Investor Day
Management Presentation

FINANCIAL INDUSTRY SOLUTIONS

$29B
Managed and advised credit portfolios

90+
US Bank and credit union partners
Presentation Agenda

Agenda Review & Presentation Structure

Introduction

Service Finance Company

Triad Financial Services

Kessler Group

ECN Strategy & Forecast
Agenda Review & Presentation Structure

Presenter: John Wimsatt
Agenda Review & Presentation Structure

**Investor Day Agenda**

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
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</thead>
<tbody>
<tr>
<td>12:30 – 12:35</td>
<td>Introduction</td>
</tr>
<tr>
<td>12:45 – 1:45</td>
<td>Kessler Group</td>
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<tr>
<td>1:55 – 2:55</td>
<td>Triad</td>
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<tr>
<td>3:05 – 4:05</td>
<td>Service Finance</td>
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<tr>
<td>4:05 – 5:00</td>
<td>Executive Summary</td>
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<tr>
<td>5:30 – 6:00</td>
<td>Cocktails</td>
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<tr>
<td>6:00 – 8:00</td>
<td>Dinner</td>
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Presentations are scheduled to last an hour
- 30 minutes slide review
- 30 minutes Q&A

Cocktails & Dinner will start at 5:30 in the Blue Room Restaurant
Introduction

Presenter: Steve Hudson
Following its inception in 2016, ECN Capital transitioned from a manager of balance sheet financing businesses to a manager of balance sheet light businesses.

Over the last 2+ years, ECN has divested or wound down its legacy portfolio assets and acquired three asset light portfolio company investments.

Today, ECN is an asset manager that owns a portfolio of business services providers operating fee-based, asset-light models through which it originates, manages and advises on prime credit portfolios for its bank customers.
• 30 years of asset management experience in the specialty finance vertical
  • Consumer and commercial finance
  • Wholesale funding and third party funds
  • Financial institution partnerships
• 90+ bank and other financial institution partners today out of 10,000+ total in the US
• $29BN+ of managed and advised consumer finance credit portfolios
• Three core portfolio offerings:
  • Consumer Credit Card – Co-branded credit cards & related financial products
  • Secured Consumer – Manufactured home loans
  • Unsecured Consumer – Home improvement loans
The Kessler Group
Presenter: Scott Shaw
The Kessler Group (KG) is a financial services leader that has shaped the payments industry.

KG has grown to become the premier manager, advisor and structuring partner to credit card issuers, banks, credit unions and payment networks.

KG is not an investment bank nor a consultant – it is a business services platform with deep long-term bank relationships.

Focused on co-brand credit card solutions, with expansion into solutions for other related consumer financial products.

Performance-based revenue streams, capital-light model with repeat clients and long-term contracts.

KG provides significant opportunity to add bank partners to Service Finance / Triad.

Managed & Advised Portfolio Assets

Co-brand credit card partnerships created

70% of total revenue made up of multi-year, contractual revenue streams

25+ financial institutions with credit card portfolios
Scott Shaw  
President

• 30+ years of industry experience; 27 years with KG
• Scott has been instrumental in building all aspects of the business along-side Howard Kessler
• Responsible for the day to day management of KG
• Develops and manages new and existing client relationships across KG’s business verticals
• Manages the risk-based marketing business
• Works with portfolio team on client transactions and complex restructuring situations
• Instrumental in the formation of new financial service partnerships creating a backlog of annuity income streams across the credit card, payments and related consumer finance businesses
Management Depth

Overview

• Experienced, cohesive management team with average tenure of 20+ years with KG

• Deep bench of mid-level management who have 15+ years experience (average tenure) working directly with clients across each business vertical

• Headquartered in Boston, MA with offices in Delaware & Northern Virginia

<table>
<thead>
<tr>
<th>Experienced Leadership and Proven Management Team</th>
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<tbody>
<tr>
<td>Name/Title</td>
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<tr>
<td>-----------</td>
</tr>
<tr>
<td>Howard Kessler</td>
</tr>
<tr>
<td>Chairman &amp; CEO</td>
</tr>
<tr>
<td>Scott Shaw</td>
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<tr>
<td>President</td>
</tr>
<tr>
<td>David Smith</td>
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<tr>
<td>MD Portfolio Advisory</td>
</tr>
<tr>
<td>Dax Cummings</td>
</tr>
<tr>
<td>MD Business Dev</td>
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<tr>
<td>Carl Erickson</td>
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<tr>
<td>Sr. EVP Strategy</td>
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</table>
## Business Verticals

**Business verticals develop end-to-end credit card solutions for bank clients**

### Strategic Partnerships

- Created over 6,000 partnerships with balances in excess of $150 billion

- Long-term contracted relationships with major financial institutions to manage and advise on co-branded credit cards and partnership portfolios

#### Development
- Proactive opportunity identification based on client’s strategy and goals
- Ensure partnership is mutually beneficial at inception

#### Portfolio Optimization
- Improve relationships by identifying enhancement opportunities
- Optimize profitability and customer satisfaction

#### Portfolio Sales
- Transition co-branded cards from incumbent to acquirer
- Minimize value destruction during this process

### Portfolio Advisory

- Brokered over 500 portfolios totaling over $50 billion in assets

- Advisory and transaction services focused on co-brand and partnership credit card portfolios with expanding capabilities in other financial products

#### Advisory Services
- Strategy development
  - Exit, re-entry and carve-out
  - Transition and execution
  - Optimization
- Partner selection and execution
- Contract negotiations / restructures
- Joint ventures and alliances
- Divestitures

#### Transactional Services
- Valuation and analysis
- Due diligence
- Contract negotiations

### Risk-Based Marketing Advisory and Funding

- Invested over $800 million generating 4 million+ new customer relationships

- Marketing services and funding new credit card & product launches

#### Origination / Growth Funding
- Assist US and international clients overcome common challenges:
  - Budget constraints
  - Limited capabilities
  - Matching revenues to expenses
  - KG fees based on performance over time

#### Advisory Services
- Strategic marketing and planning
  - Overall marketing strategy
  - Product differentiation
  - Channel development
  - Cost analysis and reduction
- Full range execution and data analytics capabilities

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**ECN CAPITAL**

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Case Study: Strategic Partnership

**Situation**

- Significant bank client requested an optimization of its existing annuity contract (i.e. de-risked and expanded)

**Solution**

- De-risked and expanded contractual relationship provides long-term benefits to both parties:
  - Accelerated annuity payments with ~$83 million received as an upfront cash payment
  - Removal of key-man termination provisions
  - Existing annuity payments converted to annual fixed payments over the term
  - Expanded KG’s exclusive advisor on all renewals and divestitures of co-brand portfolios (i.e. incremental annuity flows)

**Result**

- Right to new co-brand portfolio transactions
- New divestitures awarded - 2 mandates
- Expanded strategic partnership with bank partner, including regular participation in strategic planning related to all of its credit card business
Case Study: Portfolio Advisory

**Situation**
- Shareholder pressure for a retailer to sell subsidiary bank and its multi-billion dollar credit card portfolio
- Client bank was interested in purchasing the retailer’s bank and was selected after a lengthy RFP process with KG closely advising the acquiring bank
- After winning the RFP, the acquiring bank learned that the regulator would likely block the acquisition

**Solution**
- KG devised an alternative solution that introduced another bank into the process to purchase the bank and depository relationships and allow KG’s client to purchase the credit card portfolio

**Result**
- KG earned a significant transaction fee as well as ongoing annuity fees based on the portfolio outstandings
Case Study: Risk-Based Marketing

**Situation**

- U.S. regional bank expressed interested in migrating their HELOC acquisition marketing to a pay-for-performance model
- KG put in place a performance-based program for the HELOC product and began funding marketing in 2017
- Subsequently, KG and the bank expanded the relationship and began funding checking account acquisition marketing in early 2018
- KG then began providing advisory services, creative services and funding for the bank’s credit card products in mid 2018
- As a result of the success of the program, KG and bank have extended the risk-based marketing agreements several times since inception
- 2018 funding levels grew 3x to ~$25 million over 2017, with further expansion underway for 2019+
- Enabled bank to increase customer acquisition, accelerate growth, better align costs with revenues and reduce per account origination costs
**KG’s Differentiators & Reach**

**Differentiators**
- Undisputed leader in financial services marketplace for 30 years
- Multidimensional partnerships with the largest financial institutions
- C-suite level relationships across major global banks, credit card companies, payment networks, major affinities and other organizations
- High-margin, recurring business opportunities with downside protection via guaranteed cash flow streams for the next 5+ years
- A pay-for-performance model that ties KG’s success to that of its clients
- Diverse and well-apportioned sources of revenue
- Unique, replicable and scalable intellectual property that can be extended globally
- Duplicate credit card business model in related verticals

**Industry Footprint**

- **Top 12 Largest US Banks by Assets**
  - 50% Kessler Clients
  - 50% Other

- **Top 25 US Regional Banks By Assets**
  - 52% Kessler Clients
  - 48% Other

- **Top 15 US Credit Card Issuers by Balances**
  - 33% Kessler Clients
  - 67% Other

**KG’s continued growth and success is enabled by a transformative approach and team of professionals who constantly assess market developments and opportunities**
Addressable Market & Future Outlook

**Strategic Partnerships**
- Continue to strategically grow cornerstone relationships via new, multi-billion dollar partnerships
- Utilize experience and expertise to create new relationships with long-term agreements
- Leverage strategic realignment in client partnership portfolios to create incremental annuity relationships

**Portfolio Advisory**
- Innovative structuring of credit card portfolio deals to deliver new value to top card issuers
- Added capabilities across broader banking product universe creates additional revenue opportunity

**Risk-Based Marketing Advisory and Funding**
- Multi-year agreements in place to fund $160MM+ in marketing across multiple consumer products and marketing channels over the next 3 years
- Significant expertise and capabilities to direct marketing spend through both direct mail to digital channels
- Growth plan to achieve 3x current funding levels over the next 4 years

- US banks spend over $3 billion in direct mail product marketing each year
- A similar amount is spent on digital advertising; total marketing spend to over $6 billion

- ~$250 billion in co-branded credit card receivables
- Typical programs have a five-year term putting ~$50 billion in partnership assets in play each year

FINANCIAL INDUSTRY SOLUTIONS
Since 2012 KG has delivered:

- Strategic advice on long-term co-brand credit card partnership business for a large issuer
- Secured mandates on $45 billion in co-brand credit card portfolio acquisitions
- Executed 20 program extensions and renewals
- Advised on 5 non-strategic co-brand credit card portfolio divestitures

Since 1990 KG has delivered:

- Delivered merchant processing volume from 125+ banks representing ~15% of total merchant processing volume
- Advised on the acquisition & growth of ~$5.5 billion of total co-brand portfolios
- Delivered ~ 90 million pieces of mail annually producing significant cost savings
- Funded ~$30 million in risk based marketing
The Kessler Group’s customers are predominantly large, federally-regulated financial institutions with investment grade credit ratings. KG credit risk limited to counterparty exposure.

<table>
<thead>
<tr>
<th>Entity</th>
<th>Primary Strategic Division</th>
<th>Debt Rating</th>
<th>Length of Relationship (Years)</th>
<th>Annual Fees Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Strategic Partnerships</td>
<td>Baa1 (BBB)</td>
<td>15+</td>
<td>$15-20MM</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senior Unsecured</td>
<td></td>
<td></td>
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<tr>
<td>B</td>
<td>Strategic Partnerships</td>
<td>A1 (A+)</td>
<td>10+</td>
<td>$10-15MM</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senior Unsecured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Strategic Partnerships</td>
<td>Baa3</td>
<td>15+</td>
<td>$2-5MM</td>
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<tr>
<td></td>
<td></td>
<td>Senior Unsecured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>Strategic Partnerships</td>
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<td>$3-7MM</td>
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<tr>
<td></td>
<td></td>
<td>Senior Unsecured</td>
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<td></td>
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<tr>
<td>E</td>
<td>Portfolio Advisory</td>
<td>A3 (A-)</td>
<td>35+</td>
<td>$2-10MM</td>
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<tr>
<td></td>
<td></td>
<td>Senior Unsecured</td>
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<tr>
<td>F</td>
<td>Portfolio Advisory</td>
<td>A3 (A-)</td>
<td>15+</td>
<td>$1-10MM</td>
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<td></td>
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<td>Senior Unsecured</td>
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<tr>
<td>G</td>
<td>Portfolio Advisory</td>
<td>A3 (BBB+)</td>
<td>20+</td>
<td>$1-3MM</td>
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<td></td>
<td></td>
<td>Senior Unsecured</td>
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</tr>
<tr>
<td>H</td>
<td>Risk-Based Marketing</td>
<td>BBB+ (BBB+)</td>
<td>2+</td>
<td>$2-5MM</td>
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<tr>
<td></td>
<td></td>
<td>Senior Unsecured</td>
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<tr>
<td>I</td>
<td>Risk-Based Marketing</td>
<td>Aa1 (AA-)</td>
<td>2+</td>
<td>$3-5MM</td>
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<td>Senior Unsecured</td>
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<td>J</td>
<td>Risk-Based Marketing</td>
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<tr>
<td>K</td>
<td>Multi-Channel Marketing</td>
<td>A1 (A+)</td>
<td>25+</td>
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<td>Senior Unsecured</td>
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2019 Guidance

KEY HIGHLIGHTS

• Entered into expanded strategic partnership agreement with a significant long-term client

• Expect Strategic Partnership vertical to continue to add new relationships and long-term contracts given current pipeline
  • KG ongoing total contracted annuity income ~$200 million

• Portfolio advisory off to a great start in 2019 with a strong pipeline for the remainder of the year

• Risk-based marketing funding expected to generate net revenue of ~$15 million in 2019

<table>
<thead>
<tr>
<th>Income Statement</th>
<th>(US$ millions)</th>
<th>2019 Forecast Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>86</td>
<td>90</td>
</tr>
<tr>
<td>EBITDA</td>
<td>45</td>
<td>48</td>
</tr>
<tr>
<td>Adjusted operating income before tax (100%)</td>
<td>42</td>
<td>45</td>
</tr>
<tr>
<td>Adjusted operating income before tax (ECN share)</td>
<td>32</td>
<td>34</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>~52%</td>
<td>~53%</td>
</tr>
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</table>
Triad Financial Services

Presenter: Don Glisson, Jr.
Business Overview

- Triad is **the oldest manufactured** housing finance company; 1959
- Headquartered in Jacksonville, FL; operates in 44 states providing primarily prime and super-prime loans to consumers for manufactured homes
- Triad sells loans to an established network of **over 50 banks and credit unions**
- Originations are sourced through long established national network of dealers and manufacturers
  - Continued mid-teen % growth in originations in 2019
  - ECN has proven ability to **unlock additional growth** potential
  - Significant growth of managed portfolio given longer duration asset and increased servicing penetration

Longest Tenured US MH Finance Company

3,000K+ network of dealer relationships nationally

44 States active today

50+ loan funding partnerships with financial institutions
Don Glisson Jr.
CEO

- Don Glisson Jr. is Chief Executive Officer of Triad Financial Services.

- 30+ years of manufactured housing industry experience

- Under Don's leadership, Triad has been honored with a number of industry and community awards during the last ten years, including being named by The Manufactured Housing Institute (MHI) as the National Lender of the Year

- Former Executive Chairman of the Jacksonville Bank, a NASDAQ publicly traded Bank and the largest community Bank in Northeast Florida.

- Don was given the Chairman's Award from MHI in 2010 for his efforts on behalf of the Manufactured Housing Industry.
Management Depth

Overview

- Experienced, cohesive management team with average tenure of 25 years with Triad
- Headquartered in Jacksonville, FL
- 3 office locations strategically located across the country
- 12 regional managers spread between offices
- In-house servicing team achieving industry leading performance
- Infrastructure built to scale

Experienced Leadership and Proven Management Team

<table>
<thead>
<tr>
<th>Name/Title</th>
<th>Industry Experience</th>
<th>Triad Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don Glisson, CEO</td>
<td>35 years</td>
<td>35 years</td>
</tr>
<tr>
<td>Michael Tolbert, Executive Vice President</td>
<td>23 years</td>
<td>13 years</td>
</tr>
<tr>
<td>Seth Deyo, Chief Financial Officer</td>
<td>29 years</td>
<td>18 years</td>
</tr>
<tr>
<td>Danielle Howard, Chief Compliance Officer</td>
<td>29 years</td>
<td>18 years</td>
</tr>
<tr>
<td>Ross Eckhardt, President Midwest</td>
<td>43 years</td>
<td>43 years</td>
</tr>
<tr>
<td>Anthony Glass, SVP-Servicing</td>
<td>20 years</td>
<td>20 years</td>
</tr>
</tbody>
</table>
Manufactured Homes: The “What” and “Why”

What are manufactured homes?
- Manufactured homes are prefabricated houses that are constructed in a factory and then assembled at the building site in sections.
- There are 8.6 million manufactured homes nationwide, representing ~10% of the single family housing stock.

Why are manufactured homes appealing?
- Manufactured homes are attractive relative to site-built homes because:
  1. The cost of construction is considerably less
     - ~55% cheaper per square foot
  2. The time to construct is usually considerably less
     - 8 to 12 weeks from order to finished product
     - Currently seeing backlogs – not enough manufacturing capacity to meet demand
- While just like site-built homes, they are:
  - Customizable with a variety of designs, floor plans and amenities
  - Often indistinguishable from site-built homes and fully compatible with neighborhood architectural styles
  - Conforming to federal and local building codes – HUD-certified upon leaving factory
MH is an Affordable, Attractive Alternative

- Manufactured housing is far cheaper on a monthly basis than alternatives
  - Typical monthly cost ~40% less than equivalent site-built housing or apartment rental
  - Site-built closing costs are double MH closing costs at an average of $2,500 vs. $1,250
- Unique, unsubsidized affordable housing
- Durability – MH homes adhere to both federal and state regulation
  - HUD Building Code Certification required prior to shipment

Monthly Cost of Living

- 2 Bedroom Apartment: $1,228
- 3 Bed/2 Bath Site-Built Home: $1,167
- 3 Bed/2 Bath Manufactured Home: $728
Entrenched MH Finance Ecosystem

**Origination**
- Originations sourced through national network of dealers and manufacturers
- Estimated originations of ~$530MM in 2018; ~$606MM in 2019
- Prime credit with weighted average FICO of 749
- Strict credit criteria including FICO, income and DTI
- Average realized duration ~98 months
- Net charge-offs ~0.4% annually
- No recourse to Triad beyond initially established reserve account

**Underwriting**

**Funding + Servicing**
- Partnership with over 50 banks and credit unions
- Fee for originating and underwriting
- Ongoing fee for servicing
- ~$2.2BN outstanding at 9/30/18
- Separate fee for business servicing third-party MH portfolios

Creating value for consumers, dealers and bank partners with MH finance
## Business Verticals

### Three Business Verticals

<table>
<thead>
<tr>
<th>Manufactured Housing Loans</th>
<th>Managed Only</th>
<th>Floorplan</th>
</tr>
</thead>
<tbody>
<tr>
<td>High credit quality secured consumer loans</td>
<td>Assist third parties in Servicing/Originating</td>
<td>Provide dealers with floorplan financing</td>
</tr>
</tbody>
</table>

**Description**
- Agreements with over 50 banks and credit unions for the sale of originations
- Triad is not directly exposed to credit risk, however, they establish a reserve account with the lending partner as a first-loss pool
- No recourse beyond reserve account

**Statistics (average LTM)**
- FICO 749
- Loan Rate 6.9%
- Down Payment 18.2%
- Term 230-months
- Chattel 86.6%

**~70% of Originations**

**Description**
- Assist third-parties in servicing, underwriting, and originating MH loans
- 100% funded by third-party with NO RE COURSE
- Triad services all loans for an ongoing servicing fee and completes underwriting / origination services for a flat fee

**Statistics (average LTM)**
- FICO 609
- Loan Rate 8.7%
- Down Payment 11.4%
- Term 210-months
- Chattel 99.9%

**~30% of Originations**

**Description**
- Provide financing to dealers for manufactured homes
- Financing used for:
  - Display Inventory (~2-year duration)
  - Homes completed by manufacturer awaiting final onsite completion (<30-days duration)
- Offered only to established dealers to drive additional MH Loan growth
- Early results indicate increasing market share
- Loan Rate: 7.6% (average LTM)
Case Study: Manufactured Home Loan

**CHALLENGE**

**Consumer**
- Limited financing solutions to purchase an affordable Manufactured Home

**Financial Institution**
- Lack the presence and/or experience in the industry

**SOLUTION**

**Consumer**
- Manufactured Housing Dealer recommends Triad
  - Triad has a long-standing relationship with its national network of dealers
  - Dealer participates in Triad’s Floorplan program
  - Dealers recognize Triad as a top customer service organization – vetted by regulators

**Financial Institution**
- Purchase a consumer loan from Triad
  - Attractive Yield
  - Low Credit Risk – Reserve account provides credit and pre-payment protection
  - Proven track-record

**OUTCOME**

**Consumer**
- Consumer secures financing
- Dealer confident financing is secure – orders home

**Financial Institution**
- Purchases high quality loan
  - Reserve Account protection
  - Managed by Triad – industry experts
- Loans Outstanding of $2.2 billion\(^1\)

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1. As of 3Q 2018
Case Study: Managed Only

**CHALLENGE**

**Community Owner**
- Limited to no financing solutions for many community situated consumers
- Community Owners have capital but lack infrastructure and licensing to make loans

**SOLUTION**

**Community Owner**
- Community Owner leverages Triad’s infrastructure for turnkey solution
  - Triad ensures documentation compliance
  - Triad adjudicates consumer applications to the Community Owners credit requirements
  - Triad manages loans
  - No Triad recourse or capital at risk – fee only

**OUTCOME**
- Community Owner sells home
- Loans managed by Triad with capital provided by the community owner
- ~30% of total originations are Managed Only
- Triad partners with many top community owners (including 8 of the top 10 in the U.S.)
Case Study: Floorplan

**CHALLENGE**

**Dealers**

- Dealers required to pay for home once manufacturer is finished
- Site-work and/or weather may necessitate additional time before a lender funds the loan
- Tying up capital could slow sales or require heightened net working capital

**SOLUTION**

**Dealers**

- Approved dealers use a Floorplan line from Triad to pay the manufacturer while they await completed loan proceeds
- Triad receives full repayment guarantee from manufacturer

**OUTCOME**

- Dealer focuses on home sales
- Dealers further integrated with Triad
- Early results indicating increasing market share for MH Loans
- $67.5 million Floorplan loans outstanding

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1. As of 3Q 2018
Large US Housing Market

US Residential Housing Market

- ~138MM Housing Stock Units
- ~83MM Single Family Units
- ~8.6MM Manufactured Housing Units

Total US Housing Stock value of ~$32TN

1. Federal Reserve Economic Data – St. Louis Fed as of Q2 2018
2. Zillow Research
Positive Indicators for MH Industry

- Housing affordability is in decline
- Mortgage rates are rising after a decade of low rates
- MH relative attractiveness improving

Manufactured Housing is likely to continue to see increased shipments as rising home costs and interest rates encourage consumers to seek cost effective options.

Source: Federal Reserve Economic Data – St. Louis Fed as of Q2 2018
Diversified Manufacturer Base

Manufacturers

- Triad has been a consistent financing partner for the manufactured housing industry since 1959
- Highly diversified and well-penetrated network of manufacturers across the industry
- Manufacturer network produces the full range of available product options for consumers nationwide
- Collectively the manufacturers build homes coast to coast in the continental U.S.
- Floorplan program further builds manufacturer loyalty and drives additional growth in MH originations

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>% of Total(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturer 1</td>
<td>10.9%</td>
</tr>
<tr>
<td>Manufacturer 2</td>
<td>10.3%</td>
</tr>
<tr>
<td>Manufacturer 3</td>
<td>9.9%</td>
</tr>
<tr>
<td>Manufacturer 4</td>
<td>6.8%</td>
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<tr>
<td>Manufacturer 5</td>
<td>5.3%</td>
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<tr>
<td>Manufacturer 6</td>
<td>5.1%</td>
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<tr>
<td>Manufacturer 7</td>
<td>3.8%</td>
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<tr>
<td>Manufacturer 8</td>
<td>3.5%</td>
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<tr>
<td>Manufacturer 9</td>
<td>3.3%</td>
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<tr>
<td>Manufacturer 10</td>
<td>2.5%</td>
</tr>
<tr>
<td>Manufacturer 11</td>
<td>2.2%</td>
</tr>
<tr>
<td>Manufacturer 12</td>
<td>2.2%</td>
</tr>
<tr>
<td>Manufacturer 13</td>
<td>2.1%</td>
</tr>
<tr>
<td>Manufacturer 14</td>
<td>1.6%</td>
</tr>
<tr>
<td>Manufacturer 15</td>
<td>1.5%</td>
</tr>
<tr>
<td>Manufacturer 16</td>
<td>1.4%</td>
</tr>
<tr>
<td>Manufacturer 17</td>
<td>1.4%</td>
</tr>
<tr>
<td>Manufacturer 18</td>
<td>1.1%</td>
</tr>
<tr>
<td>Manufacturer 19</td>
<td>1.1%</td>
</tr>
<tr>
<td>Manufacturer 20</td>
<td>1.1%</td>
</tr>
<tr>
<td>All Other Manufacturers</td>
<td>23.0%</td>
</tr>
</tbody>
</table>

Total | 100.0%

---

\(^1\) YTD as of 3Q 2018, not including Managed Only
Diverse, Well-Capitalized Funding Partners

<table>
<thead>
<tr>
<th>Funding Partner</th>
<th>% of Total</th>
<th>Length of Relationship (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A – Bank</td>
<td>14.7%</td>
<td>14</td>
</tr>
<tr>
<td>B – Credit Union</td>
<td>7.4%</td>
<td>9</td>
</tr>
<tr>
<td>C – Credit Union</td>
<td>6.6%</td>
<td>4</td>
</tr>
<tr>
<td>D – Credit Union</td>
<td>5.5%</td>
<td>5</td>
</tr>
<tr>
<td>E – Credit Union</td>
<td>4.5%</td>
<td>13</td>
</tr>
<tr>
<td>F – Credit Union</td>
<td>4.5%</td>
<td>13</td>
</tr>
<tr>
<td>G – Bank</td>
<td>4.4%</td>
<td>2</td>
</tr>
<tr>
<td>H – Bank</td>
<td>3.6%</td>
<td>14</td>
</tr>
<tr>
<td>I – Bank</td>
<td>3.1%</td>
<td>6</td>
</tr>
<tr>
<td>J – Credit Union</td>
<td>2.5%</td>
<td>13</td>
</tr>
<tr>
<td>K – Credit Union</td>
<td>2.5%</td>
<td>3</td>
</tr>
<tr>
<td>L – Credit Union</td>
<td>2.2%</td>
<td>13</td>
</tr>
<tr>
<td>M – Bank</td>
<td>2.1%</td>
<td>19</td>
</tr>
<tr>
<td>N – Bank</td>
<td>2.1%</td>
<td>2</td>
</tr>
</tbody>
</table>

1. YTD as of 3Q 2018, not including Managed Only

Total Loan Portfolio
Loans Outstanding $2.2BN
Avg. Customer Balance
Funded ~$51,500
W.A. Life 98 months

Current Funding Partners
Banks
Credit Unions

Additional Future Partners
Life Insurance Cos
Loan Economics to Partner

**Bank Partner Unit Economics**

- **Net Loan Yield:** 5.8%
- **Servicing Fee:** (0.4%)
- **Funding Costs:** (1.5%)
- **Cost Allocation:** (0.2%)
- **Taxes:** (0.7%)
- **ROA:** 3.0%

**Comparative ROAs**

- **Avg. Bank ROA**: 0.97%
- **Triad Bank Partner**: 3.0%

1. Source: SNL Financial; 3Q’18 LTM ROAA for US Commercial and Savings Banks
2. Credit losses expected to be 0.0% due to reserve account established upon sale
Attractive Prime and Super-Prime Consumers

- Triad is the market leader originating and servicing prime & super-prime manufactured housing loans
  - Average FICO of 749
  - Annualized net charge-offs (NCOs) of ~0.4% for loans
  - Peak annualized NCOs 1.3% in 2010 – housing crisis & consumer recession
- Zero expected net losses to lending partners through reserve account established at funding
  - Triad recourse limited to reserve account
  - Excess reserves returned to Triad over time

1. Reflects MH Loan originations sold to bank network
Economic Resilience

Time Tested Portfolio Performance

Historical Performance

Year-over-Year Performance (30+ Delinquency)

Credit Crisis peak annualized charge-offs of just 1.3%

Note: performance statistics measured in units
Identified, Attainable Growth Opportunities

**Community Programs**
- Loans for manufactured homes in communities
- Targeting community owners and community-based consumers

**Extended Warranty**
- Warranty product to extend manufacturers’ typical 1-year policy
- Partnering with a major insurance company

**Commercial Modular**
- Loan product to finance pre-fabricated commercial projects
- Due diligence proceeding
KEY HIGHLIGHTS

- 2019 operating income before tax in line with acquisition guidance
- Originations projected to grow ~15% in 2019 at the midpoint from previously forecast 2018 guidance
  - Floorplan initiatives showing progress on increased core MH market share
  - Manufactured Housing Industry positioned for increasing shipment rates as an affordable housing solution
- Servicing penetration continues to rise leading to increased ongoing revenue streams
- Adjusted operating income growth of ~18% in 2019 at the midpoint compared to 2018 previous forecast
- Positioned to scale – margins continue to expand
- Financial partner demand continues to increase

<table>
<thead>
<tr>
<th>Select Metrics (US$ millions)</th>
<th>2019 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total originations</td>
<td>600</td>
</tr>
<tr>
<td>Floorplan line utilized</td>
<td>100</td>
</tr>
<tr>
<td>Managed &amp; advised portfolio (period end)</td>
<td>2,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income Statement (US$ millions)</th>
<th>2019 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>55</td>
</tr>
<tr>
<td>EBITDA</td>
<td>26</td>
</tr>
<tr>
<td>Adjusted operating income before tax</td>
<td>22</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>~47%</td>
</tr>
</tbody>
</table>

~50%
Service Finance Company

Presenter: Mark Berch
Founded in 2004, Service Finance Company (SFC) utilizes a technology-driven platform to originate prime & super-prime loans to finance home improvement projects.

- Fully-licensed sales finance company and third-party servicer in all 50 states and D.C.
- ~9K relationships with major dealers, manufacturers and trade associations across the US.
- $4B+ originated to date with a keen focus on safe and sound lending practices and compliance.
- SFC has sold loans to 20 FDIC insured institutions - zero objections or negative comments during formal examinations by and through all bank counterparties.

Note: Use of the term “Loan” and “Borrower” in this presentation is for ease of reference only. Financings are in the form of retail installment contracts (“RIC”).
Mark Berch
President

• Mark Berch is the Founder and President of Service Finance

• 30+ years of home improvement industry experience

• Prior to founding Service Finance Company, Mr. Berch spent more than 20 years as a principal founder and operator in several home improvement companies

• Previous management positions at San Diego Carpet Care, International Chemical and Supply, and United Restoration, LLC

• Member of the executive advisory board of the National Association of Professionally Accredited Contractors (NAPAC)
Management Depth

Overview

- Experienced, cohesive management team with average industry tenure of 20+ years
- Headquartered in Boca Raton, FL
- Fully licensed consumer lender in all 50 states
- In-house servicing team achieving industry leading performance
- Infrastructure built to scale

Experienced Leadership and Proven Management Team

<table>
<thead>
<tr>
<th>Name/Title</th>
<th>Industry Experience</th>
<th>SFC Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Berch, President</td>
<td>35 years</td>
<td>14 years</td>
</tr>
<tr>
<td>Ian Berch, COO</td>
<td>33 years</td>
<td>14 years</td>
</tr>
<tr>
<td>Steven Miner, Legal &amp; Compliance</td>
<td>10 years</td>
<td>10 years</td>
</tr>
<tr>
<td>Eric Berch, CFO</td>
<td>33 years</td>
<td>14 years</td>
</tr>
<tr>
<td>Gary Lobban, VP Servicing</td>
<td>30 years</td>
<td>14 years</td>
</tr>
<tr>
<td>Chuck Upshur, VP Business Dev</td>
<td>15 years</td>
<td>7 years</td>
</tr>
<tr>
<td>Gilbert Rosario, VP IT Infrastructure</td>
<td>15 years</td>
<td>5 years</td>
</tr>
</tbody>
</table>
58% of US homeowners (87 million+ in total) plan to make home improvements; ~50% of those homeowners spend $5,000 or more
70% of homeowners are considering financing for their home improvement project
HIRI estimates the home improvement market will surpass $420B in 2019 & continue to grow thereafter
The professional home improvement market, Service Finance’s addressable market, is estimated at $130.2B in 2019, and expected to grow to $149.7B in 2022
Addressable professional market has grown at a CAGR of ~5% since 1992
Addressable Market with Low Penetration

- Est. addressable market of $130.2B
- Top five originators account for an est. $10.2B or ~8% of the available market
- $120B of potential market currently financed with cash, credit cards and/or HELOC’s
- Installment credit is the fastest growing segment; expected grow to up to 20% market share within the next five years
- Service Finance is well positioned

<table>
<thead>
<tr>
<th>2019E Top 5 Originations ($B)²</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Finance</td>
<td>$1.7</td>
</tr>
<tr>
<td>Greensky</td>
<td>$4.2</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>$2.5</td>
</tr>
<tr>
<td>Synchrony</td>
<td>$1.0</td>
</tr>
<tr>
<td>EnerBank</td>
<td>$0.8</td>
</tr>
<tr>
<td>Total</td>
<td>$10.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2019 Estimated Addressable Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Addressable Market</td>
</tr>
<tr>
<td>Top 5 Est Originations</td>
</tr>
<tr>
<td>Additional Opportunity</td>
</tr>
</tbody>
</table>

1 Source: Home Improvement Research Institute Forecast Update September 2018
2 ECN estimates; SFC origination estimate at the midpoint of guidance range
## Superior Competitive Position

<table>
<thead>
<tr>
<th>Feature</th>
<th>WELLS FARGO</th>
<th>SYNCHRONY BANK</th>
<th>ENERBANKUSA</th>
<th>GREENSKY</th>
<th>SERVICE FINANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consistent Dealer Fees¹</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>Hidden Fees²</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Wide Selection of Finance Options³</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
<td>☑</td>
</tr>
<tr>
<td><strong>True</strong> No Interest/No Payment Options</td>
<td>☒</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Application via Mobile App</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Online Consumer Application⁴</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Loan Terms up to 20 Years</td>
<td>☒</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>No dealer fee loans</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>No Paperwork/Sales Slips Required⁵</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Progress Payments Available</td>
<td>☒</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Direct Pay to Manufacturer Available</td>
<td>☒</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Dedicated Dealer Concierge</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>24/7 In-Season Hours</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
</tbody>
</table>

¹ Consistent pricing – having no changes in dealer fees over the last 12 months
² Hidden fees can include but are not limited to interchange, card activation, minimum volume, ACH etc.
³ Options available for most every consumer credit type – no menus and no limitations
⁴ All providers have online consumer credit applications, however SFC’s trails in functionality and user friendliness
⁵ SFC’s new requirements, effective October 15, 2018, requires no work order, verification, and/or proof of ownership
“One-Stop” Shop for Dealers and Homeowners

1. HVAC
2. Gutters
3. Paint / Siding / Stucco
4. Roofing / Insulation
5. Bathroom Remodels
6. Solar Equipment
7. Windows / Doors Shutters
8. Kitchen Remodels
9. Flooring
10. Duct Work
11. Water Heaters
12. Basement Refinishing
Origination growth without changing credit profile; consistent underwriting profile drives continued funding partner acceptance

- Consistent Weighted Avg FICO of 760+
- Originations CAGR of 64.5% since 2013
- 2018 estimated origination growth of ~50% Y/Y

Huge market opportunity - taking share from cash, credit cards & HELOCs

- Origination growth is not dependent on taking share from existing competitors
- Only ~8% of the addressable market represented by top 5 competitors (slide 6)
- SFC originations represent just over 1% of its addressable market in 2018
FINANCIAL INDUSTRY SOLUTIONS

Take Share/Make Share

**Take Share - Lennox**
- Demonstrated success in taking market share by displacing competing financing solution providers
- SFC displaced a competing provider and earned an exclusive contract to offer installment financing to the Lennox dealer network
- Service Finance has more than tripled financed volume for Lennox and increased the average ticket size by almost 2x

**Make Share – Owens Corning**
- Demonstrated its ability to design and launch programs and make market share
- Owens Corning did not offer dedicated financing solutions through its dealer network
- SFC successfully designed, launched and grew a financing program for Owens Corning which has seen tremendous growth
- 2018 volumes on pace to grow ~70% Y/Y

---

**Lennox Originations ($000)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
<td>200,000</td>
<td>300,000</td>
<td>300,000</td>
</tr>
</tbody>
</table>

**Owens Corning Originations ($000)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>-</td>
<td>50,000</td>
<td>100,000</td>
<td>150,000</td>
<td>200,000</td>
<td>300,000</td>
</tr>
</tbody>
</table>
Resilient Long-Term End Market

The home improvement market has demonstrated its resilience through all economic conditions, as expenditures have increased steadily even through most recessionary periods.

<table>
<thead>
<tr>
<th>Recession Start</th>
<th>Recession End</th>
<th>Total Expenditures Start ($B)</th>
<th>Total Expenditures End ($B)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969:Q4</td>
<td>1970:Q4</td>
<td>13.5</td>
<td>14.8</td>
<td>9.1%</td>
</tr>
<tr>
<td>1973:Q4</td>
<td>1975:Q1</td>
<td>18.5</td>
<td>21.3</td>
<td>15.1%</td>
</tr>
<tr>
<td>1980:Q1</td>
<td>1980:Q3</td>
<td>43.8</td>
<td>45.4</td>
<td>3.7%</td>
</tr>
<tr>
<td>1981:Q3</td>
<td>1982:Q4</td>
<td>46.8</td>
<td>45.3</td>
<td>-3.2%</td>
</tr>
<tr>
<td>1990:Q3</td>
<td>1991:Q1</td>
<td>114.2</td>
<td>112.2</td>
<td>-1.7%</td>
</tr>
<tr>
<td>2001:Q1</td>
<td>2001:Q4</td>
<td>162.7</td>
<td>169.1</td>
<td>4.0%</td>
</tr>
<tr>
<td>2007:Q4</td>
<td>2009:Q2</td>
<td>266.3</td>
<td>236.4</td>
<td>-11.2%</td>
</tr>
</tbody>
</table>

Average Growth (Excluding Great Recession) 4.5%
Average Growth (Including Great Recession) 2.3%

1 Data from 1962-1996 from American Housing Survey; data from 1997 and beyond from Harvard Joint Centre for Housing Studies LIRA Index
2 Recessions as defined by the National Bureau of Economic Research
Why Dealers Choose SFC

✓ Proven platform capable of driving higher sales finance volume with no hidden fees
✓ Increases sales by facilitating credit in real-time at the point-of-purchase
✓ Diverse product offerings that are compelling to consumers
✓ Unique payment process provides staged funding and faster payment
✓ Focus on superior customer service
✓ Consultative approach to help dealers grow their business
✓ Seamless, efficient online dealer enrollment; zero integration required
Dealer Network Drives Low Customer Acquisition Costs

**Historical CAC**

- Includes new program build-out costs

<table>
<thead>
<tr>
<th>Year</th>
<th>CAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3.6%</td>
</tr>
<tr>
<td>2015</td>
<td>3.9%</td>
</tr>
<tr>
<td>2016</td>
<td>3.6%</td>
</tr>
<tr>
<td>2017</td>
<td>4.8%</td>
</tr>
<tr>
<td>2018E</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

**Comparative CAC**

- Includes new program build-out costs

<table>
<thead>
<tr>
<th>Year</th>
<th>CAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3.6%</td>
</tr>
<tr>
<td>2015</td>
<td>3.9%</td>
</tr>
<tr>
<td>2016</td>
<td>3.6%</td>
</tr>
<tr>
<td>2017</td>
<td>4.8%</td>
</tr>
<tr>
<td>2018E</td>
<td>5.5%</td>
</tr>
<tr>
<td>ondeck</td>
<td>34.6%</td>
</tr>
<tr>
<td>LendingClub</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

1. Customer Acquisition Cost = Sales and marketing expense divided by net revenue
2. Based on 2017FY publicly filed disclosures
**Unique and Attractive Solutions for Banks...**

<table>
<thead>
<tr>
<th>Bank Partner Challenges</th>
<th>Service Finance Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attractive Yields</strong></td>
<td>• Attractive yields drive strong risk-adjusted ROA</td>
</tr>
<tr>
<td>• Banks need attractive yields to drive risk adjusted returns</td>
<td>• Originates prime and super-prime assets with average FICO score of ~766</td>
</tr>
<tr>
<td>• Assets need to be of high quality to meet bank regulatory requirements</td>
<td>• Consistent underwriting practices</td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td>• Compliance culture drives all business decisions at Service Finance</td>
</tr>
<tr>
<td>• Compliance culture must be of the highest standards</td>
<td>• Assets highly diversified across category, geography &amp; multiple top-tier vendor partners</td>
</tr>
<tr>
<td>• Loans need to meet diversity requirements</td>
<td></td>
</tr>
<tr>
<td><strong>Safety &amp; Soundness</strong></td>
<td>• Zero objections or negative comments during formal examinations</td>
</tr>
<tr>
<td>• Banks subject to continual regulatory review</td>
<td>• Fully licensed lender / servicer in all 50 states</td>
</tr>
<tr>
<td>• Can only partner with those able to meet strict regulatory requirements</td>
<td>• Routinely examined by state regulators</td>
</tr>
<tr>
<td></td>
<td>• Registered with CFPB</td>
</tr>
<tr>
<td></td>
<td>• Approved FHA Title 1 lender</td>
</tr>
</tbody>
</table>
Defended by a Model that is Difficult to Replicate

Exclusive manufacturer agreements that drive network of ~9,000+ dealers built over 10+ years is a paramount barrier to entry

To replicate SFC’s network would be time consuming and costly

**Origination Power of the Network**
- Exclusive manufacturer agreements drive access to dealer networks
  - Manufacturer buy-down support & promotion
  - Low cost of customer acquisition
- Banks work with partners that can deliver large-scale, diverse loan originations at a low cost
- SFC’s origination network drives the sourcing of significant portfolios of highly attractive loan originations

**Dealer Underwriting and Monitoring**
- Banks’ main concerns when coming into partnerships are credit losses and regulatory risk
- SFC’s extensive dealer underwriting process and ongoing dealer monitoring ensures loans are suitable for banks
- Multi-point dealer underwriting model with continuous review and annual renewal ensures high-quality dealer base
Diverse, Well-Capitalized Funding Partners

<table>
<thead>
<tr>
<th>Top Ten Funding Partners</th>
<th>Funding Commitment</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$400MM</td>
<td>$211BN</td>
</tr>
<tr>
<td>B</td>
<td>$250MM</td>
<td>$11BN</td>
</tr>
<tr>
<td>C</td>
<td>$120MM</td>
<td>$11BN</td>
</tr>
<tr>
<td>D</td>
<td>$100MM</td>
<td>$6BN</td>
</tr>
<tr>
<td>E</td>
<td>$100MM</td>
<td>$19BN</td>
</tr>
<tr>
<td>F</td>
<td>$100MM</td>
<td>$5BN</td>
</tr>
<tr>
<td>G</td>
<td>$100MM</td>
<td>$13BN</td>
</tr>
<tr>
<td>H</td>
<td>$60MM</td>
<td>$15BN</td>
</tr>
<tr>
<td>I</td>
<td>$50MM</td>
<td>$1BN</td>
</tr>
<tr>
<td>J</td>
<td>$50MM</td>
<td>$3BN</td>
</tr>
</tbody>
</table>

- Material transition in mix of funding banks from 2017 to 2018, transitioning out large “trade” motivated with “partnership” motivated banks
- Non-bank partnership discussions underway – e.g. life insurance companies

Total Loan Portfolio
- Servicing Assets $1.7BN
- Avg. FICO 766
- Avg. Customer Balance Funded ~$10,977
- W.A. Life 30 months

Current Funding Partners
- Banks

Additional Future Partners
- Life Insurance Cos (in process)
- Pension Plans
## Loan Economics to Partner

### Bank Partner Unit Economics

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Loan Yield</td>
<td>9.2%</td>
</tr>
<tr>
<td>Modeled Credit Reserve</td>
<td>(1.0%)</td>
</tr>
<tr>
<td>Servicing Fee</td>
<td>(2.0%)</td>
</tr>
<tr>
<td>Funding Costs</td>
<td>(1.5%)</td>
</tr>
<tr>
<td>Cost Allocation</td>
<td>(0.2%)</td>
</tr>
<tr>
<td>Taxes</td>
<td>(0.7%)</td>
</tr>
<tr>
<td>ROA</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

### Comparative ROAs

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg. Bank ROA</td>
<td>0.97%</td>
</tr>
<tr>
<td>SFC Bank Partner</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

---

1. Net of origination fee
2. Annualized actual net charge-off rate of 0.60%
3. Source: SNL Financial; 3Q’18 LTM ROAA for US Commercial and Savings Banks
Attractive Prime and Super-Prime Consumers

- Service Finance focuses on originating prime & super-prime installment loans
  - 100% of originations have been sold with no recourse
- Annualized net defaults are expected to average ~0.60% to the bank purchaser
  - High FICO borrowers; averaging ~766 FICO
  - Register a UCC lien on the home when account goes into arrears

**SFC FICO DISTRIBUTION**

<table>
<thead>
<tr>
<th>FICO Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>772 or Higher</td>
<td>35.3%</td>
</tr>
<tr>
<td>752-772</td>
<td>47.9%</td>
</tr>
<tr>
<td>730-752</td>
<td>6.4%</td>
</tr>
<tr>
<td>701-730</td>
<td>4.9%</td>
</tr>
<tr>
<td>650-701</td>
<td>1.2%</td>
</tr>
<tr>
<td>650 or Lower</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

1. Sold to non-FDIC insured institutions
Cumulative Net Charge-Offs by Vintage

As of December 2018

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative Net Charge-Off</td>
<td>3.94%</td>
<td>3.03%</td>
<td>2.52%</td>
<td>2.14%</td>
<td>2.05%</td>
<td>1.17%</td>
<td>0.25%</td>
<td>1.30%</td>
</tr>
<tr>
<td>Months Outstanding</td>
<td>77</td>
<td>72</td>
<td>60</td>
<td>48</td>
<td>36</td>
<td>24</td>
<td>12</td>
<td>77</td>
</tr>
<tr>
<td>Annualized Net Charge-off Rate</td>
<td>0.61%</td>
<td>0.51%</td>
<td>0.50%</td>
<td>0.54%</td>
<td>0.68%</td>
<td>0.58%</td>
<td>0.25%</td>
<td>0.20%</td>
</tr>
</tbody>
</table>

Note: Data for Core loans only
### 2019 Guidance

**KEY HIGHLIGHTS**

- 2019 adjusted operating income before tax in-line with guidance at acquisition
- Forecast 2019 total originations increase ~35% than previously forecast 2018 total originations at the midpoint
- 2019 adjusted operating earnings before tax forecast increase by ~25% from previously forecast 2018 at the midpoint

<table>
<thead>
<tr>
<th>Select Metrics (US$ millions)</th>
<th>2019 Forecast Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Originations</td>
<td>1,600</td>
</tr>
<tr>
<td>Managed &amp; advised portfolio</td>
<td>2,500</td>
</tr>
<tr>
<td>(period end)</td>
<td>1,800</td>
</tr>
</tbody>
</table>

| Income Statement | (US$ millions) | 2019 Forecast Range |
|------------------|----------------|
| Revenues         | 96             |
|                  | 101            |
| EBITDA           | 66             |
|                  | 70             |
| Adjusted operating income before tax | 62 | 66 |
| EBITDA margin    | ~69%           |
|                  | ~69%           |
ECN Strategy & Forecast

Presenters: Steven Hudson, Grier Colter & John Wimsatt
Business Strengths

- Bank Partnerships
  - Non-recourse arrangements
  - Management and advisory portfolios
  - Diversity of banks – 90+ bank partners

- Low-risk Loan Origination
  - Prime & Super Prime originations
  - No origination creep to lower FICO scores
  - Low cost of originations

- Manufacturer & Dealer Network
  - Exclusive multi-year contracts with national manufacturers
  - Vetted national dealer networks

- Sustainability & Durability
  - Investment Grade Rated
  - $800 million of liquidity
  - ~50% of revenues management/advisory fees
  - Annuity backlog of ~$200 million

- Strong Regulatory Framework
  - Directly Licensed in all 50 states – no pre-emption
  - Positive relationships with all regulatory agencies
Growth Strategy Successes

ECN’s active management creates additional growth opportunities that drive incremental value

1. Take & make share strategies gaining traction
   - Aggressively marketing ECN’s durability to past origination & competitive opportunities
   - Investment grade + liquidity = sustained take-share growth
   - Proven take & make share strategies = Lennox & Owens Corning case study

2. Rapid launch of “foundation” products; incremental bank originations
   - Triad launched a modest floorplan program driving 10% incremental origination growth and 20% incremental revenue
   - Moderate use of balance sheet

3. New loan products “on-message”; bank origination driven
   - Solar financing initiative successfully completed; bank flow business going forward
   - Limited use of balance sheet

4. Bank portfolio solutions
   - Expanding bank and credit union relationships to more than one solution
Non-recourse origination fees are earned with no risk of adjustments for loan performance, interest rate changes, prepayment, etc.

- Recurring, high margin servicing revenue
- Efficient and scalable business model drives high margins
- Directly Licensed in all 50 states – not using bank preemption
  - Triad operates in 44 states
- Model is suitable and growing originations for all project types and durations including HVAC, solar, windows, doors, roofing, etc.

### Business Model Recap

<table>
<thead>
<tr>
<th>Service Finance &amp; Triad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clawback on Origination Fee/Transaction Fee</td>
</tr>
<tr>
<td>Servicing Fee Contribution</td>
</tr>
<tr>
<td>Recourse:</td>
</tr>
<tr>
<td>- Interest Rates</td>
</tr>
<tr>
<td>- Prepayment</td>
</tr>
<tr>
<td>- Loan Losses</td>
</tr>
<tr>
<td>Dealer Processing Fees</td>
</tr>
<tr>
<td>Loan Types</td>
</tr>
<tr>
<td>Project Types</td>
</tr>
<tr>
<td>Licensing</td>
</tr>
</tbody>
</table>
**Investment Highlights**

1. **Key Value Add Service Provider to the US Financial Industry**
   - Generates high quality prime assets for banks
   - Drives attractive portfolio yields with embedded risk diversifications
   - Manages assets and advises top-tier financial institutions on prime consumer assets

2. **Large Identifiable Market Opportunity**
   - Large and growing client base: 90+ bank customers today – over 10k to target
   - $400BN+ market for home improvement lending
   - MH increasing share of US housing market
   - $40-$60B of credit card assets in play annually

3. **High Barriers to Entry**
   - Difficult to replicate business model
   - Bank partnerships difficult and time consuming to establish - protected by long-term contracts
   - Vetted 12k+ network of dealers (SFC + Triad)
   - National regulatory licensing footprint

4. **Seamless, Technology-Enabled Dealer to Consumer Experience**
   - Superior consumer experience at POS, featuring digital application and near-instant decisioning
   - Valuable tool to dealers in sale process

5. **Attractive Financial Profile – Visible Growth and Profitability**
   - Asset-light, fee-driven business model
   - Diversified, highly scalable origination channels
   - Strong forecasted growth and profitability in core segments

6. **Top Flight Management Team**
   - Business lines managed by deeply experienced business heads
   - Aligned interests between ECN and business heads
Transition to Asset Light Businesses

Revenue Composition 2019E¹

- Originating: 12%
- Managing: 38%
- Advising: 50%

Revenue²

<table>
<thead>
<tr>
<th>Year</th>
<th>Continuing Operations</th>
<th>Discontinued Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>93%</td>
<td>7%</td>
</tr>
<tr>
<td>2018E</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>2019E</td>
<td>96%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Operating Income before Tax²

<table>
<thead>
<tr>
<th>Year</th>
<th>Continuing Operations</th>
<th>Discontinued Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>87%</td>
<td>13%</td>
</tr>
<tr>
<td>2018E</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>2019E</td>
<td>99%</td>
<td>1%</td>
</tr>
</tbody>
</table>

¹ Excludes discontinued operations
² Includes revenue and operating income from legacy businesses, which will be reported as discontinued operations in 2019
Debt levels decline in conjunction with the ongoing wind-down of legacy assets, proceeds from KG's annuity optimization, sale of SFC assets (Solar & PACE) and ECN cash flow.

1. Debt increases in the beginning of 2019 as a result of the recently completed SIB and falls throughout the year as the legacy asset winddown continues.
ECN Deploys Capital Internally to Grow Core Business

- ECN management’s focus is to allocate capital to grow our asset management business lines and reinvest in the shares subject to share price performance.

- Capital will be deployed to establish new sources of origination and asset management fees within core origination markets:
  a) Service Finance’s solar program launched on-balance sheet, developed, proven and are now part of go forward bank loan purchase programs.
  b) Triad has established a foundation product using a modest floorplan program for qualified dealers tied to core loan origination growth.
ECN has also retired approximately 40% of the total shares outstanding.

<table>
<thead>
<tr>
<th>Capital Reinvestment</th>
<th>Shares Retired (millions)</th>
<th>Average Price (C$)</th>
<th>Total Consideration (C$ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCIB since inception 2017</td>
<td>51</td>
<td>$3.69</td>
<td>$189</td>
</tr>
<tr>
<td>SIB April 2018</td>
<td>32</td>
<td>$3.60</td>
<td>$115</td>
</tr>
<tr>
<td>SIB January 2019</td>
<td>71</td>
<td>$3.75</td>
<td>$265</td>
</tr>
<tr>
<td>Total shares retired</td>
<td>154</td>
<td>$3.70</td>
<td>$569</td>
</tr>
</tbody>
</table>

Total Shares Outstanding Pre-buyback: 390
Total Shares Outstanding Current: 236
% shares retired to date: ~40.0%
• Disciplined approach to capital allocation continues - ECN is focused on an accelerated discontinuance of non-strategic assets

• Accelerated aviation wind-down will provide additional equity for reinvestment

**Aviation Assets**

$390M Q3 2018 $270M Q4 2018 $40M Q4 2019

Accelerated process to divest aviation assets will trigger a one-time after-tax provision charge of $62M that will be recorded in Q4FY18
**Corporate Operating Expenses**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>US$M Quarterly</th>
<th>US$M Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2018</td>
<td>~$7.5</td>
<td>~$30</td>
</tr>
<tr>
<td>Q3 2018</td>
<td>~$6.7</td>
<td>~$27</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>~$5.25</td>
<td>~$21</td>
</tr>
</tbody>
</table>

**Actions**

- **Q1 2018**
  - Executive compensation reductions; led by 20% reduction by CEO
  - Eliminate M&A related costs
  - Other SG&A reductions

- **Q3 2018**
  - Further executive compensation reductions
  - Right-sizing corporate overhead
  - Shift of back-office operations to Florida

- **Q1 2019**

Reductions will result in one-time severance and other costs of $12 million (after tax)

Cost reductions represent a ~30% improvement from Q1 2018 to Q1 2019
Expect 2020 to be under $20M
KEY HIGHLIGHTS

- 2019 EPS range of $0.23-$0.25
- Adjusted operating income before tax from continuing ops expected to grow ~20% compared to previous forecast for 2018
- Corporate interest charges will decline as legacy assets winddown; majority of corporate interest expense is now standby and commitment fees
- Expected annual tax rate of 22% in 2019; No cash taxes paid in 2019

<table>
<thead>
<tr>
<th>Adjusted Net Income (US$ millions)</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Finance</td>
<td>$62</td>
</tr>
<tr>
<td>Triad</td>
<td>$22</td>
</tr>
<tr>
<td>Kessler (76%)</td>
<td>$32</td>
</tr>
<tr>
<td>Continuing Ops Adj Op Income before Tax</td>
<td>$116</td>
</tr>
<tr>
<td>Corporate operating expenses</td>
<td>($20)</td>
</tr>
<tr>
<td>Corporate depreciation</td>
<td>($2 )</td>
</tr>
<tr>
<td>Corporate interest</td>
<td>($8 )</td>
</tr>
<tr>
<td><strong>Total ECN adjusted operating income before tax</strong></td>
<td><strong>$86</strong></td>
</tr>
<tr>
<td>Tax – Non-Cash</td>
<td>($19)</td>
</tr>
<tr>
<td><strong>Total ECN adjusted net income</strong></td>
<td><strong>$67</strong></td>
</tr>
<tr>
<td>Preferred Dividends</td>
<td>($13)</td>
</tr>
<tr>
<td>Adjusted net income (after pfds)</td>
<td>$54</td>
</tr>
<tr>
<td>EPS US$</td>
<td>$0.23</td>
</tr>
</tbody>
</table>
## Consolidated 2019 EPS Forecast - Quarterly

<table>
<thead>
<tr>
<th></th>
<th>1Q19</th>
<th>2Q19</th>
<th>3Q19</th>
<th>4Q19</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EPS to common shareholders</td>
<td>$0.02 - $0.03</td>
<td>$0.06 - $0.07</td>
<td>$0.07 - $0.08</td>
<td>$0.07 - $0.08</td>
<td>$0.23 - $0.25</td>
</tr>
</tbody>
</table>
Excluding EPS from legacy businesses, ECN’s core business is expected grow ~80% in 2019.

ECN successfully transitioned its managed portfolio from a slow growth, legacy model to a high growth, high ROE, balance sheet light business model.

Prior to the Service Finance transaction, the consensus EPS estimate for 2019 was US$0.15.

As legacy businesses successfully wound down, the $0.15 of EPS effectively went to $0.00.

ECN acquired Service Finance, Triad and Kessler and retired ~40% of the outstanding shares.

Current base case EPS guidance of $0.24 is ~60% higher than the pre-SFC consensus.

ECN core businesses will continue to grow both organically and via new business opportunities.

1. Assumes KG owned for the full year of 2018.