

FOR IMMEDIATE RELEASE

## **ECN Capital Reports US\$0.00 in Adjusted Net Income per Common Share in Q3-2023**

**Toronto, Canada – November 13, 2023** – ECN Capital Corp. (TSX: ECN) (“ECN Capital” or the “Company”) today reported financial results for the three-month period ended September 30, 2023.

For the three-month period ended September 30, 2023, ECN Capital reported **Adjusted net income applicable to common shareholders** from continuing operations of \$0.5 million or \$0.00 per share (basic) versus \$0.7 million or \$0.00 per share (basic) for the previous three-month period and \$11.8 million or \$0.05 per share (basic) for the same period last year.

“Skyline’s strategic investment in ECN closed in the quarter and we began developing the new products and services needed to launch the Champion Financing JV in early 2024.”, said Steven Hudson, CEO of ECN Capital Corp. “Separately, the corporate simplification plan announced last quarter is on track and new funding arrangements are in place at Triad and in the works at RV Marine. Triad’s new President, Lance Hull has implemented his 100-day plan, which should result in improved efficiencies and increased originations and new executive leadership has been added at Source One to drive the next phase of growth. Finally, after further review, we accelerated Triad pool sales in the quarter resulting in another quarter of reduced gains on sale and a subsequent markdown. Our goal in all these initiatives is to put ECN’s operating businesses on the best footing to resume growth in 2024 and beyond”.

**Originations** for the three-month period ended September 30, 2023 were \$571.5 million, versus \$622.0 million in the previous three-month period and \$679.5 million for the same period last year. Originations for the three-month period ended September 30, 2023 include \$360.6 million of originations from our Manufactured Housing Finance segment and \$210.9 million of originations from our Recreational Vehicle and Marine Finance segment.

**Managed Assets** as at September 30, 2023 were \$4.8 billion versus \$4.7 billion as at June 30, 2023 and \$4.1 billion as at September 30, 2022.

**Adjusted EBITDA** for the three-month period ended September 30, 2023 was \$24.1 million versus \$24.5 million for the previous three-month period and \$31.4 million for the same period last year.

**Operating Expenses** for the three-month period ended September 30, 2023 were \$26.3 million versus \$26.0 million for the previous three-month period and \$26.6 million for the same period last year.

**Net (Loss) Income attributable to common shareholders** for the three-month period ended September 30, 2023 was (\$6.0) million versus (\$30.0) million for the previous three-month period and \$6.3 million for the same period last year.

### **Dividends Declared**

The Company’s Board of Directors has authorized and declared a quarterly dividend of C\$0.01 per outstanding common share to be paid on January 2, 2024 to shareholders of record at the close of business on December 15, 2023. These dividends are designated to be eligible dividends for purposes of section 89(1) of the Income Tax Act (Canada).

The Company’s Board of Directors has authorized and declared a quarterly dividend of C\$0.4960625 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series C (TSX: ECN.PR.C) to be paid on January

2, 2024 to shareholders of record on the close of business on December 15, 2023. These dividends are designated to be eligible dividends for purposes of section 89(1) of the Income Tax Act (Canada).

The Company's Board of Directors has authorized and declared a semi-annual dividend of C\$0.03198 per outstanding Mandatory Convertible Preferred Share, Series E to be paid on January 2, 2024 to shareholders of record on the close of business on December 15, 2023. These dividends are designated to be eligible dividends for purposes of section 89(1) of the Income Tax Act (Canada).

## **Webcast**

The Company will host its analyst briefing to discuss these results commencing at 5:30 PM (ET) on Monday, November 13, 2023. The call can be accessed as follows:

Webcast	<a href="https://services.choruscall.ca/links/ecncapitalcorp2023q3.html">https://services.choruscall.ca/links/ecncapitalcorp2023q3.html</a>
Toll-free dial in	North America 1-800-319-4610 International 1-416-915-3239
Presentation slides	<a href="http://ecncapitalcorp.com/investors/presentations">http://ecncapitalcorp.com/investors/presentations</a>

A telephone replay of the conference call may also be accessed until December 13, 2023 by dialing 1-800-319-6413 and entering the passcode 0562#.

## **Non-IFRS Measures**

The Company's interim unaudited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the accounting policies we adopted in accordance with IFRS.

The Company believes that certain Non-IFRS Measures can be useful to investors because they provide a means by which investors can evaluate the Company's underlying key drivers and operating performance of the business, exclusive of certain adjustments and activities that investors may consider to be unrelated to the underlying economic performance of the business of a given period. Throughout this Press Release, management used a number of terms and ratios which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other organizations. A full description of these measures can be found in the Management Discussion & Analysis that accompanies the financial statements for the three and nine-month periods ended September 30, 2023.

ECN Capital's Management Discussion and Analysis for the three and nine-month periods ended September 30, 2023 has been filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and is available under the investor section of the Company's website ([www.ecncapitalcorp.com](http://www.ecncapitalcorp.com)).

## **About ECN Capital Corp.**

With managed assets of US\$4.8 billion, ECN Capital Corp. (TSX: ECN) is a leading provider of business services to North American based banks, credit unions, life insurance companies, pension funds and institutional investors (collectively our "Partners"). ECN Capital originates, manages and advises on credit assets on behalf of its Partners, specifically consumer (manufactured housing and recreational vehicle and marine) loans and commercial (inventory finance or floorplan) loans. Our Partners are seeking high quality assets to match with their deposits, term insurance or other liabilities. These services are offered through two operating segments: (i) Manufactured Housing Finance, and (ii) Recreational Vehicles and Marine Finance.

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## Forward-looking Statements

*This release includes forward-looking statements regarding ECN Capital and its business. Such statements are based on the current expectations and views of future events of ECN Capital's management. In some cases the forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "plan", "anticipate", "intend", "potential", "estimate", "believe" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Forward-looking statements in this press release include those relating to the future financial and operating performance of ECN Capital, the strategic advantages, business plans and future opportunities of ECN Capital and the ability of ECN Capital to access adequate funding sources, identify and execute on acquisition opportunities and transition to an asset management business. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting ECN Capital, including risks regarding the equipment finance industry, economic factors, and many other factors beyond the control of ECN Capital. No forward-looking statement can be guaranteed. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. A discussion of the material risks and assumptions associated with this outlook can be found in ECN Capital's September 30, 2023 MD&A and 2022 AIF Disclosure Document dated March 30, 2023 which have been filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com). Accordingly, readers should not place undue reliance on any forward-looking statements or information. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and ECN Capital does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.*