

# Third Quarter 2023

Financial Results

## FINANCIAL INDUSTRY SOLUTIONS

**\$15B**

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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# Disclaimer

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## STRATEGIC UPDATE

## Q3 OVERVIEW

## OPERATING HIGHLIGHTS

### Business Services

- Manufactured Housing
- RV & Marine

## CONSOLIDATED FINANCIAL SUMMARY

## CLOSING SUMMARY

# Strategic Update

# Executive Summary

## ECN making necessary improvements to drive growth and deliver results in 2024

### Strategic decisions to maximize shareholder value

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- Skyline partnership closed in Q3; 20% interest purchased at C\$3.04 per share
  - Skyline & Triad developing key products and services for JV launch
  - Reiterating growth and earnings potential of JV partnership
- ECN corporate simplification plan well underway and on track to deliver on goals
- Triad funding arrangements announced last quarter in effect; will drive growth in 2024
- Decision to accelerate bulk sales in Q3 resulted in reduced origination revenue by ~\$10.3 million
- Triad implemented a 100-day plan to improve efficiency, drive growth and continue to build the industry's best-in-class MH financing platform
- New executive leadership announced at Source One to drive next phase of growth
- ECN expects to conclude the Marine/RV strategic review in Q1 2024 likely with an announced spin or sale of the business
- Extensive 3rd party validation of ECN
- Reiterating 2024 consolidated operating guidance of \$0.19 - \$0.25

# Skyline Strategic Partnership

## Skyline strategic investment closed in Q3; will create significant Shareholder value

Driving growth for both Triad independent & Skyline owned dealers



- Strategic investment closed in Q3; Skyline ~20% investment in ECN at C\$3.04 per share
- Tawn Kelley (Skyline Director) added to ECN Board of Directors; Mark Yost (Skyline CEO) added as Board Observer
- Partnership began immediately developing key product offerings for the JV captive finance company – Champion Financing
- Implementing both retail & commercial lending products to be available to both Skyline Champion owned retailers and independent retailers selling Skyline Champion homes
  - Commercial (floorplan & rental) launch in Q4 2023
  - Retail launch in early Q1 2024 – currently planning for Louisville MH show in mid-January as stated by Skyline on its recent earnings call

# Reiterating Growth Drivers & Earnings Potential



	Description	Timing	Triad Incremental 2024E Pre-Tax Income
1a	<p><b>Immediate Floorplan Opportunity</b></p> <ul style="list-style-type: none"> <li>Shifting Skyline dealers' floorplan financing relationships to Triad                             <ul style="list-style-type: none"> <li>As of Sept 30<sup>th</sup> Skyline had ~\$297M product under floorplan financing arrangements, ~\$241M 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>Q4 2023/ H1 2024</li> </ul>	\$2M - \$3M
1b	<p><b>Related Retail Volume</b></p> <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>H1 2024</li> </ul>	\$4M - \$9M
2	<p><b>Increased Wallet Share of Skyline Financing Opportunities</b></p> <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	<p><b>Homeowner Upgrades</b></p> <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>



# Simplified Operating Structure

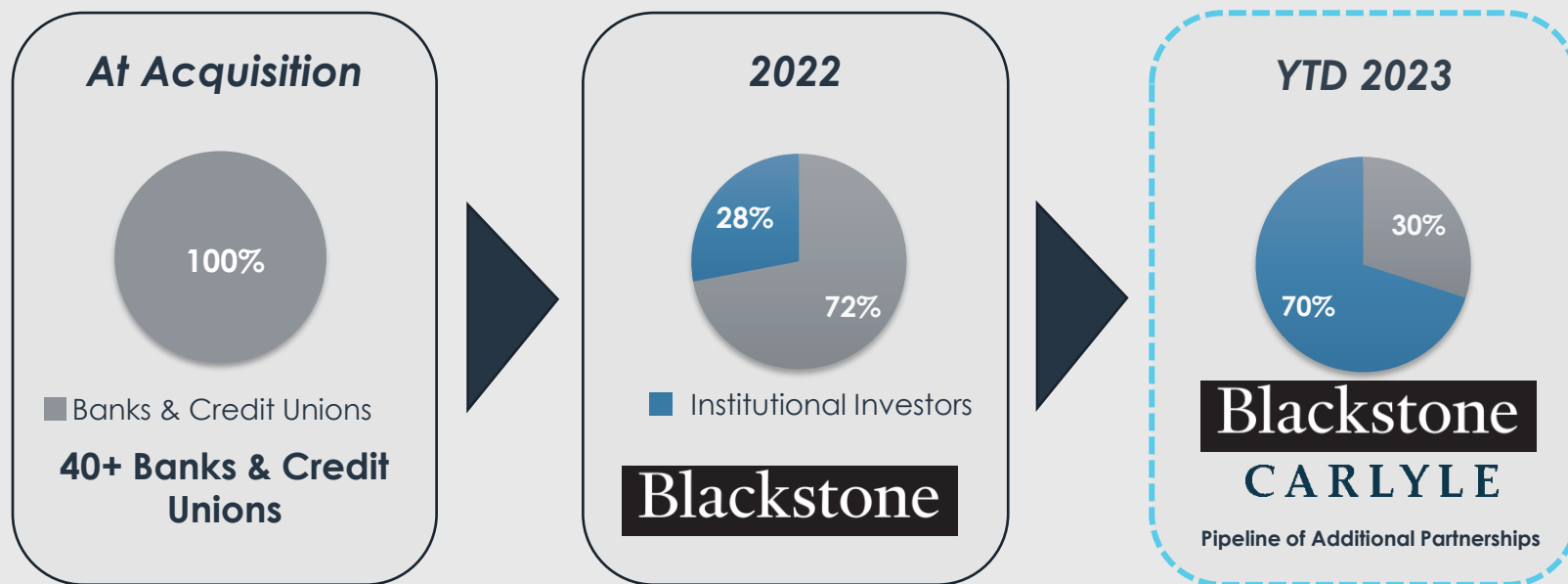
**Board approved corporate simplification plan has three components:**

<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</b></p>	<ul style="list-style-type: none"> <li>• ECN expects to conclude the Marine/RV strategic review in Q1 2024 likely with an announced spin or sale of the business</li> <li>• ECN intends to internalize servicing operations in Q4 2023/H1 2024</li> <li>• Advanced discussions with multiple new funding partners including both banks and insurance capital – Expect new programs launched in Q4 2023/Q1 2024</li> </ul>

# Triad's Funding Evolution

## Triad's proactive addition of institutional funding adds diversity and flexibility

Funding diversity and flexibility results in stability of funding across economic cycles



- 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 bank & credit union funding partners in 2023
- Recently, demand from traditional bank & credit union funding partners has started to improve; long-term mix expectations closer to 50%/50% over time depending on market dynamics

# Validation of Core Business

## Significant confidence in ECN's core businesses by highly respected third-parties

Platforms validated through rigorous due diligence spanning all areas of operations

	Area	Third-Party	Relationship Overview
1	Funding	 	<ul style="list-style-type: none"> <li>• Combined \$1.3Bn of committed flow for Triad MH retail loans into 2024</li> <li>• Retained servicing on all originations</li> <li>• Institutional investor confidence in Triad servicing capabilities supported by improved servicer rating (see below)</li> </ul>
2	Equity Investor		<ul style="list-style-type: none"> <li>• Strategic equity investment from a leading manufactured home builder</li> <li>• Creation of captive finance company to drive incremental retail sales/asset light financing fees and new product development</li> </ul>
3	Rating Agency		<ul style="list-style-type: none"> <li>• Fitch Ratings upgraded Triad's servicing rating to 'RPS3+' from 'RPS3' in Q2</li> <li>• The rating "<i>reflects Triad's experienced management team and staff improvements, effective servicing systems and technology, and its highly developed business relationships and sourcing strategy</i>"</li> </ul>
4	Executive Leadership	n/a	<ul style="list-style-type: none"> <li>• New executive leadership at Triad (Lance Hull) and Source One (Mike Opdahl)</li> <li>• Industry veterans with proven track records in consumer finance</li> </ul>

# Q3 OVERVIEW

# Q3 Overview

## Q3 RESULTS

- Q3 Adj operating EPS to common of \$0.00

## MANUFACTURED HOUSING

- Lance Hull implemented 100-day plan to drive improved efficiency and future growth
- Triad Q3 originations -5.4% Y/Y; YTD originations -2% Y/Y excluding portfolio purchase in Q1 2022
- Core chattel growth accelerating with ~30% origination growth in September & October Y/Y
- Decision to accelerate bulk sales in Q3 resulted in reduced origination revenue by ~\$10.3 million
- Fair value adjustment taken in Q3 to reflect lower GOS in the quarter
- Managed assets increased 18% in 2023 to ~\$4.8 billion with 87.4% fully serviced
- Fully funded for 2023 & 2024 with both new and updated funding programs from institutional partners

## MARINE & RV

- New executive leadership added to drive growth plans going forward; Mike Opdahl named President
- Q3 originations of \$211 million; both Marine and RV continued to experienced slowdowns due to changes in consumer shopping behavior, greater incidences of cash purchases and reduced funding partner demand while we finalize new funding relationships
- ECN expects to conclude the Marine/RV strategic review in Q1 2024 likely with an announced spin or sale of the business

## INVENTORY FINANCE (“IF”)

- \$142 million in total Commercial balances; RV/Marine IF (Red Oak) moved to held for sale; MH IF flow program with Blackstone to flow and manage up to \$300 million of inventory finance assets launched in Q2

# OPERATING HIGHLIGHTS

- Manufactured Housing
- Marine & RV
- Inventory Finance





# Triad 100-Day Plan

## New executive leadership immediately implemented 100-day plan

Designed to identify opportunities and implement best in class approach to improve customer experience

**100-day plan will deliver results in 2024 allowing for better growth & efficiency**

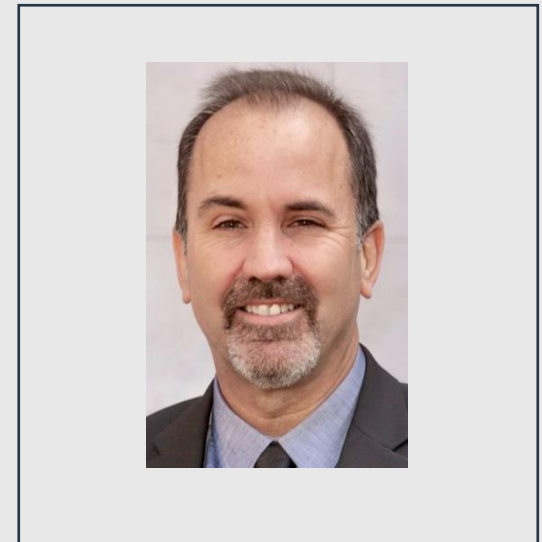
**Established Change Management Office headed by Ayesha Kahn to support planning and delivery of key initiatives and drive improvements**

- **Originations:**

- Focus on improvements to speed and efficiency
- Updates to and integration of systems to improve communications internally and externally to maximize efficiency and speed
- Streamline teams into pods to
  - Encourage cross-product coordination and reduce "siloes" efforts
  - Better alignment with retailers' sales efforts

- **Servicing:**

- Build on best-in-class team and platform – recent Fitch upgrade to RPS3+
- Strengthened servicing teams focused on higher-touch portfolios (COP, Silver, Bronze) to drive improved performance
  - Added collectors and increased frequency of contact
  - Already resulting in delinquency improvement across products
  - Large opportunity across these portfolios with enhanced servicing results



**Lance Hull, President Triad**



# Manufactured Housing Highlights

- Adjusted operating income before tax in Q3 of \$7.9 million
  - Q3 originations -5.4% Y/Y; approvals (\$) +17.3%
  - Accelerated pool sales resulted in lower gain on sale reduced Q3 by ~\$10.3 million
  - Fair-value adjustment taken in Q3 to reflect lower realized GOS
- Managed portfolios grew ~18% Y/Y to ~\$4.8 billion
- Closed strategic partnership with Skyline
- Significant progress to date on Skyline JV
- Lance Hull's 100-day plan underway
- 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)	Q3 2023	Q3 2022
Originations	360.6	381.0
Period end managed portfolios	4,804.1	4,081.2
Adjusted revenue <sup>1</sup> :		
Origination revenue	18.1	29.9
Servicing & other revenue	24.6	17.1
Total adjusted revenue	42.7	46.9
Adjusted EBITDA	22.4	27.5
Adjusted operating income before tax	7.9	21.0





# Q3 Program Update

## Q3 trends showing strong improvement; approvals to drive origination growth in 2024

Approvals accelerating & Core Chattel strength leading recovery

### Month-over-Month trends improving

- Jun approvals -10.4% (units) with Core CH +18.1%
- Jul approvals +3.0% (units) with Core CH +14.6%
- Aug approvals +19.8% (units) with Core CH +32.2%
- Sep approvals +7.0% (units) with Core CH +19.2%

Quarterly Performance Update					
	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Total Approvals (units)	+8.0%	+0.7%	-14.0%	-19.4%	+9.5%
Total Approvals (\$)	+25.4%	+9.8%	-13.6%	-25.6%	+17.3%
Total Originations (\$)	+27.4%	+8.0%	+10.9% <sup>1</sup>	-8.6%	-5.4%

- Q3 approvals +9.5% (units), +17.3% (\$); originations -5.4% (\$)
- Core CH approvals (units) increased 22.2% Y/Y in Q3; trends continuing in Q4
- Core CH originations ~+30% Y/Y in September & October
- Reduced demand from lower income borrowers due to continued economic issues drove lower COP & Bronze originations in Q3 partially offset by Q3 rental originations +140% Y/Y

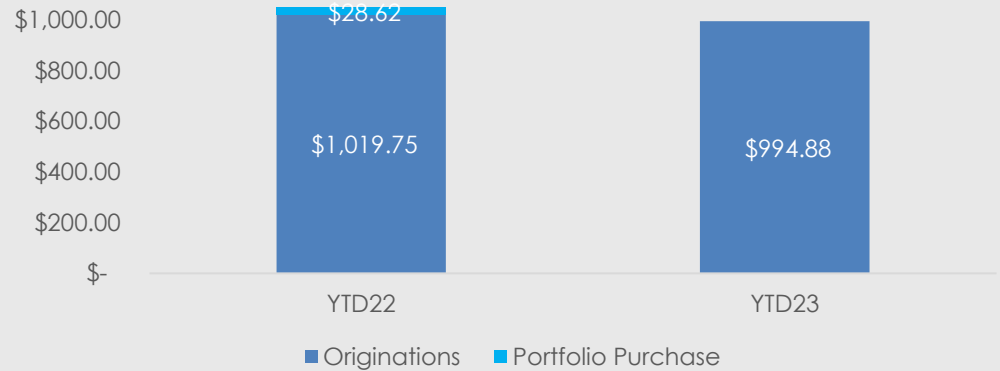


# Retail Originations

- Q3 2023 Originations -5.4% Y/Y
- YTD 2023 Originations -2% Y/Y excluding Q122 portfolio purchase
- Triad continues to outperform industry shipments of -19% Y/Y in Q3 & -26% YTD 2023
- High margin core chattel originations +6% in Q3 Y/Y: ~+30% in Sept/Oct

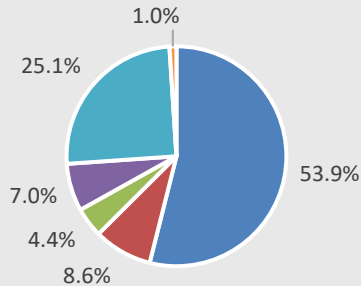
## YTD TOTAL ORIGINATIONS

(\$ millions)



## ORIGINATION MIX

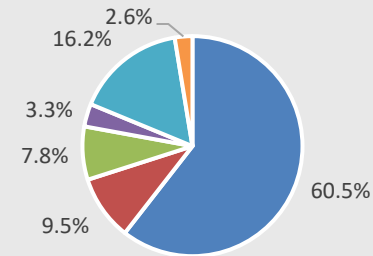
Q322



■ Core Chattel ■ Core-Land-Home ■ Silver  
 ■ Bronze ■ Community Loans ■ Community Rental

## ORIGINATION MIX

Q323

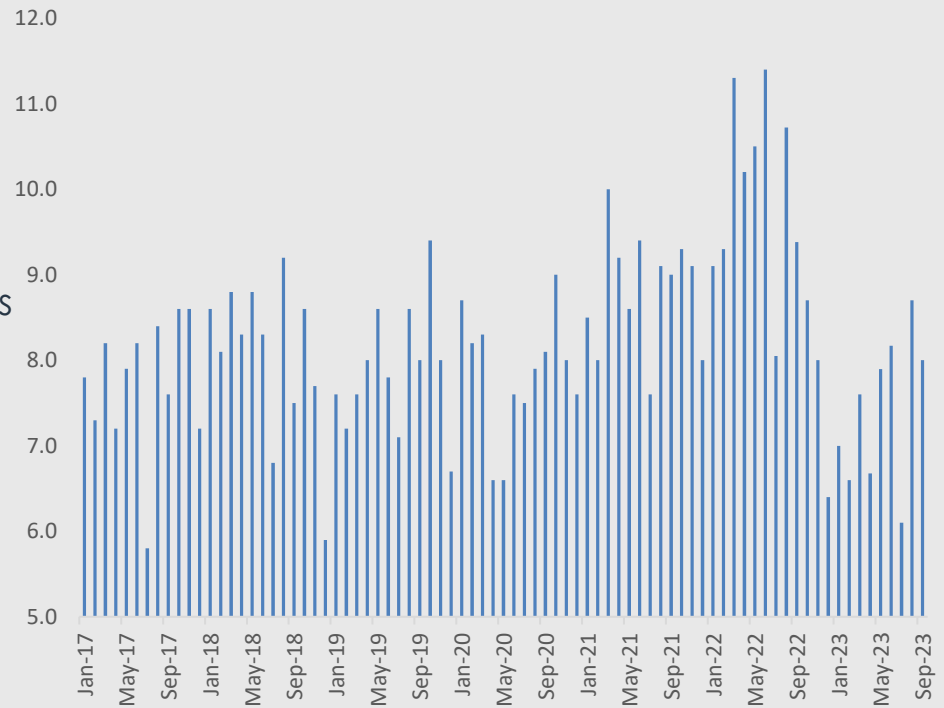


■ Core Chattel ■ Core-Land-Home ■ Silver  
 ■ Bronze ■ Community Loans ■ Community Rental



# MH Shipments

**MH SHIPMENTS (UNITS, 000's)**  
Jan 2017 - Sep 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 Q3 originations -5.4% significantly outperforming MH shipments
  - Q3 2023 MH shipments -19%
- YTD Triad originations -2% (excluding portfolio purchase) compared to shipments -26%
- Q3 shipments -19% improved vs. Q2 -29% as previously elevated dealer inventory normalizes
  - Trends continuing in Q4

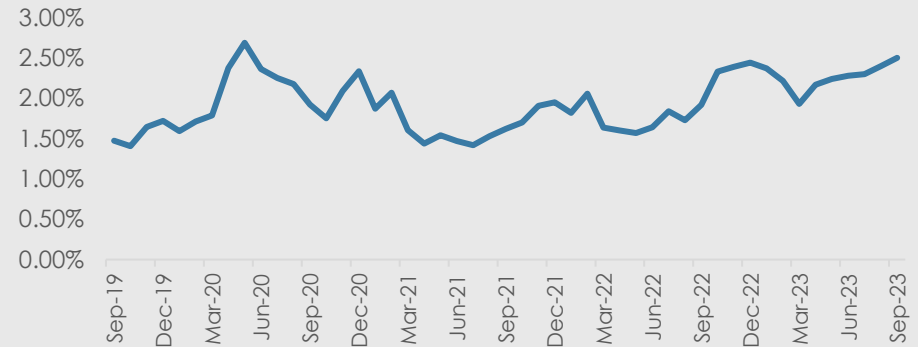


# Portfolio Credit Trends

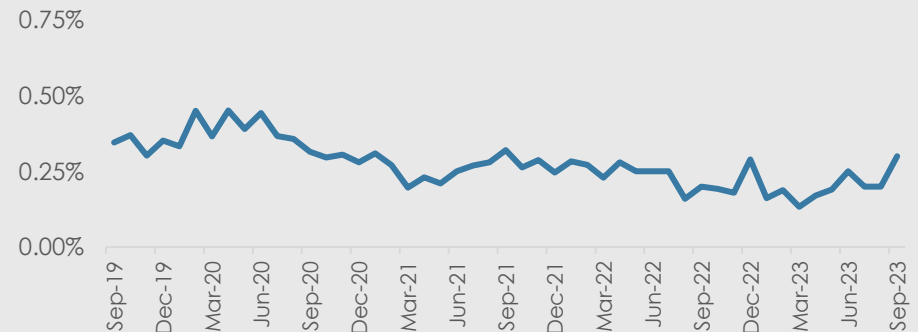
## CONTINUED STRONG CREDIT PERFORMANCE

- 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 - Rental Overview

**Triad’s Rental Finance loans are secured loans made to Manufactured Housing Communities to finance homes within their community that are rented to residents**

- The program is primarily targeted to larger, well-established and financially strong community owners
- Triad has a perfected first lien on the home with all loans cross-collateralized
- Triad extends financing up to 80% of value after an annual lease with a renter has been executed – Triad does not fund short-term rentals
- Gross yields of 11%+; Originated ~\$45 mln in 2023 YTD +367% Y/Y
- Significant growth opportunity for 2024; flow partners in advanced discussions

	<u>Risk Mitigants</u>	<u>Description</u>
#1	<b>Qualified Commercial Borrowers</b>	• Each community credit-limit qualified by dedicated teams of credit professionals based on standard underwriting criteria
#2	<b>Fully Secured Loan Advances</b>	• Security perfected via UCC-1 filing; specific to each loan advance
#3	<b>Loan-to-Value</b>	• Advances up to 80% of value
#4	<b>Cross Collateralized</b>	• All rental homes cross collateralized
#5	<b>Positive Cash Flow</b>	• All homes >1x debt service coverage
#6	<b>Uncommitted Lending</b>	• Rental credit limits typically uncommitted; can be withdrawn without notice



# Commercial - Rental Opportunity

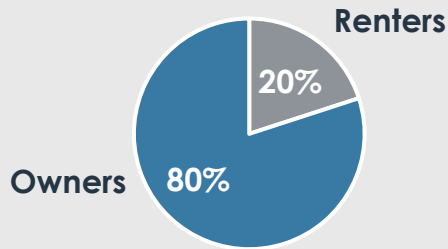
## Growing opportunity and demand for rental finance

### Demand

- Increased home prices and loan rates are leading more consumers to rent versus buy; originations of \$45 mln 2023 YTD +367%

### Size

- According to MHI, ~20% of MH homes are rented totaling ~860 thousand MH rentals for ~\$40 billion of home values<sup>1</sup>



Category	Statistics <sup>1</sup>
MH Communities	43,000
MH Community Homesites	4.3 million
MH Community Renters	0.86 million

### Long-Term Retail Opportunity

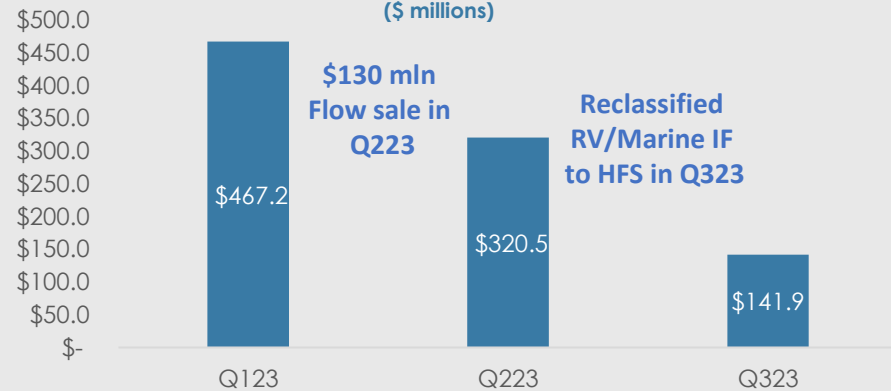
- 69%/38% of renters with annual salary above/below \$75,000 say they are extremely likely to purchase their rented home
- Converting renters to owners will be a significant retail finance opportunity for Triad looking ahead



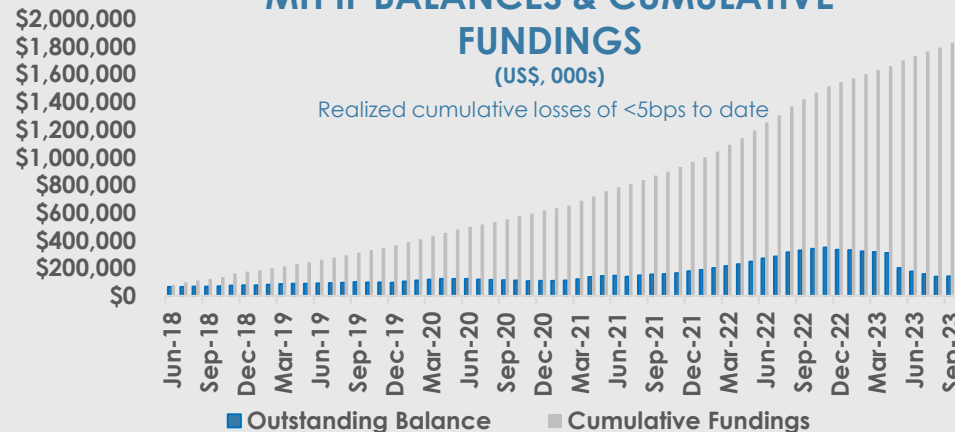
## MH inventory finance business flowing assets to select funding partners

- Commercial balance of \$141.9 million
- RV & Marine IF balance of \$140.3 million reclassified as held for sale in Q3 with expected business sale in Q1 2024
- Q3 MH IF Originations of \$95 million compares to \$102 million in Q2 & \$87 million in Q1
- MH IF average interest yield of ~11%+ in Q3 consistent with prior quarters; monthly floating rate product indexed to SOFR; fee income earned in addition to interest income
- Leverages 3,000+ MH dealers & select manufacturers
- Drives engagement and retail flow
- Launched \$300 million MH IF flow program with institutional partner; Sold \$130 million in Q2
- Rental originations of ~\$45 million YTD 2023 +367% Y/Y; large pipeline of rental opportunities for 2024

### COMMERCIAL BALANCES



### MH IF BALANCES & CUMULATIVE FUNDINGS





# Red Oak Inventory Finance

- Over the last 18+ months, ECN successfully launched, incubated and grew Red Oak, its RV/Marine/Trailer inventory finance platform
- Red Oak has exceeded expectations and currently has a portfolio of ~\$140 million
  - In order to reach business potential ECN would have to allocate significant ongoing capital
- ECN is in advanced discussions to sell Red Oak; announcement expected in Q4 with a Q1 2024 close
  - Discussions include continuing retail & wholesale partnership between Red Oak and ECN's RV & Marine origination platforms
- Sale would reduce on balance sheet assets, debt and release capital
  - Capital to be redeployed in ECN's other origination platforms
  - \$4M provision taken in Q3 2023 results to account for estimated transaction costs



**RED OAK**  
Inventory Finance

A Triad Financial Services Company





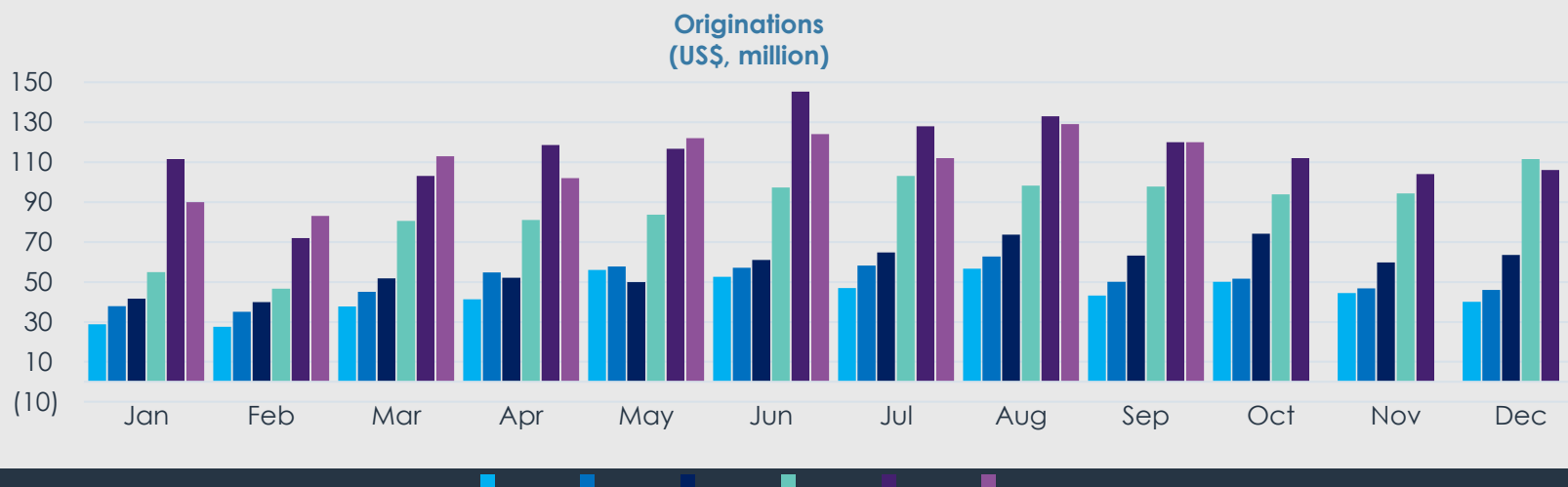
# Originations

## ORIGINATIONS (US\$, millions)

	1Q	2Q	3Q	4Q	YTD
2018	94	150	147	135	525
2019	118	170	171	144	603
2020	133	63	202	197	696
2021	182	262	299	300	1,043
2022	287 <sup>1</sup>	381	381	323	1,372
2023	286	348	361		995

## YOY ORIGINATION GROWTH

	1Q	2Q	3Q	4Q	YTD
2018	2.2%	19.0%	14.0%	13.4%	12.7%
2019	25.2%	13.2%	16.3%	7.3%	14.8%
2020	13.4%	(3.8%)	18.0%	36.6%	15.4%
2021	36.6%	60.6%	48.2%	51.8%	49.9%
2022	57.3%	45.3%	27.4%	7.9%	31.5%
2023	(0.2%)	(8.6%)	(5.4%)		(5.1%)



# New Leadership at Source One

## New executive leadership at Source One to oversee next phase of growth

### Industry veteran, Mike Opdahl, named President of Source One

- Mike Opdahl, a proven leader in consumer finance with 25+ years experience, will lead Source One as President for its next phase of growth
  - Previously was hired as COO of Automotive Credit Corp in 2015 to execute a turnaround of the Midwest auto lender. Achieved profitability in Q2 2016 and every year since
    - Direct responsibility for all operations including sales, originations, servicing and remarketing
    - Grew managed portfolio 10x with strong origination growth and expansion into 20+ new markets
  - Prior to this he was COO at Westlake Financial Services, VP at MarkOne Financial Services and a regional sales manager at G.E. Capital
  - Demonstrated track record of growing market share through operational improvements focused on sales, service and customer experience
- Mike's primary mandate at Source One will be to improve operations, sales and customer service and build new programs to drive growth in originations and managed assets (internalized servicing)
  - Key future objectives include reducing cycle times, responsiveness and improving dealer communication and customer experience

Mike Opdahl, President  
Source One



# Marine & RV Highlights

- Q3 adjusted operating income before tax of \$2.3 million
- Q3 originations of \$211 million
- Originations remain slow due to:
  - Overall economic uncertainty
  - Higher rate environment
  - Greater percentage of cash buyers
  - Normalization of buyer behavior
- Added 300+ dealers in Q3; 3,800+ total dealers
- Expenses reflect continued investments to build the premier marine & RV finance platform
- HFT assets expected to be sold in Q4
- ECN expects to conclude the Marine/RV strategic review in Q1 2024 likely with an announced spin or sale of the business

Select Metrics (US\$, millions)	Q3 2023	Q3 2022
Originations	210.9	298.4
Origination revenue	4.9	7.8
Interest & Other	1.5	0.01
Total revenue	6.4	7.9
Adjusted EBITDA	3.5	5.1
Adjusted operating income before tax	2.3	5.0

# Growth Playbook

## Groundwork Laid to Execute ECN Growth Playbook

### Implemented 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 Q4/Q1
  - Extensive discussions with several new funding partners to launch full spectrum programs
- Investments in dealer education & training
- Process Improvements – Reduce turnaround times
- Rating – Securing KBRA rating for insurance capital

### Continued dealer base growth + process improvement will drive future originations

- Current dealer count = 3,800 (added ~1,000 largely in new markets last 18 mos)
- Current ticket size ~\$40K
- About 20% dealers currently “active” (~750 dealers) = 1 deal per month
- 5% increase in active dealers increases originations by ~25%
- Small increase to 1.25 deals per month by active dealers also adds ~25% to originations
- Combined = ~56% increase in originations

**With currently planned process changes & improved customer service initiatives we anticipate significant improvement in 2024**

# Q3 Program Update

	Quarterly Performance Update <sup>1</sup>				
	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Total Approvals (\$)	+48.5%	+10.3%	-3.8%	-9.6%	-35.0%
Total Originations (\$)	+21.2%	-10.9%	-26.9%	-34.3%	-31.5%

- Q3 originations (\$) declined ~31.5% Y/Y due to (i) normalization of seasonal purchasing patterns (ii) increase in cash buyers (iii) purchase hesitation due to increased rates (iv) tighter underwriting standards (v) reduced demand from existing funding partners while we finalize new funding programs
- New funding partner launches, increased dealer penetration and improved dealer/customer experience will result in stronger approvals and originations in 2024
  - Several advanced forward flow discussions underway with expected launches in Q4/Q1 with both bank and insurance capital
  - Current application volume and new flow partners support 2024 estimated results
- Attendance levels during 2023 YTD show season remains high with continued strong interest in the RV & boating lifestyle
- Growing presence in new and strategically important regions; more than 1,000 dealers added since acquisition

# 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	211		664

## 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%)	(31.1%)		(31.5%)



# Consolidated Financial Summary

# Q3 Consolidated Operating Highlights

## SUMMARY

- Total Originations were \$571.5 million for the quarter, including \$360.6 million of originations from Manufactured Housing Finance and \$210.9 million from RV & Marine Finance
- Q3 adjusted EBITDA of \$24.1 million compared to \$31.4 million for Q3 2022
- Q3 adjusted operating income before tax of \$2.3 million compared to operating income before tax of \$16.5 million for Q3 2022
- Q3 adjusted net income applicable to common shareholders was \$0.5 million or \$0.00 per share compared to adjusted net income of \$11.8 million or \$0.05 per share for Q3 2022
- Q3 results include a ~\$4 million provision as a result of the classification of the Red Oak RV and Marine Inventory Finance business as held-for-sale, which represents the best estimate of costs to sell the business

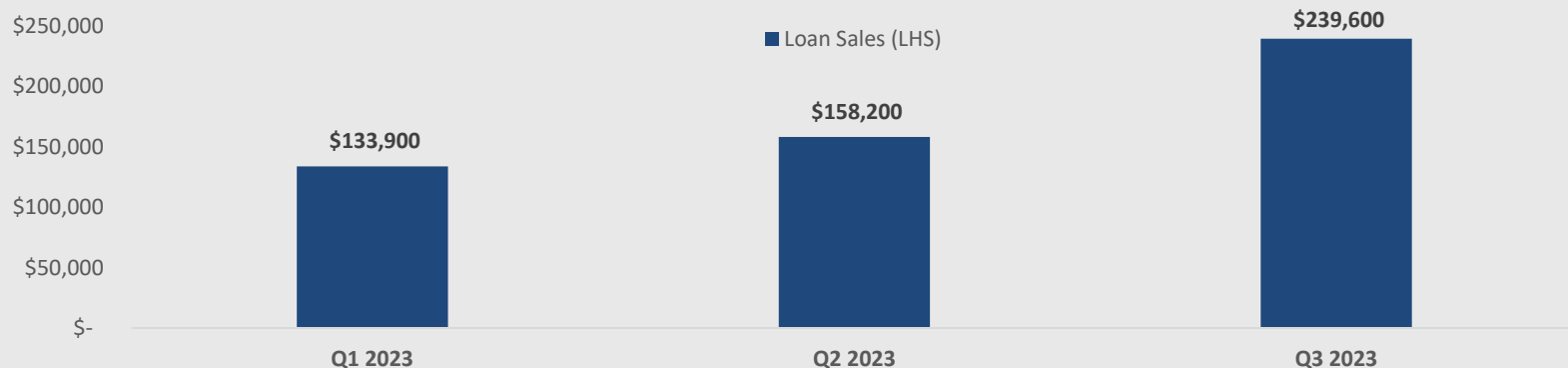


# Loan Sales & Q3 Mark

## Challenges related to Land Home launch continued to impact margins in Q3

Core Chattel loan product continued to experience target gain-on-sale margins (~61% of total originations)

- Impact of Land Home (“LH”) launch continued to impact gain-on-sale margins during the quarter
  - Launch was challenged by an unprecedented increase in interest rates and extended manufacturing backlogs, which were further exacerbated by introductory pricing
- Decision to accelerate bulk sales in Q3 resulted in reduced origination revenue by ~\$10.3 million
- Under Lance Hull's leadership, a comprehensive review of Triad LH has been completed and operational changes have been implemented to derisk forward loan production
- Pricing on Core Chattel remains robust and leading indicators point to strong loan production going forward



# Balance Sheet

## KEY HIGHLIGHTS

- During Q3, the company completed the previously announced transaction pursuant to which Skyline Champion has made an ~US\$138 million (C\$185 million) equity investment in ECN (US\$127 million net of expenses)
- Total assets of \$1.2 billion compared to Q2 2023 total assets of \$1.3 billion, primarily due to a net decrease in on-balance sheet finance assets
- Triad managed assets of \$4.8 billion at the end of Q3
- Total debt of \$800.7 million compared to Q2 2023 total debt of \$956.7 million, primarily reflecting net repayment activity during the quarter driven by proceeds from the equity investment made by Skyline Champion

Balance Sheet (US\$, millions)	Q3 2023	Q2 2023	Q3 2022
Total assets	1,233.5	1,291.1	1,514.4
Debt - senior line & other	642.9	795.3	840.5
Debt - senior unsecured debentures	157.8	161.4	153.1
Total debt	800.7	956.7	993.6
Shareholders' equity	263.6	141.1	206.5
Equity for senior line covenant purposes <sup>(1)</sup>	421.4	302.5	359.6
Accounts receivable - continuing operations <sup>(2)</sup>	136.7	172.4	168.6
Finance assets <sup>(3)</sup>	634.9	626.0	514.8
Total loans awaiting funding	771.6	798.4	683.4
Total Debt	800.7	956.7	993.6
Net debt, excluding loans awaiting funding	29.1	158.3	310.2

*(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.*

*(3) Includes RV Marine inventory finance assets held for sale at Q3 2023.*

# Income Statement

## KEY HIGHLIGHTS

- Q3 adjusted EPS from continuing operations of \$0.00 per share compared to Q3 2022 adjusted EPS of \$0.05
- Adjusted EBITDA from continuing operations of \$24.1 million compared to \$31.4 million in Q3 2022, reflecting lower origination revenues at our business segments and lower corporate revenues

Income Statement (US\$, thousands)	Q3 2023	Q3 2022
<b>Adjusted revenue:</b>		
Loan origination revenues	22,951	37,695
Servicing revenues	8,461	5,743
Interest income	17,944	11,284
Other (expense) revenue	1,027	3,288
<b>Total adjusted revenue</b>	<b>50,383</b>	<b>58,010</b>
Operating expenses	26,323	26,584
<b>Adjusted EBITDA</b>	<b>24,060</b>	<b>31,426</b>
Interest expense	19,727	13,129
Depreciation & amortization	2,005	1,770
<b>Adjusted operating income before tax <sup>(1)</sup></b>	<b>2,328</b>	<b>16,527</b>
<b>Adjusted net income applicable to common shareholders per share (basic)</b>	<b>0.00</b>	<b>0.05</b>

(1) Excludes share-based compensation

# Operating Expenses

## KEY HIGHLIGHTS

- Higher business segment operating expenses is primarily attributed to the continued investment in growth and operational improvement initiatives across our businesses
- Corporate operating expenses of \$3.1 million compared to \$4.3 million in Q3 2022

Operating Expenses (US\$, thousands)	Q3 2023	Q3 2022
Manufactured Housing Finance	20,291	19,446
RV & Marine Finance	2,932	2,796
<b>Business segment operating expenses</b>	<b>23,223</b>	<b>22,242</b>
Corporate	3,100	4,342
<b>Total operating expenses</b>	<b>26,323</b>	<b>26,584</b>

# Closing Summary



# Closing Summary

## CLOSED SKYLINE TRANSACTION; DEVELOPING BOTH RETAIL AND COMMERCIAL PRODUCTS FOR JV

- Skyline transaction closed in Q3; 20% interest in ECN at C\$3.04 per share
- Developing programs for JV:
  - Commercial (IF & Rental) programs launching in Q4 2023
  - Retail launch expected at Louisville MH show January 17-19

## OTHER INITIATIVES ON TRACK

- Corporate simplification underway and on track to deliver on goals
- 100-day plan initiated at Triad to improve efficiency and customer experience
- New executive management at Source One to drive next phase of growth
- RV Marine strategic review likely concludes with a spin or sale of the business in Q12024

## Q3 OPERATING RESULTS

- Q3 2023 Adj operating EPS of \$0.00
- **MH** Q3 originations -5.4%
  - MH remains the most affordable housing choice = continued long term strong MH demand
- **Marine & RV** Q3 originations \$211 million
  - Building the premier platform in Marine & RV – growth initiatives on track

## CAPITAL MANAGEMENT

- Q3 quarterly dividend of C\$0.01