

# Fourth Quarter 2020

Financial Results

## FINANCIAL INDUSTRY SOLUTIONS

**\$33B**

Managed &  
Advised 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”) 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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# Call Agenda

## BUSINESS OVERVIEW

## OPERATING HIGHLIGHTS

### Business Services

- Service Finance
- Triad Financial Services
- The Kessler Group

## CONSOLIDATED FINANCIAL SUMMARY

## CLOSING SUMMARY

## QUESTIONS

# BUSINESS OVERVIEW



# Business Overview



Origination &  
Management Services for  
Financial Institutions

**30+** Years Commercial  
finance experience

**\$33B** Managed  
credit portfolios

**100+** Financial  
institution partners

Investment grade rated



Origination & Management  
of Prime  
Home Improvement Loans

**2004** Founded

**\$3B** Managed credit  
portfolios

**25+** Bank, life  
Insurance, pension & credit  
union partners

**13,000+** Network of  
home improvement  
dealers



Origination & Management  
of Prime Manufactured  
Housing Loans

**1959** Founded

**\$2B+** Managed credit  
portfolios

**50+** Bank and  
Credit union partners

**3,000+** Network of  
manufactured housing  
dealers



Origination & Advisory  
Services for  
Credit Card Portfolios

**1978** Founded

**\$27B** Managed  
credit card portfolios

**25+** Financial  
Institution partners

**6,000+** Credit card  
partnerships created



# Q4 Overview

- **Management retention plans extended through 2024**
  - Successfully executed long-term employment extensions for senior management
- **Strong results in Q4**
  - Q4 Adj net income to common of \$0.08; Solid operating results across each business
  - 2021 Adj operating EPS guidance range to \$0.46-\$0.51 announced at Investor Day
  - 2022 initial Adj operating EPS guidance range to \$0.55-\$0.64 announced at Investor Day
- **SFC exceptional Q4 performance; expanded product menu launched**
  - Q4 originations +34% Y/Y; Managed portfolio +34% Y/Y
  - SFC “all-in-one” program complete; one-stop shop for dealers and consumers
  - Fully funded for 2021; Expect 2021 originations in excess of \$2.5 billion at full margins
- **Triad Q4 originations accelerate with expanded land home launch on track**
  - Q4 originations +37%; core approvals +39% driving growth into 2021
  - Expanded land home launch on track for \$150-\$200 million in 2021; ~\$45 million LH approvals in Jan
  - 14 new funding partners in 2020, 3 new partners YTD; fully funded for 2021 originations ~\$1 billion
- **KG Q4 results reflect strong partnership income; marketing set to rebound in 2021**
  - KG Q4 in line with management expectations; EBITDA margin ~56%
  - Strong pipeline across partnership, marketing and transaction services drives 2021 expectations
  - Growth programs in marketing, banking-as-a-service (BaaS) & CCIM risk platform

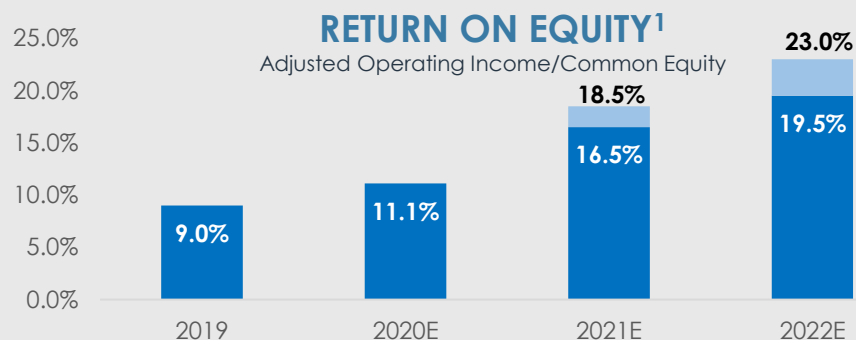


# Guidance

## KEY HIGHLIGHTS

- Reaffirm 2021 Adj EPS guidance range of \$0.46-\$0.51 announced at Investor Day; growth of ~50% at the midpoint
- Also announced initial 2022 Adj EPS guidance range of \$0.55 - \$0.64; growth of ~20% at the midpoint
- Estimated ROE improves to ~20%+ in 2022

Adjusted Net Income (US\$ millions)	2021	
Service Finance	\$100	\$108
Kessler	\$46	\$52
Triad	\$39	\$44
<b>Continuing Ops Adj Op Income before Tax</b>	<b>\$185</b>	<b>\$204</b>
Corporate operating expenses	(\$22)	(\$23)
Corporate depreciation	(\$4)	(\$4)
Corporate interest	(\$16)	(\$16)
<b>Adjusted operating income before tax</b>	<b>\$143</b>	<b>\$161</b>
Tax	(\$22)	(\$28)
<b>Adjusted net income</b>	<b>\$121</b>	<b>\$133</b>
<b>Preferred Dividends</b>	<b>(\$8)</b>	<b>(\$9)</b>
<b>Adjusted net income (after pfds)</b>	<b>\$113</b>	<b>\$124</b>
<b>EPS US\$<sup>1</sup></b>	<b>\$0.46</b>	<b>\$0.51</b>



1. 2021 assumes 245 million shares; May not add due to rounding



# OPERATING HIGHLIGHTS

- Service Finance
- Triad Financial Services
- The Kessler Group





# Highlights

- Adjusted operating income before tax in Q4 of \$22.1 million
- 34% Q4 Y/Y growth in originations
- 34% Q4 Y/Y growth in managed portfolios
- \$2.4 million (\$1.8 million after-tax) provision included in Q4 results eliminating CA solar dealer advance exposure
  - Q4 CA re-lockdown and lack of project activity caused full write-down to \$0
  - Expect to potentially recover but uncertain as to amount or timing
- SFC fully funded through 2021 and into 2022 at full margins
- SFC continues to experience elevated dealer growth indicating “take-share” opportunity continued through Q4 and into 2021
  - January 2021 dealer growth 64% above 5yr average for the month

Select Metrics (US\$, 000s)	Q4 2020	Q4 2019
Originations	530.4	397.2
Period end managed portfolios	3,350.6	2,505.3
Originations revenue	15.1	11.6
Servicing & other revenue	21.2	16.1
Revenue	36.3	27.7
Adjusted EBITDA	23.2	18.1
Adjusted operating income before tax	22.1	17.3



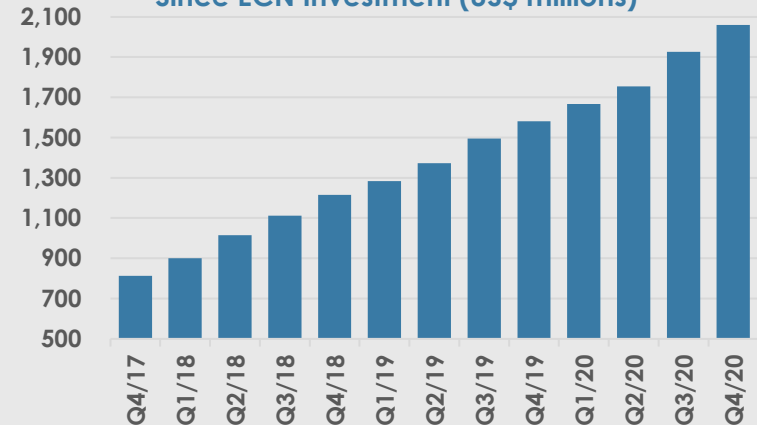
# Consistent Performance

## Consistent, Strong Trends Regardless of Market Environment

- Unlike competitors, Service Finance has delivered steady growth across product categories
- Consistent price, process, programs & partnerships drives satisfaction across constituents
- Superior model to competitors – “take & make share”
  - **Take Share:** SFC has taken significant share from existing lenders across verticals over several years
  - **Make Share:** Continue to add new manufacturers across verticals
- Dealer base CAGR ~23%+ since investment
- \$ Billions incremental demand from funding partners
  - Fully funded into 2022 at full margins

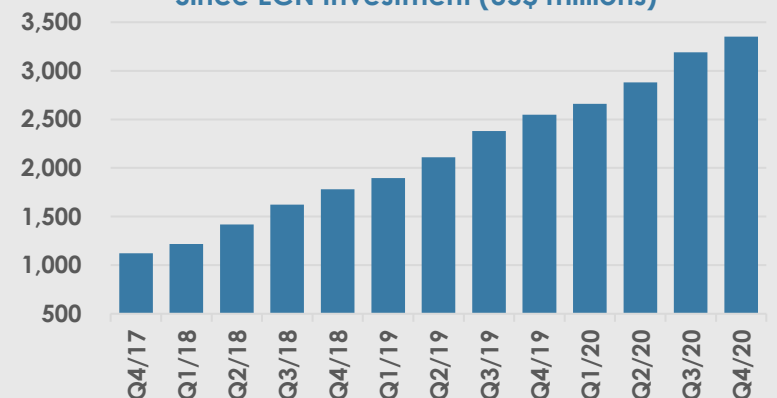
## TRAILING 12-MONTH ORIGINATIONS

Since ECN Investment (US\$ millions)



## SERVICING PORTFOLIO

Since ECN Investment (US\$ millions)





# All-in-One Platform Complete

## ALL-IN-ONE & NEW PRODUCTS LARGELY NOT INCLUDED IN 2021 GUIDANCE

- SFC now has a complete all-in-one platform for dealers and consumers using a single customer application and credit pull
- One-stop shop meeting all customer needs; both promotional and nonpromotional offerings across the credit spectrum
- Dealers and customers benefit materially through ease of use (single app) and increased approvals
- Funding partners in place
- All programs non-recourse to SFC

### NEW PROGRAM UPDATE

- **Big Box Retailer** – Expect Q2 launch
- **Commercial** – Expect April launch

Core  
Referral Programs

#### Homeowner Completes SFC Credit Application

Single credit application submitted once to SFC  
Homeowner credit pulled once

#### SFC – Core Programs (Prime & Super Prime FICO)

65 programs meeting all customer needs  
Funded by traditional funding partners

#### SFC – Non-Prime Programs (600+ FICO)

Promotional – Program Funded by Specific Partners  
Nonpromotional- Program funded by Specific Partners

#### Multi-Lender Platform (No minimum FICO)

Promotional/Nonpromotional &  
HVAC Lease-to-Own funded by MLP partners



# Q4 Program Update

	Q4 2020 vs Q4 2019 Y/Y Growth		
	Oct	Nov	Dec
Approvals	19.9%	22.4%	38.4%
Originations	22.5%	25.5%	56.7%

- +34% total origination growth for Q4 Y/Y; +51% Y/Y excluding solar
  - HVAC originations +48% Y/Y in Q4 ; Lennox volume +41% Y/Y in Q4
  - Windows & doors originations +63% in Q4 Y/Y
- Growth inclusive of SFC decision to limit solar
  - Solar originations down ~49% Y/Y in 2020
  - Solar represents only ~6% of Q4 originations compared to ~21% in full year 2019
- Approvals and originations momentum continuing into 2021
  - 2021 YTD approvals +31% Y/Y; +49% excluding solar

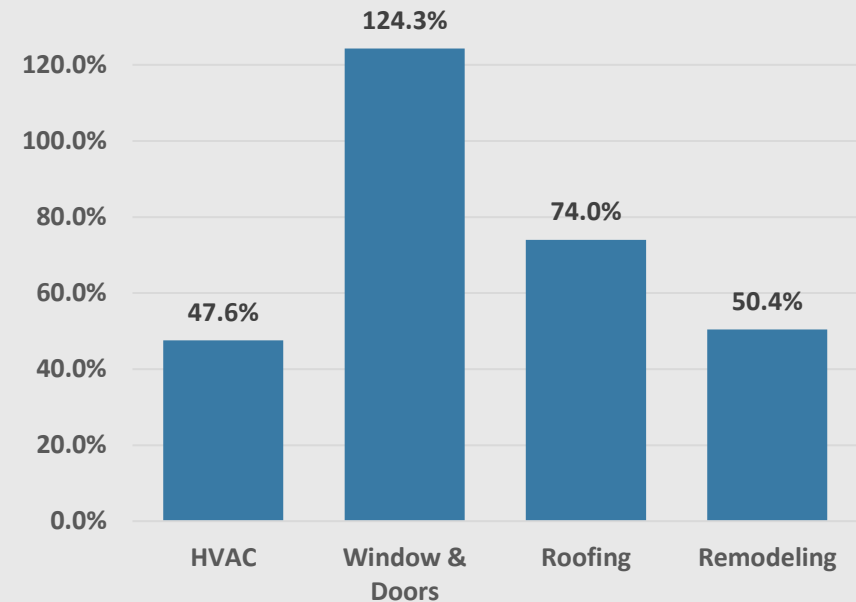


# Backlog by Product

- Backlog reflects approved financings that are highly likely to close
- HVAC, windows & doors, roofing and remodeling represented more than 80% of total originations in 2020
- January 2021 backlog is up ~80% Y/Y across these product segments combined
- Equates to more than \$220 million in originations which will likely close in 2021

## Y/Y BACKLOG<sup>1</sup> GROWTH BY PRODUCT

As of January 2021



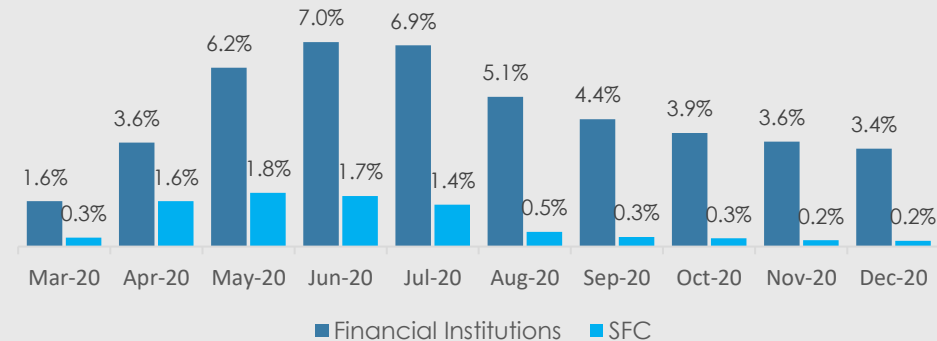
<sup>1</sup> Backlog assumes ~70% of existing approvals from prior 6 months not already completed will fund



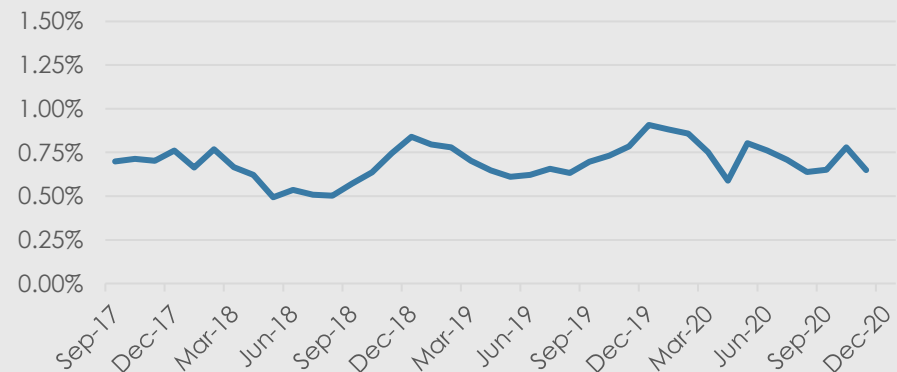
# Partner Portfolio Credit Trends

- On behalf of financial partners, Service Finance implemented short term payment deferment programs beginning in March
- Total deferments peaked at 1.8% of balances compared to 7.0% for all financial institutions
- Deferments of 0.2% as of December
- Performance of servicing portfolio continues to reflect prime and super-prime customer base
- 30+ delinquency down in 2020 and well within historical ranges
- Loan losses have remained consistent with expectations

## % OF ACCOUNTS DEFERRED<sup>1</sup>



## 30+ DELINQUENCY



1. Total Financial Institution data from TransUnion; deferred for TransUnion refers to hardship data from Monthly Industry Snapshot; hardship defined as any account affected by natural disaster, accounts reported as in forbearance, accounts reported as deferred or payment due amount removed, or freezing of account status and/or past due amount



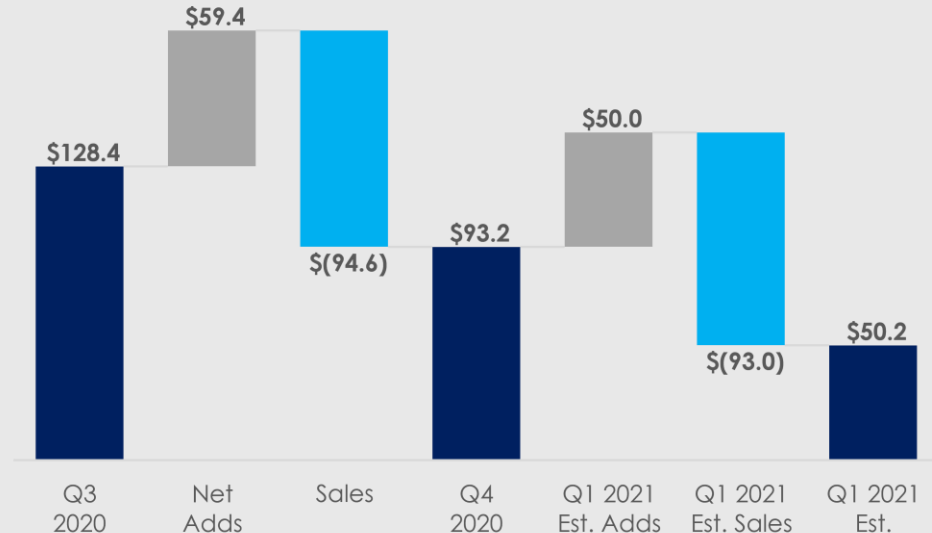


# Held-for-Trading Asset Update

- Held-for-trading (“HFT”) assets decreased to ~\$93 million in Q4 2020 from ~\$128 million in Q3 2020
- SFC executed two portfolio sales totaling ~\$95 million in Q4
- Q4 net additions of ~\$59 million primarily relate to ongoing complementary flow, which are accumulated and sold through via regular bulk sales
- Additional sales in Q1 will result in HFT balances ~\$50 million

## HELD-FOR-TRADING FINANCIAL ASSETS

(US\$, millions)





# Originations

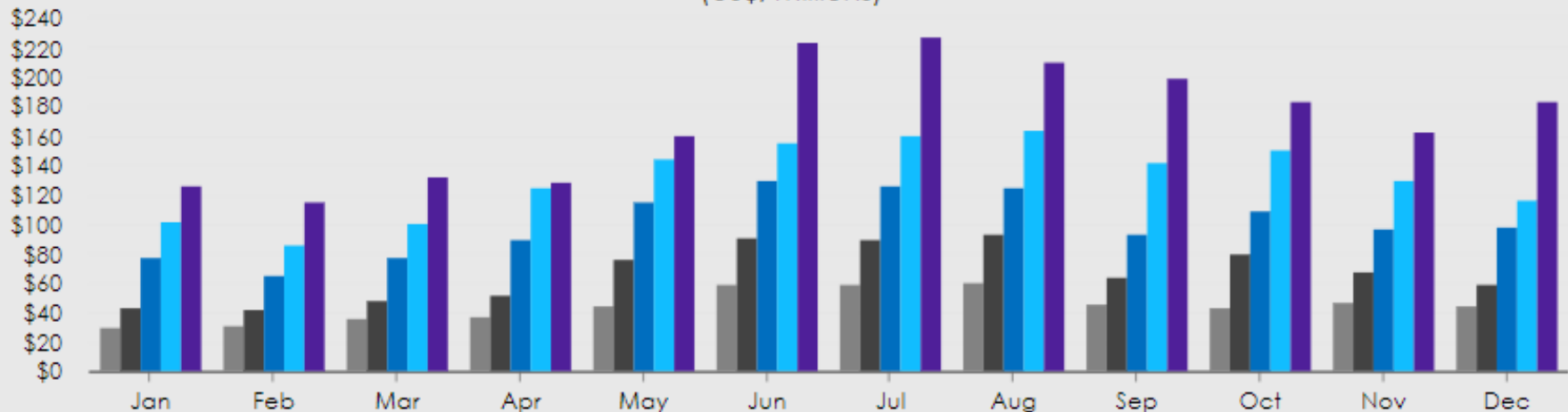
## ORIGINATIONS<sup>1</sup> (US\$, millions)

	1Q	2Q	3Q	4Q	YTD
2016	99	143	167	138	547
2017	135	221	249	208	814
2018	222	336	346	307	1,211
2019	290	426	468	397	1,581
2020	376	513	640	531	2,059

## YOY ORIENTATION GROWTH<sup>1</sup>

	1Q	2Q	3Q	4Q	YTD
2016	71.4%	56.9%	57.2%	31.7%	52.0%
2017	36.8%	54.2%	49.1%	51.7%	48.9%
2018	64.7%	52.0%	38.8%	46.9%	48.8%
2019	30.5%	26.7%	35.4%	29.5%	30.6%
2020	29.4%	20.5%	36.7%	33.5%	30.2%

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



1. Excludes PACE originations

■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020



# 2021 Guidance

## KEY HIGHLIGHTS

- Forecast 2021 total originations of \$2.5B - \$2.7B
  - 2021 expected originations at the midpoint represents ~2.0% of the addressable market
- EBITDA margins to remain strong in 2021 in the ~65-66% range
- Servicing revenue 46%-50% in 2021 from ~45% in 2017
- 2021 adjusted operating earnings before tax forecast increase by ~54% from previously forecast 2020 at the midpoint

Select Metrics (US\$ millions)	2021 Forecast Range	
Originations	2,500	2,700
Managed & advised portfolio (period end)	4,200	4,500
Income Statement (US\$ millions)	2021 Forecast Range	
Origination Revenues	80	90
Servicing Revenues	80	85
Total Revenues	160	175
Adjusted EBITDA	106	114
Adjusted operating income before tax	100	108
EBITDA margin	~66%	~65%



## Highlights

- Adjusted operating income before tax in Q4 of \$8.9 million; up ~36% Y/Y
- Q4 originations up ~37% Y/Y
- Triad continues to add and diversify funding Partners
  - 3 new credit union partners added in 2021
  - 14 new partners added in 2020 including Freddie Mac & Fannie Mae and Triad's first Insurance funding partner
  - Fully funded for 2021
- HFT assets decreased Q/Q
  - \$18 million of pooled loans sold after year end
- Floorplan (FP) at ~\$114 million in Q4

Select Metrics (US\$, millions)	Q4 2020	Q4 2019
Originations	197.4	144.5
Period end managed portfolios	2,638.6	2,428.1
Originations revenue	15.2	10.1
Servicing & other revenue	6.2	4.7
Revenue	21.4	14.8
Adjusted EBITDA	10.1	7.7
Adjusted operating income before tax	8.9	6.5



# Q4 Program Update

	Q4 2020 vs Q4 2019 Y/Y Growth		
	Oct	Nov	Dec
Approvals	24.2%	31.4%	20.8%
Originations	43.4%	27.7%	38.5%

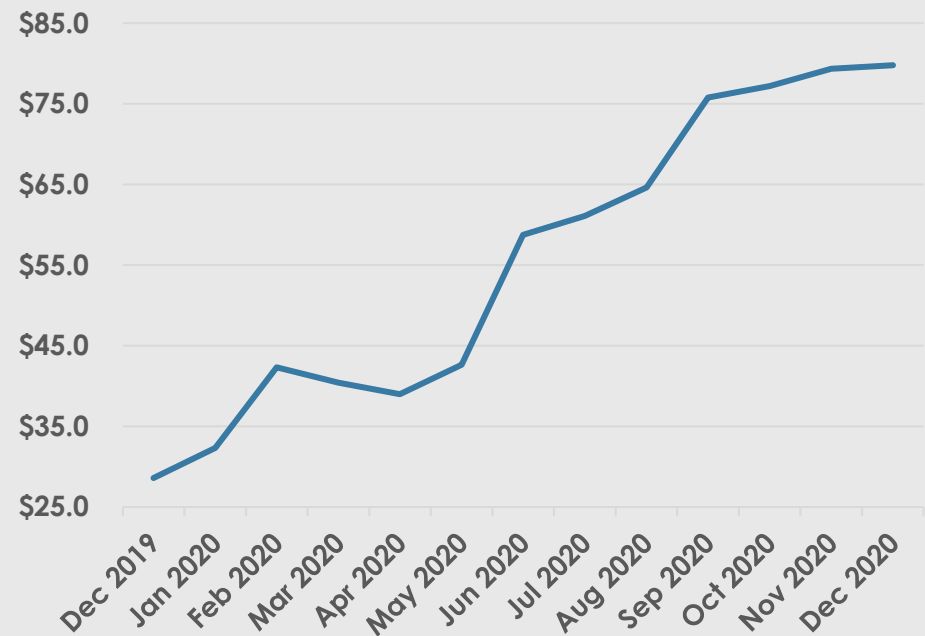
- Approval growth remained elevated through year-end building confidence for 2021 originations
  - High margin core program approvals +38%Y/Y in Q4 driving overall growth
  - Land home program on pace for \$150 - \$200 million of originations in 2021
    - Q4 averaged ~\$22 million in monthly approvals
    - ~\$45 million land home approvals in the month of January 2021
- Backlog of fully completed loans awaiting home completion increased \$50+ million Y/Y to \$80 million at quarter end



# Backlog – Fully Completed Loans

- Triad backlog defined as “docs out” fully completed loans with down payments awaiting delivery
  - ~99% close rate historically
- Builder backlogs increased to ~6 months from ~3 months due primarily to COVID-19
  - Increased demand
  - Reduced staff at manufacturers
  - Early plant closures backed up production
  - Extended supply chains
- Increases confidence in originations of ~\$1B in 2021

TRIAD “DOCS OUT” LOAN BACKLOG  
(millions)

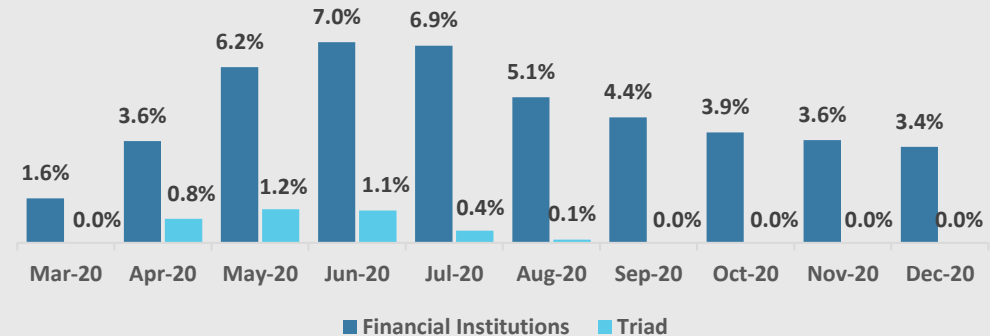




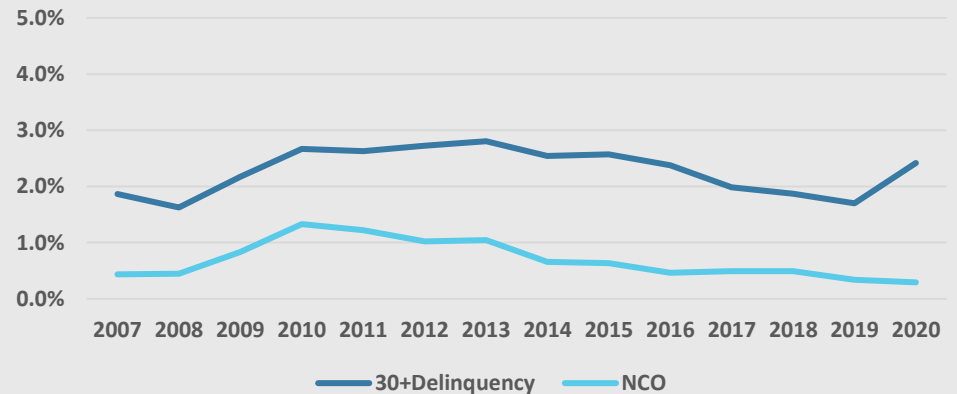
# Portfolio Credit Trends

- On behalf of financial partners, Triad implemented short-term payment deferment plans beginning in March in response to COVID-19
  - Triad dedicated a team to focus on loan deferment requests
  - Over 3,000 requests processed across all programs
- Total deferments peaked at 1.2% of balances compared to 7.0% for all financial institutions
- Deferments of 0% as of September
- 30+ day delinquency slightly elevated due to COVID-19 but within operating ranges
- No change in loan loss trends

## % OF ACCOUNTS DEFERRED<sup>1</sup>



## 30+ DELINQUENCY & NCOs



1. Total Financial Institution data from TransUnion; deferred for TransUnion refers to hardship data from Monthly Industry Snapshot; hardship defined as any account affected by natural disaster, accounts reported as in forbearance, accounts reported as deferred or payment due amount removed, or freezing of account status and/or past due amount





# Originations

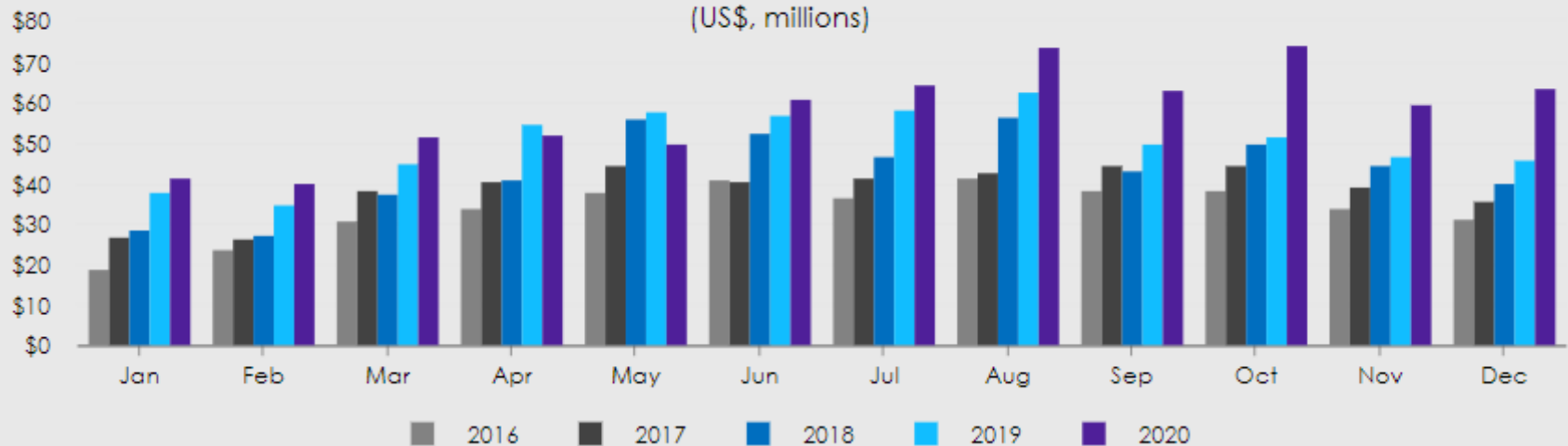
## ORIGINATIONS (US\$, millions)

	1Q	2Q	3Q	4Q	YTD
2016	74	113	117	104	408
2017	92	126	129	119	466
2018	94	150	147	135	525
2019	118	170	171	144	603
2020	133	163	202	198	696

## YOY ORIGATION GROWTH

	1Q	2Q	3Q	4Q	YTD
2016	20.1%	33.5%	24.2%	24.2%	25.7%
2017	24.7%	11.3%	10.3%	15.0%	14.4%
2018	2.2%	19.0%	14.0%	13.4%	12.7%
2019	25.2%	13.2%	16.5%	7.3%	14.8%
2020	13.4%	(3.8%)	18.0%	36.6%	15.4%

## ORIGINATIONS (US\$, millions)





# 2021 Guidance

## KEY HIGHLIGHTS

- Originations projected to grow ~50% in 2021 at the midpoint as a result of solid core growth and new programs
- Floorplan will grow to \$120 - \$140 million in 2021
- 2021 adjusted operating income growth of ~40% at the midpoint
- 2021 guidance includes land home ramp and some contribution from re-launched Bronze program as we are actively approving loans

Select Metrics (US\$ millions)	2021 Forecast	
Total originations	950	1,150
Floorplan line utilized	120	140
Managed & advised portfolio (period end)	3,200	3,400
Income Statement (US\$ millions)	2021 Forecast	
Origination Revenues	55	60
Servicing Revenues <sup>1</sup>	30	35
Revenue	85	95
Adjusted EBITDA	44	49
Adjusted operating income before tax	39	44
EBITDA margin	~52%	~52%

1. Servicing Revenues includes floorplan income

# Highlights

- Adjusted operating income before tax in Q4 of \$9.2 million
- Partnership Services revenue +3% Y/Y; primarily reflects increased CCIM fees
- CCIM performing as expected; \$500 million transaction closed in Q3 without capital contribution from ECN - validates asset management model
- Marketing Services revenue set to return to growth in 2021
- Transaction Services revenue largely deferred to 2021

Select Metrics (US\$, millions)	Q4 2020	Q4 2019
Partnership Services Revenue	14.5	14.1
Marketing Services Revenue	1.1	4.0
Transaction Services Revenue	2.1	3.5
Interest Income & Other Revenue	-	0.4
Revenue	17.7	22.0
Adjusted EBITDA	10.0	11.8
Adjusted operating income before tax	9.2	10.7
Adjusted operating income before tax (ECN Capital share) <sup>(1)</sup>	9.2	10.3

(1) Represents ECN equity ownership of 100% in Q4 2020 and 96% in Q4 2019. Effective December 31, 2019, ECN acquired the remaining 4% non-controlling interest and KG became 100% owned by ECN.

# Partnership Revenues Resilient in 2020

## PARTNERSHIP SERVICES PRODUCES HIGH QUALITY, RECURRING REVENUE STREAMS

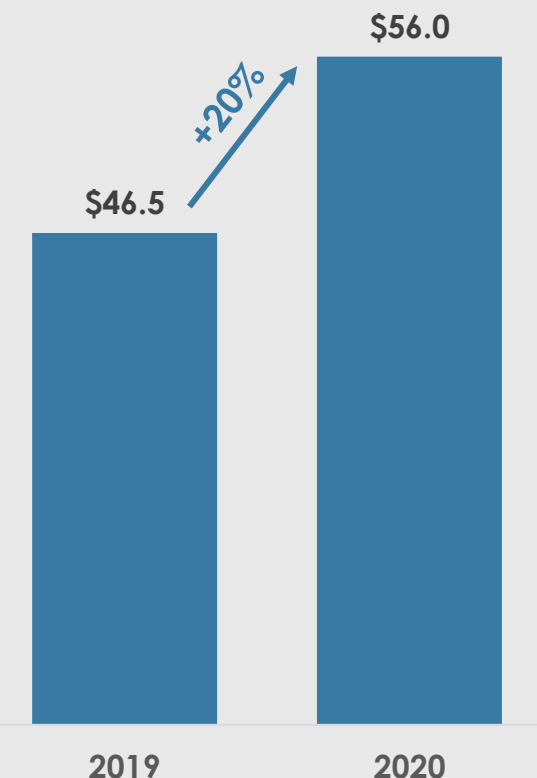
### Credit Card Investment Mgmt.

- Credit card/consumer portfolios historically moved from bank to bank
- Due to landscape changes, CCIM platform was built to move portfolios to institutional investors
- 40+ years of deal flow, data and proprietary credit & pricing analytics
- Generates management and performance fees

### Partnerships

- Advisory services (strategy, business development, and on-going partnership portfolio optimization) for banks and partners
- More efficient to outsource to KG given specialized expertise than to build in-house
- Drives long-term recurring revenue streams from new account generation and portfolio balances

### PARTNERSHIP SERVICES REVENUE Y/Y 2019-2020 (\$USM)



**Partnership Services revenues increased by ~20% Y/Y in 2020 driven by long-term partnership income and growth of CCIM**

# New Programs

## LEVERAGING KG CORE COMPETENCIES TO CREATE GROWTH OPPORTUNITIES

### Marketing Tech Driving New Verticals

- Leveraging KG's proprietary data analytics, machine-learning supported targeting & segmentation models and decades of internal data
- New product piloted in consumer telecom with strong results; Full program roll-out in 2021
- Other consumer focused verticals in the works (identity protection, wealth management, and other subscription services)

### Banking-as-a Service (BaaS)

- Launching turn-key BaaS program in 2021 allowing small/mid-size banks & credit unions to leverage KG's core expertise, data analytics and marketing
- Launch client ~\$4 Billion credit union; supporting credit card and other programs
- KG analytics creates better customer acquisition and performance outcomes for Partners

### Rollout of Risk & Portfolio Management Platform

- CCIM's internally developed asset management platform supporting acquired credit card & loan portfolios to be rolled out to third-parties in 2021
- Provides customers with industry leading technology to manage risk and optimize portfolio and credit performance

## KEY HIGHLIGHTS

- Return to growth in 2021
- Revenues increase ~24% at the midpoint vs. 2020
- 2021 EBITDA growth of ~26% compared to 2020 with steady EBITDA margins of ~60%
- 2021 adjusted operating income after-tax increases ~29% at the midpoint vs 2020

Income Statement (US\$ millions)	2021 Forecast Range	
Revenue	82	90
Adjusted EBITDA	49	54
Adjusted operating income before tax	46	52
EBITDA margin	~60%	~60%

# Consolidated Financial Summary





# Q4 Consolidated Operating Highlights

## SUMMARY

- Total Originations were \$727.8 million for the quarter compared to \$541.7 million for Q4 2019
- Q4 adjusted net income applicable to common shareholders was \$19.7 million or \$0.08 per share
  - Includes impact of one-time costs to rebalance foreign currency hedge positions of ~\$3.3 million after tax following the Q3 debenture issuance and legacy C\$ asset charges
  - Also includes non-recurring \$1.8 million after-tax charge to fully write-off CA solar dealer advance exposure at SFC as described earlier
- As discussed at Investor Day, ECN recorded an incremental provision of ~\$22.7 million after-tax:
  - \$13.1 million after-tax attributable to aircraft
  - \$9.6 million after-tax attributable to aircraft related investments

# Balance Sheet

## KEY HIGHLIGHTS

- Total assets decreased by \$86.4 million compared to Q3 2020 reflecting a decrease in held-for-trading assets at Service Finance as a result of portfolio sales
- Earning assets - managed and advised of \$33 billion at the end of Q4 reflects:
  - Servicing assets of \$3.4 billion at Service Finance
  - Managed loans of \$2.6 billion at Triad
  - Managed and advisory assets of \$27.1 billion at KG
- Debt decreased by \$42.6 million compared to Q3 2020, primarily reflecting the reduction in finance assets

Balance Sheet (US\$, millions)	Q4 2020	Q3 2020	Q4 2019
Total assets	1,706.2	1,792.6	1,697.2
Total finance assets	374.0	422.9	313.2
Earning assets- managed and advisory <sup>(1)</sup>	33,097.0	32,196.1	33,598.4
Debt	517.2	559.7	430.5
Shareholders' equity	822.6	851.8	879.0
Total Debt to Equity ratio	0.63	0.66	0.49

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

# Income Statement

## KEY HIGHLIGHTS

- Q4 adjusted EPS of \$0.08 per share and FY 2020 adjusted EPS of \$0.31 per share, in line with our updated guidance range
- Adjusted EBITDA of \$34.6 million compared to \$33.1 million in Q4 2019, reflecting growth in Service Finance and Triad Financial Services, partially offset by lower KG and Corporate revenues
- Effective tax rate on adjusted operating income was 17.4% in Q4 2020 compared to 19.0% in Q4 2019, due to tax planning initiatives completed in 2020

Income Statement (US\$, thousands)	Q4 2020	Q4 2019	FY 2020	FY 2019
Portfolio origination services	30,256	21,754	105,918	87,227
Portfolio management services	35,249	30,400	116,867	102,612
Portfolio advisory services	2,066	3,549	8,525	21,875
Marketing services	1,118	4,024	7,203	13,336
Interest income	7,309	5,336	26,818	21,772
Other revenue	(3,974)	935	(1,722)	1,134
Operating expenses	37,377	32,871	131,085	119,998
<b>Adjusted EBITDA</b>	<b>34,647</b>	<b>33,127</b>	<b>132,524</b>	<b>127,958</b>
Interest expense	6,126	5,183	22,840	24,645
Depreciation & amortization	1,833	1,698	6,799	5,808
Non-controlling interest in KG	—	413	—	1,600
<b>Adjusted operating income before tax <sup>(1)</sup></b>	<b>26,688</b>	<b>25,833</b>	<b>102,885</b>	<b>95,905</b>
<b>Adjusted net income applicable to common shareholders per share (basic)</b>	<b>0.08</b>	<b>0.08</b>	<b>0.31</b>	<b>0.27</b>

(1) Excludes share-based compensation

# Operating Expenses

## KEY HIGHLIGHTS

- Higher business segment operating expenses due to growth in originations and managed portfolios at Service Finance and Triad, partially offset by lower operating expenses at KG as a result of lower incentive compensation due to lower revenue
- Corporate operating expenses of \$5.4 million reflect a return to normal activity levels with respect to business development, professional services and travel

Operating Expenses (US\$, thousands)	Q4 2020	Q4 2019	FY 2020	FY 2019
Service Finance	13,051	9,611	44,511	32,858
KG	7,685	10,189	28,119	36,077
Triad Financial Services	11,290	7,145	36,332	29,165
Corporate	5,351	5,926	22,123	21,898
Total operating expenses	37,377	32,871	131,085	119,998

# Discontinued Operations

- Terminating discontinued operations in Q1 2021
- Q4 provision accelerates exit of legacy assets
- Provision driven by impacts from Covid-19
  - Aviation industry significantly impaired
  - No foreseeable recovery in aviation asset values in the near term
  - ECN will continue to pursue litigation and other recovery efforts
- Significantly improves overall quality of earnings
  - Material reduction in the gap between reported and adjusted earnings going forward

# Closing Summary



# Closing Summary

## SUCCESSFUL OPERATING RESULTS

- Successfully extended management retention plans through 2024
- Q4 2020 Adj EPS of \$0.08; FY 2020 Adj EPS of \$0.31
- ROE increases to ~16.5%-18.5% in 2021; ~20%+ expected in 2022
- SFC Q4 originations +34%; All-in-one offering and new program to drive further growth
- SFC fully funded into 2022 with 2021 originations of \$2.5B+ at full margins
- Triad Q4 core approvals +39%; land home on track with \$46 million Jan approvals
- Triad fully funded in 2021 for ~\$1B+ originations; 3 new funding partners in 2021 YTD
- KG in-line Q4; strong partnership business continues; pipeline strong
- KG new growth opportunities leveraging core competencies

## CAPITAL MANAGEMENT

- Quarterly dividend raised by 20% to C\$0.03 (C\$0.12 annually)
- Closed C\$75 million senior unsecured debentures due 2025 in Q3
- Active in NCIB; purchased both preferred and common in Q4

# ESG Commitment

## ECN MANAGEMENT AND THE BOARD OF DIRECTORS ARE COMMITTED TO IMPROVING ESG POLICY, IMPACT, AND THE DISCLOSURE OF THESE ISSUES TO OUR STAKEHOLDERS

- In 2020, ECN formally established the ESG management committee to address ECN's ESG impacts and disclosure
- Engaged with numerous stakeholders to better understand and plan our ESG disclosure
  - Initial report given at Investor Day 2021 available on ECN website - <https://www.ecncapitalcorp.com/content/uploads/ESG-FINALJW.pdf>
- ECN's businesses have attractive end markets with positive ESG tailwinds – home improvement & manufactured housing use largely energy star rated equipment
- ECN disclosure complies with SASB standards
- ECN is a founding member of the Canadian chapter of the 30% Club





# Questions

