,249**
Asset held-for-sale				4,650	**4,650**	592,644	**597,294**
Total Assets	**592,392**	**384,898**	**206,441**	**208,151**	**1,391,882**	**1,029,592**	**2,421,474**
Liabilities							
Debt	205,121	39,420	62,140	349,555	**656,236**	—	**656,236**
Liabilities held-for-sale	—	—	—	—	**—**	283,933	**283,933**
Other liabilities	2,054	101,337	26,344	89,075	**218,810**	9,814	**228,624**
Total Liabilities	**207,175**	**140,757**	**88,484**	**438,630**	**875,046**	**293,747**	**1,168,793**
Earning Assets - Owned and Managed and Advisory							
Earning assets - owned	181,199	40,920	67,534	21,677	**311,330**	357,751	**669,081**
Earning assets - managed and advisory	1,621,067	24,996,111	2,157,244	—	**28,774,422**	—	**28,774,422**
Total Earning Assets - Owned and Managed and Advisory	**1,802,266**	**25,037,031**	**2,224,778**	**21,677**	**29,085,752**	**357,751**	**29,443,503**

Book Value per Share

	Book value per share (US$)
September 30, 2016	$3.37
December 31, 2016	$3.35
March 31, 2017	$3.57
June 30, 2017	$3.63
September 30, 2017	$3.62
December 31, 2017	$3.56
March 31, 2018	$3.58
June 30, 2018	$3.63
September 30, 2018	$3.47
December 31, 2018	$3.14
March 31, 2019	$3.07
June 30, 2019	$3.10
September 30, 2019	**$3.08**

Delinquencies

The contractual delinquency of finance receivables at each reporting period is as follows:

	September 30, 2019		June 30, 2019		September 30, 2018	
	$	**%**	$	%	$	%
Current	**240,448**	**99.84%**	198,714	99.50%	441,896	99.83%
31-60 days past due	**7**	**—%**	415	0.21%	1,675	0.03%
61-90 days past due	**120**	**0.05%**	171	0.09%	6,829	0.14%
Greater than 90 days past due	**257**	**0.11%**	391	0.20%	—	—%
Total continuing operations	**240,832**	**100.00%**	199,691	100.00%	450,400	100.00%

Allowance for Credit Losses

Credit losses and provisions, as at and for each of the respective periods are as follows:

(in 000's except percentage amounts)	**Three-month period ended September 30, 2019** **$**	Three-month period ended June 30, 2019 **$**
Allowance for credit losses, beginning of period	**833**	768
Provision for credit losses	**100**	65
Charge-offs, net of recoveries, and other	**(95)**	—
Transfer to held-for-trading financial assets	**(377)**	—
Allowance for credit losses, end of period	**461**	833

The Company's allowance for credit losses was $0.5 million as at September 30, 2019, compared to the $0.8 million reported at June 30, 2019. Overall, the allowance is in-line with management's expectation of losses from the businesses and the current mix of assets.

Liquidity & Capital Resources

An important liquidity measure for the Company is its ability to maintain diversified funding sources to support its operations. The Company's primary sources of liquidity are: (i) cash flows from operating activities; (ii) the secured borrowing facilities; (iii) funding commitments from our Partners; and (iv) equity. The Company's primary use of cash is the funding of its capital allocation priorities, including funding organic growth initiatives for our new businesses, acquisition opportunities and returning capital to shareholders. The Company manages its capital resources by utilizing the financial leverage available under its senior credit facilities, selling loans that we originate to our Partners and, when additional capital is required, the Company has access to capital through the issuance of convertible debt, preferred or common shares. The Service Finance and Triad Financial Services segments have commitments in place to fund their total anticipated loan originations for the next 12 months.

As at September 30, 2019, the Company's debt to equity ratio was 0.51:1. The Company views its low financial leverage as a key indicator of the strength of the Company's financial position and the Company's ability to fund future growth opportunities.

The Company's capitalization and key leverage ratios are as follows:

		As at		
(in 000's for stated values, except for percentage amounts)		**September 30, 2019** **$**	June 30, 2019 $	September 30, 2018 $
Total debt	**(a)**	**451,326**	437,726	940,169
Shareholders' equity	**(b)**	**884,516**	887,989	1,252,681
Debt to equity ratio	**(a)/(b)**	**0.51**	0.49	0.75
Goodwill and intangibles	**(c)**	**673,118**	668,016	675,037
Tangible leverage	**(a)/[(b)-(c)]**	**2.13**	1.99	1.63

The increase in total debt compared to the second quarter of 2019 reflects the investment in the new credit card portfolio, partially offset by net repayment activity during the quarter.

DEBT AND CONTRACTUAL REPAYMENT OBLIGATIONS

The Company has significant resources available to continue funding projected growth. Finance receivables are securitized or sold to third party funding counterparties on a regular basis to ensure cash is available to fund new transactions. Cash levels are also monitored by management. In addition, the Company adheres to a strict policy of matching the maturities of owned finance assets and the related debt as closely as possible in order to manage its liquidity position.

The Company's available sources of financing are as follows:

		As at	
	September 30, 2019	June 30, 2019	September 30, 2018
(in 000's)	**$**	$	$
Cash and cash equivalents	**33,490**	29,518	67,105
Senior Facilities			
Facilities	**1,000,000**	1,000,000	2,200,000
Utilized against Facility; Continuing operations	**462,667**	450,500	668,232
	537,333	549,500	1,531,768
Public Asset-Backed Securities			
Facilities	**—**	—	283,933
Utilized against Facility	**—**	—	283,933
	—	—	—
Unutilized Borrowing Facilities (i.e. excl. Cash & Equiv.)	**537,333**	549,500	1,531,768

The Company had unutilized borrowing facilities of approximately $0.5 billion at September 30, 2019, which is consistent with $0.5 billion at June 30, 2019. This $0.5 billion in unutilized borrowing capacity is in addition to the commitments in place to fund loan originations from our Service Finance and Triad Financial Services business segments. Management believes the available liquidity from its cash and equivalents, unutilized borrowing capacity and the funding commitments in place at Service Finance and Triad Financial Services is sufficient to fund operations and internal growth initiatives.

Summary of Quarterly Information

The following table sets out selected financial information for each of the eight most recent quarters, the latest of which ended as at September 30, 2019. The information should be read in conjunction with ECN Capital's audited and interim unaudited consolidated financial statements, the notes thereto and the related management discussion and analysis for the relevant periods.

Key factors that account for the fluctuation in the Company's quarterly results include the year-over-year growth in originations at the Service Finance and Triad Financial Services business segments and the seasonality of these businesses, as well as fluctuation in the Kessler Group's advisory revenues from period to period. ECN acquired Service Finance on September 7, 2017, Triad Financial Services on December 29, 2017, 76% of the Kessler Group on May 31, 2018 and an additional 20% of the Kessler Group on March 21, 2019.

(in $ 000's for stated values, except ratio and per share amounts)	**Q3, 2019**	Q2, 2019	Q1, 2019	Q4, 2018	Q3, 2018	Q2, 2018	Q1, 2018	Q4, 2017
Adjusted operating income before tax (1)	**26,732**	24,699	19,828	24,585	27,548	10,989	611	1,311
Amortization of intangibles	**6,452**	6,453	6,453	6,504	4,287	3,037	3,154	2,615
Accretion of deferred purchase consideration	**2,035**	1,223	1,358	—	—	—	—	—
Share based compensation	**4,555**	2,970	6,160	3,588	4,882	2,534	3,334	4,251
Separation and reorganization costs	**—**	—	12,549	15,485	54	—	—	5,113
Purchase price premium on non-controlling interest	**—**	—	28,138	—	—	—	—	—
Business acquisition costs	**—**	—	—	—	—	13,143	261	2,350
Unrealized loss on economic currency hedge	**—**	—	(4,789)	4,289	—	—	—	—
Non-controlling interest	**315**	326	546	4,045	5,349	—	—	—
Net income / (loss) before income taxes	**13,375**	13,727	(30,587)	(9,326)	12,976	(7,726)	(6,138)	(13,018)
Net income, continuing operations	**8,203**	10,856	(20,781)	(2,406)	3,347	(1,993)	(1,583)	(1,573)
Net income, discontinuing operations	**(3,431)**	(932)	(2,160)	(102,727)	(60,830)	4,642	4,874	(6,681)
Net income / (loss) - total	**4,772**	9,924	(22,941)	(105,133)	(57,483)	2,649	3,291	(8,254)
Net earnings per share, basic, continuing operations	**$0.02**	$0.04	$(0.09)	$(0.02)	$0.00	$(0.01)	$(0.01)	$(0.01)
Adjusted net income	**20,605**	19,011	15,040	17,764	19,471	8,702	499	2,184
Adjusted net income, per share (basic)	**$0.09**	$0.08	$0.06	$0.06	$0.06	$0.02	$0.00	$0.01
Adjusted net income applicable to common shareholders per share (basic)	**$0.08**	$0.07	$0.05	$0.05	$0.05	$0.02	$(0.01)	$0.00
Earning Assets - owned	**332,328**	323,211	352,192	403,918	311,331	258,365	140,231	121,666
Earning Assets - managed and advisory	**32,617,957**	32,178,949	31,861,273	31,118,671	28,774,422	28,183,311	3,221,523	3,080,639
Earning assets - total	**32,950,285**	32,502,160	32,213,465	31,522,589	29,085,753	28,441,676	3,361,754	3,202,305
Loan and lease originations, continuing operations	**639,124**	598,010	419,201	463,120	508,950	505,210	335,718	213,360
Allowance for credit losses	**461**	833	768	644	4,688	4,620	9,163	2,160
As a % of finance receivables	**0.14%**	0.27%	0.22%	0.16%	1.04%	1.35%	2.86%	0.55%
Term senior credit facility, total	**462,667**	450,500	599,535	350,000	668,232	640,578	267,888	444,681
Deferred financing costs	**(11,341)**	(12,774)	(13,659)	(14,564)	271,937	272,903	275,833	697,693
Total Debt	**451,326**	437,726	585,876	335,436	940,169	913,481	543,721	1,142,374
Shareholders' Equity / Owners' Net Investment, total	**884,516**	887,989	880,035	1,106,977	1,252,681	1,343,746	1,441,614	1,498,392
Book value per share (excluding pref. shares), total	**$ 3.08**	$ 3.10	$ 3.07	$ 3.14	$ 3.47	$ 3.63	$ 3.58	$ 3.56

(1) For additional information, see "Non-IFRS and Other Performance Measures" section.

Non-IFRS and Other Performance Measures

DESCRIPTION OF NON-IFRS MEASURES

The Company uses certain measures to assess our financial performance that are not generally accepted accounting principles measures under IFRS ("Non-IFRS measures"). The Company believes the non-IFRS measures described below are more reflective of our ongoing operating results and provide readers with a better understanding of the Company's operating performance through the eyes of management. Non-IFRS measures are intended to provide additional information only and do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should not be considered in isolation or as a substitute for measures of performance determined under IFRS.

The following discussion describes the non-IFRS measures we use in evaluating our operating results.

Adjusted Earnings before interest expense, taxes, depreciation and amortization ("adjusted EBITDA")

We define adjusted EBITDA as net income before interest expense, income tax expense, depreciation and amortization. We believe adjusted EBITDA is a key measure of the Company's operating performance over the long term and is a useful measure of the Company's ability to generate cash from operations to maintain and grow its core business. Investors and analysts also use adjusted EBITDA as a measure to compare the operating performance of different businesses in the business services sector and to assess the enterprise value of a business as adjusted EBITDA eliminates the impact of financing decisions.

Adjusted operating income before tax and Adjusted net income applicable to common shareholders

Adjusted operating income before tax is net income excluding the impact of share-based compensation, separation and reorganization costs, business acquisition costs, loss (gain) on business disposals, impairment charges and asset valuation reserves, amortization of intangible assets acquired in business combinations, deferred purchase consideration, cumulative dividends on preferred shares, loss (income) from discontinued operations and income tax. Management believes it is appropriate to adjust for these items when evaluating the underlying performance of our business because amortization of intangible assets and share-based compensation are primarily non-cash in nature; separation and reorganization costs, business acquisition costs and loss (gain) on business disposals do not relate to continuing operating activities; deferred purchase consideration is considered part of the purchase price consideration for business acquisitions notwithstanding the accounting treatment which views all or a portion of the related payments, depending on how it is structured, to be an operating expense; dividends on preferred shares are a financing cost not related to operating activities; and income tax expense is managed at a corporate level and is a function of the jurisdictions in which the Company operates and not the underlying performance of our business segments.

Adjusted net income is adjusted operating income before tax less the provision for income taxes applicable to adjusted operating income before tax. Adjusted net income per share applicable to common shareholders is computed as adjusted net income less cumulative preferred share dividends.

Adjusted operating income before tax is a key operating measure used by management to assess the underlying operating performance of the Company's business segments, including the determination of amounts to be paid out pursuant to deferred purchase consideration plans and Performance Share Unit (PSU) plans. Management also uses this measure to prepare the internal budgets and forecasts that support the Company's public guidance. Adjusted net income provides a consolidated view of the Company's underlying financial performance attributable to the common shareholders. The presentation of these measures enables investors and analysts to better understand the underlying performance of our business segments.

Adjusted net income per share and Adjusted net income per share applicable to common shareholders

Adjusted net income per share is computed as adjusted net income divided by the basic weighted average number of common shares outstanding during the period. Adjusted net income per share applicable to common shareholders is computed as adjusted net income applicable to common shareholders divided by the basic weighted average number of common shares outstanding during the period.

Earning assets - owned
Earning assets - owned are the finance receivables from continuing operations held on our balance sheet.

Managed and advisory assets
Managed and advisory assets are the asset portfolios in the Company's Service Finance, Triad Financial Services and the Kessler Group segments that the Company manages, services or advises on behalf of its Partners. The Company earns either servicing, portfolio advisory or reserve income from these portfolios.

In addition, the Company utilizes the following performance measures, which are derived from amounts calculated in accordance with IFRS to assess performance:

Allowance for credit losses as a percentage of finance receivables
Allowance for credit losses as a percentage of finance receivables is the allowance for credit losses at the end of the period divided by the finance receivables (gross of the allowance for credit losses) at the end of the period.

Average debt
Average debt is calculated as the daily weighted average borrowings outstanding under all of the Company's secured borrowings facilities throughout the period.

Finance assets or total finance assets
Finance assets are the sum of the total finance receivables and the total carrying value of the equipment under operating leases.

Debt to equity ratio
Debt to equity ratio is calculated as total debt (secured borrowings) outstanding at the end of the period, divided by total shareholders' equity outstanding at the end of the period. Debt to equity refers to the use of debt to acquire/finance additional finance receivables and other assets and provides an indication of future potential ability to increase the level of debt when compared to specific industry-standard and/or existing debt covenants.

Tangible leverage ratio

The tangible leverage ratio is calculated as secured borrowings divided by the net of shareholders' equity less goodwill and intangible assets, at the period end. The tangible leverage ratio refers to the use of debt to acquire or finance additional finance receivables. Similar to the financial leverage ratios, the tangible leverage ratio provides an indication of the potential ability to increase the level of debt but based on tangible equity (excluding goodwill and intangible assets) within the Company.

RECONCILIATION OF NON-IFRS TO IFRS MEASURES

The following table provides a reconciliation of non-IFRS to IFRS measures related to the Company's consolidated continuing results of operations for three-month periods ended September 30, 2019, June 30, 2019 and September 30, 2018 and the nine-month periods ended September 30, 2019 and September 30, 2018.

	For the three-month period ended			For the nine-month period ended	
	September 30, 2019	June 30, 2019	September 30, 2018	**September 30, 2019**	September 30, 2018
(in 000's for stated values, except percent amounts)	**$**	$	$	**$**	$
Reported and adjusted measures					
Net (loss) income from continuing operations	**8,203**	10,856	3,347	**(1,722)**	(228)
Adjustments:					
Share-based compensation	**4,555**	2,970	4,882	**13,685**	10,750
Amortization of intangibles	**6,452**	6,453	4,287	**19,358**	10,478
Accretion of deferred purchase consideration	**2,035**	1,223	—	**4,616**	—
Business acquisition costs	**—**	—	—	**—**	13,404
Separation and reorganization costs	**—**	—	54	**12,549**	54
Purchase price premium on non-controlling interest	**—**	—	—	**28,138**	—
Unrealized loss on economic currency hedge	**—**	—	—	**(4,789)**	—
Non-controlling interest in the Kessler Group	**315**	326	5,349	**1,187**	5,349
Provision (recovery)of income taxes	**5,172**	2,871	9,629	**(1,763)**	(659)
Adjusted operating income before tax and NCI	**26,732**	24,699	27,548	**71,259**	39,148
Non-controlling interest in the Kessler Group	**315**	326	4,700	**1,187**	5,349
Adjusted operating income before tax	**26,417**	24,373	22,848	**70,072**	33,799
Provision for taxes applicable to adjusted operating income (1)	**5,812**	5,362	3,377	**15,416**	5,786
Adjusted net income	**20,605**	19,011	19,471	**54,656**	28,013
Cumulative preferred share dividends during the period	**2,407**	2,389	2,447	**7,201**	7,436
Adjusted net income attributable to common shareholders	**18,198**	16,622	17,024	**47,455**	20,577
Per share information					
Weighted Average number of shares outstanding (basic)	**240,171**	239,647	326,888	**243,331**	342,880
Adjusted net income per share (basic)	**$0.09**	$0.08	$0.06	**$0.22**	$0.08
Adjusted net income applicable to common shareholders per share (basic)	**$0.08**	$0.07	$0.05	**$0.20**	$0.06
Adjusted operating income before tax comprised of:					
Service Finance	**19,356**	15,869	13,895	**45,734**	35,451
The Kessler Group	**9,275**	10,228	16,043	**32,895**	17,914
Triad Financial Services	**7,746**	7,482	5,995	**19,315**	14,684
Corporate	**(9,960)**	(9,206)	(13,085)	**(27,872)**	(34,250)
	26,417	24,373	22,848	**70,072**	33,799

(1) Provision for taxes applicable to adjusted operating income reflects an effective tax rate of 22.0% for each of the periods presented.

Accounting and Internal Control Matters

Critical Accounting Policies and Estimates and Use of Judgments

The Company's significant accounting policies are described in note 2 of our 2018 Annual Consolidated Financial Statements. Certain of these policies, and related estimates and judgments have been identified as "critical" to the presentation of our financial condition and results of operations because they require us to make subjective and/or complex judgments about matters that are inherently uncertain; or there is a reasonable likelihood that materially different amounts could be reported under different conditions or using different assumptions and estimates. Our significant accounting judgments, estimates and assumptions relate to inventory, allowances for credit losses, income taxes, useful lives and residual values of equipment under operating leases, goodwill and intangible assets, derecognition of financial assets, and the outcome of contingencies such as lawsuits, claims or proceedings incident to the operation of our businesses. Our critical accounting policies and estimates have been reviewed and approved by our Audit Committee, in consultation with management, as part of their review and approval of our significant accounting policies, judgments, estimates and assumptions. Please refer to note 2 of our 2018 Annual Consolidated Financial Statements for a description of each of our significant accounting judgments, estimates and assumptions.

The preparation of financial statements in accordance with IFRS requires management to make estimates and exercise judgments that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The estimates and judgments are made based on information available as at the date the consolidated financial statements are issued. Accordingly, actual results may differ from those recorded amounts.

The Company is involved in various lawsuits, claims and proceedings incident to the operation of its businesses. Although the outcome of litigation cannot be predicted with certainty and some lawsuits, claims or proceedings may be disposed of unfavorably to us, it is management's opinion that none of these will have a material adverse effect on the Company's financial position, results of operations or cash flows. Costs related to such matters were not material to the periods presented.

Effective January 1, 2019, the Company made the following key changes to its significant accounting policies:

Adoption of International Financial Reporting Standards 16 - Leases ("IFRS 16")

On January 1, 2019, the Company adopted IFRS 16 which has replaced IAS 17, Leases ("IAS 17"). The Company uses the modified retrospective approach and has implemented the following accounting policies in respect of right-of-use assets and lease liabilities as a result of the IFRS 16 adoption.

Right-of-Use Assets
The Company measures right-of-use assets at amortized cost less any accumulated depreciation and impairment charges. Right-of-use assets are recognized at the time that the underlying asset is available for use ("lease commencement date").

Lease Liabilities

Lease liabilities are measured at the discounted present value of lease payments over the term of the lease. Following initial recognition at the time of the lease commencement date, the Company increases the lease liability for accretion and reduces the lease liability for any payments made.

As a result of the adoption of IFRS 16, the Company recorded an asset of $18,416 and an offsetting liability to the lessor in the same amount. Additionally, the opening balance of retained earnings was reduced by $521.

Please refer to note 2 of our September 30, 2019 interim condensed consolidated financial statements for a detailed description of the accounting policy changes.

Internal Control over Financial Reporting

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for designing disclosure controls and procedures to ensure that material information is being recorded, processed, summarized, and reported to senior management, including the certifying officers and other members of the Board of Directors, on a timely basis, so that appropriate decisions can be made regarding public disclosure. In addition, the CEO and CFO are responsible to design, or cause to be designed under their supervision, internal controls over financial reporting to a standard that provides reasonable assurance of the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

It should be noted that while the Company's CEO and CFO believe that the Company's internal control system and disclosure controls and procedures provide a reasonable level of assurance that the objectives of the control systems are met, they do not expect that the Company's control systems will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurances that any designs will succeed in achieving its stated goals under all potential conditions.

The Company has an established process in place to ensure the effectiveness of the disclosure controls and internal controls over financial reporting.

Updated Share Information

The Company is currently authorized to issue (i) an unlimited number of common shares without nominal or par value and (ii) an unlimited number of preferred shares, issuable in series.

As at November 7, 2019, the Company had 240,503,724 common shares, 18,830,559 options; 4,000,000 Series A preferred shares, and 4,000,000 Series C preferred shares issued and outstanding.

This Management's Discussion and Analysis is dated as of the close of business on November 7, 2019.

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