

Dealnet Capital

ENGAGEMENT POWERED CONSUMER FINANCE

November 2016

Disclaimer

Certain information in this presentation are forward-looking and relate to DealNet Capital anticipated financial position, business strategy, events and courses of action. Words or phrases such as “anticipate,” “objective,” “may,” “will,” “might,” “should,” “could,” “can,” “intend,” “expect,” “believe,” “estimate,” “predict,” “potential,” “plan,” “target”, “goal”, “is set to”, “is designed to” or similar expressions suggest future outcomes. Forward-looking statements include, among other things, statements about: our expectations regarding our expenses, sales and operations; our future customer concentration; our anticipated cash needs and our estimates regarding our capital requirements and our need for additional financing; our ability to anticipate the future needs of our customers; our plans for future products and enhancements of existing products and services; our future growth strategy and growth rate; partnerships and transactions that are subject to negotiations; possible expansion into new markets and our anticipated trends, including the growth rate of our loan originations and challenges in the markets in which we operate. Such statements reflect our current views with respect to future events and are based on assumptions and subject to significant risks and uncertainties. Such assumptions include, without limitation, that DealNet Capital will conduct its operations in a manner consistent with its expectations and, where applicable, consistent with past practice; the general continuance of current or, where applicable, assumed industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax and regulatory regimes; our ability to conclude new partnerships or transactions in a satisfactory manner; certain cost assumptions; the continued availability of adequate debt and/or equity financing and cash flow to fund our capital and operating requirements as needed; and the extent of our liabilities. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Our actual results, performance or achievements could differ materially from those contemplated, expressed or implied in our statements as a result of various risk factors, including, but not limited to, business, economic and capital market conditions; market conditions and the demand and pricing; our relationships with our customers, business partners; our ability to conclude new partnerships or transactions in a satisfactory manner; competition in our industry; our ability to manage our growth; fluctuation in our quarterly operating results; and our dependence on key personnel.

Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Neither we nor any of our representatives make any representation or warranty, express or implied, as to the accuracy, sufficiency or completeness of the information in this presentation. Neither we nor any of our representatives shall have any liability whatsoever, under contract, tort, trust or otherwise, to you or any person resulting from the use of the information in this presentation by you or any of your representatives or for omissions from the information in this presentation.



What we do..

We are in the business of attracting PRIME bank quality customers and lending them long term home improvement loans.

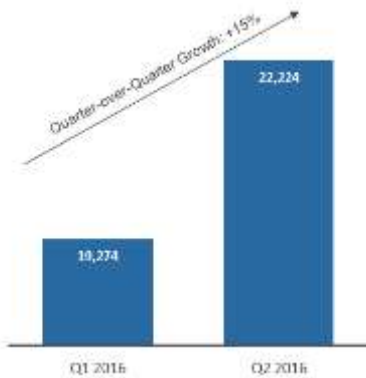


We do this by leveraging an extensive home improvement dealer network that serves as our low cost origination channel.

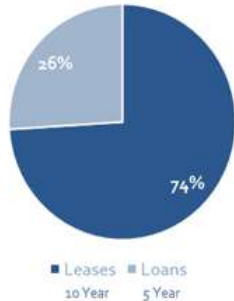


We attract dealers by providing value added engagement services (front office, back office, mobile technology solutions) that make them 'look bigger' and help them organize their business.

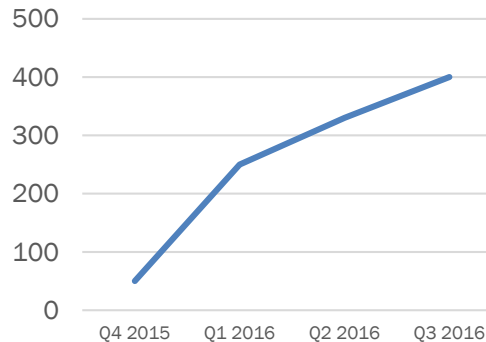
Customer Growth



Loan Mix



Dealer Growth



Key Features/Objectives

- Build a new dealer financing portal with mobile platform/Service support

Key Features/Objectives

- Text notification support
- Dealer lead generation campaigns

Key Features/Objectives

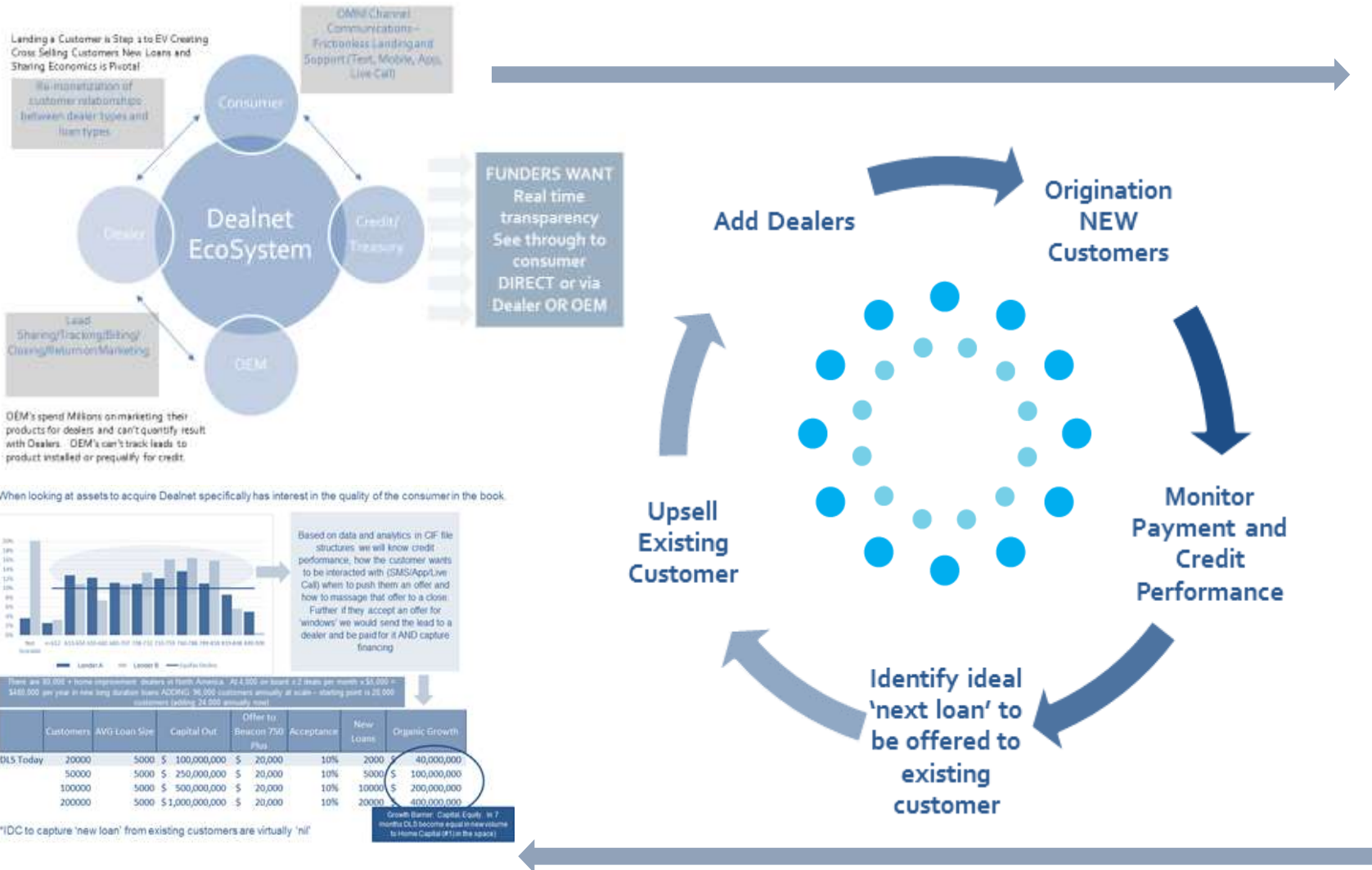
- Deep support for dealer partner business operation, and sales process
- Mobile payment solutions

Significant Market

	Dealers			
	Micro	Small	Medium	Total
ON	2,766	2,230	40	5,036
AB	1,209	750	24	1,983
BC	1,271	813	10	2,094
Total	5,246	3,793	74	9,113

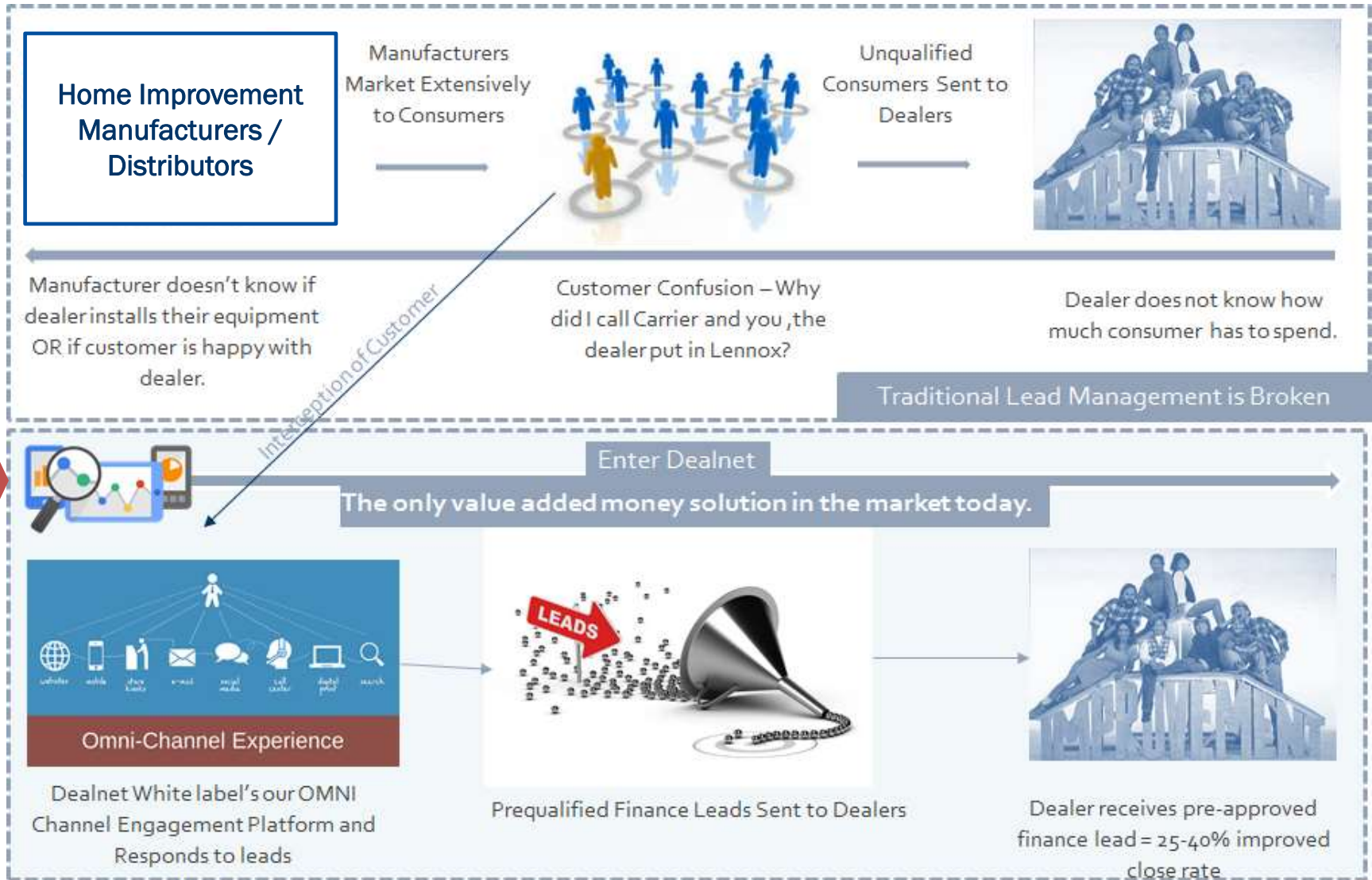
In 6 months we capture 4% of the HVAC market alone.

Our Lending Ecosystem



Attracting Bigger Dealers

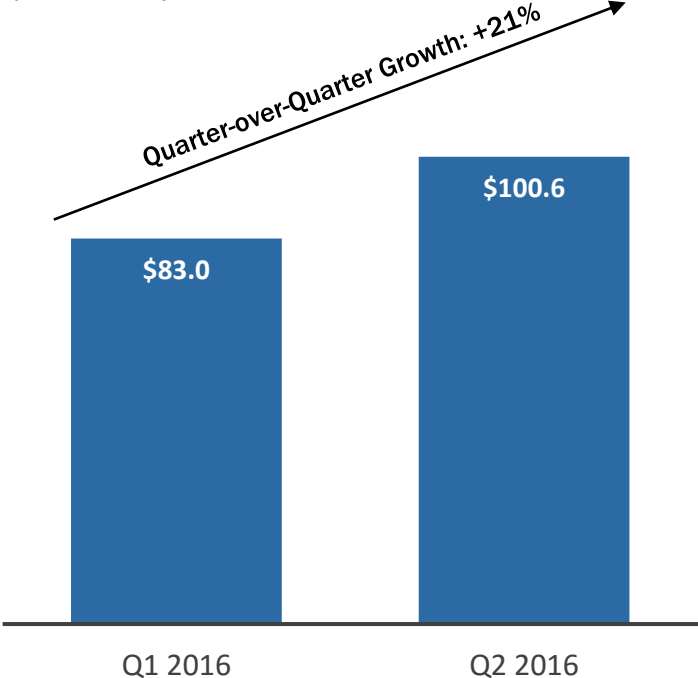
Powerful Analytics Support Future Manufacturer Marketing and Dealer Reward Programs



Strong Quarterly Portfolio Growth

Consumer Finance Receivables

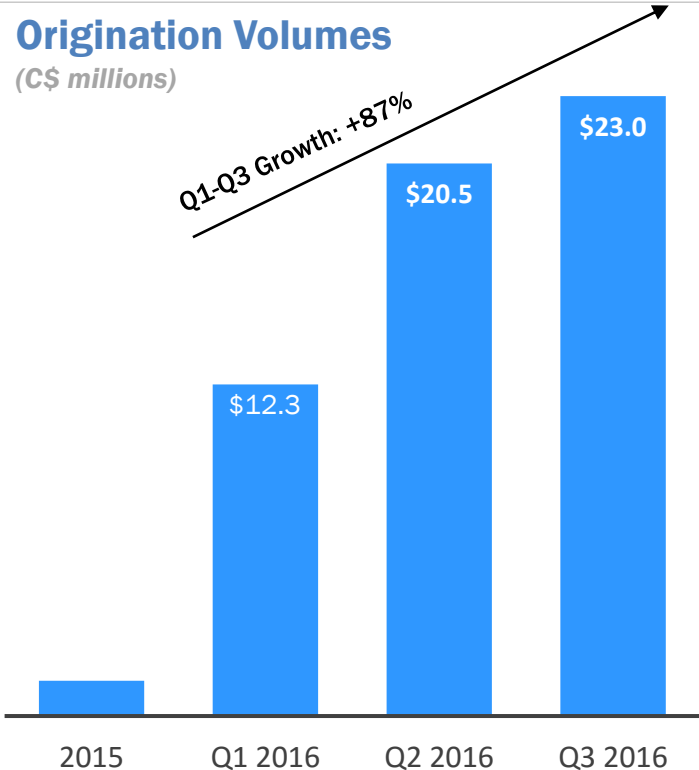
(C\$ millions)



Closing finance receivables are net of payments.

Origination Volumes

(C\$ millions)



Highlights

- Consumer Finance Business reported first quarterly segmented profit of \$0.4 Million
- Material origination growth
- Active dealers was at 400 before recent news that serves to add another 300 dealers to drive origination volumes

Q2 2016 Company Highlights

Key Performance Indicators

	Q3 2016	Q2 2016	Q1 2016
Consumer Finance			
Finance Receivables*		\$100.6 MM	\$83.0 MM
Quarterly Originations	\$23.0 MM	\$20.5 MM	\$12.3 MM
Net Interest Margin		5.7%	
Cash Based Loss**		(\$0.92) MM	(\$2.2) MM
ROE		(4%)	
ROAA		(0%)	

*Finance receivables is net of servicing, pre-payments and amortization.

** Cash used in operating activities before changes in working capital balance.

Growing Finance Receivables & Significant Reduction in Cash Losses Translates to Improving Key Metrics

Balance Sheet Mechanics



One Loan Funded – the event is effectively a purchase of the loan

Funds Provided to Dealer for Work Done

Reduce Liquidity

Includes Cash Used to Warehouse Before Securitization

Warehousing of Non-Securitized Loans

Securitized Borrowings

We then bill and collect for the term of the loan recognizing interest revenue and margin monthly

Q2 BS - Movement of Cash

	June 30, 2016
<i>in 000's</i>	\$
Cash and cash equivalents	1,899
Cash reserves	6,571
Trade receivables	5,805
Finance receivables	100,571
Other assets	2,474
Property and equipment	1,168
Intangibles	20,690
Goodwill	22,706
Assets	161,884
Accounts payable and accrued liabilities	8,064
Other liabilities	66
Debentures, notes payable and loans	22,905
Secured borrowings	78,483
Deferred revenue	380
Total Liabilities	109,918
Share capital	49,318
Contributed surplus	7,388
Other comprehensive income	37
Deficit	(4,777)
Shareholder's Equity	51,966
Liabilities and Shareholder's Equity	161,884

Increase Liquidity

Replenish Cash Plus Gain to fund operations and originations before securitization

Increase in Cash Reserves Use to support securitization (carried interest in loans)

Releases Capacity of Warehouse to ADD more loans.

Increase in Securitized Borrowings

1. Dealers Deliver Consumer Loans to Dealnet
2. Thousands of Loans Each Quarter are Funded by Dealnet.
3. Dealnet Pays the dealer for the 'work' once consumer says 'ok'
4. The initial capital to fund the loan comes from our cash and warehouse capacity.
5. Once a batch of loans approximating \$5 MM + is funded, we create a 'pool' for our underwriters of those loans
6. Our funders 'securitize' the loans (buy the stream of payment or capital amount at lower 'cost of capital' than the face rate of the loan)
7. Our funders advance us cash plus a gain on securitization LESS a Cash Reserve which we provide for equity enhancement. This event 'recapitalizes' the Dealnet Balance sheet replenishing cash and warehouse capacity for continued securitization.
8. Each event of securitization builds cash which is earned over time representing significant increases in cash flow annually.

Securitization Economics & Preliminary Q3 2016

	Consumer Contract	Securitization
Contract Size	\$6,700	
Funding Amount		\$8,397
Payment	\$83.43	\$83.43
Term	120	120
Face Rate	8.60%	
Escalation	3.50%	
IRR	11.64%	
Cost of Funds (Bond 5 Year 0.6% +Spread 3%)		3.60%

Preliminary Consumer Finance Originations and Securitizations for Q3 2016

- \$23 Million of new consumer finance receivables.
- Received gross proceeds of \$21 Million from the securitization of consumer finance receivables, utilizing the new and renewed secured borrowing facilities

Manufacturer Deals

Q2

First deal announced adds 80 dealers in Ontario with plans to roll platform out nationally up to 200 dealers

Q4

3 Additional OEM Financing Partnerships Announced – access to 300 dealers once fully deployed

Example of Economics:

Each Dealer



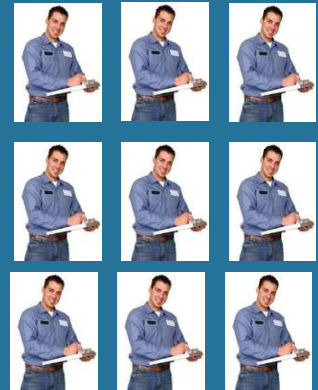
1-5 Deals a Month

Average Deal Size



\$5,000

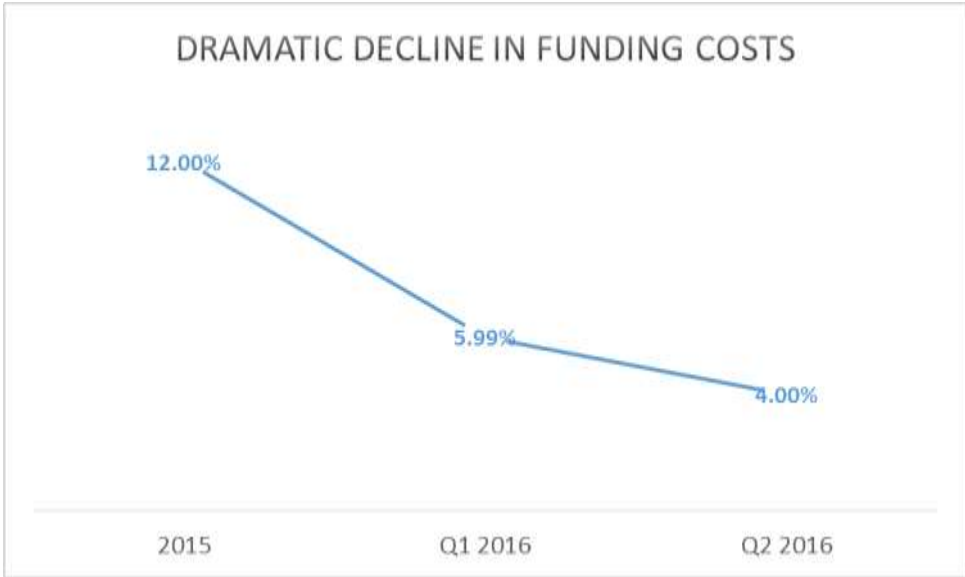
100 Dealers



Potential Annual Origination Volumes

\$6 MM to \$30 MM Annually

Current Funding Relationships



\$75 Million Securitization Facility
Major Canadian Life Insurance Co.

Up to \$100 Million Funding Facility
Asset Management Arm of Canadian Insurer

\$20 Million Funding Facility
Financial Institution Government Sponsored

Securitization Facility (\$3-4 Million Month)
Schedule 1 Bank

Average Direct Cost of Funding Below 4% Based on Current Market Pricing

- Priced using contracted spread over the Government of Canada’s nearest duration bond at the time of securitization.
- Declining spread based on funding usage volume in certain facilities.
- Dealnet expects new capital or funding relationships to be put in place at similar or lower costs of funds as a normal course of business going forward.

Investment Highlights – Continuing to Execute

<p style="text-align: center;">1</p> <p style="text-align: center;">Rapidly Growing Originations</p> <ul style="list-style-type: none"> • 87% Growth Q1 to Q3 • \$56 MM in Originations YTD 	<p style="text-align: center;">2</p> <p style="text-align: center;">Scalable Platform</p> <ul style="list-style-type: none"> • 3 Years of building out: <ul style="list-style-type: none"> • Systems • Infrastructure • Processes 	<p style="text-align: center;">3</p> <p style="text-align: center;">Growing Dealer Network</p> <ul style="list-style-type: none"> • 400 Active Dealers • Manufacturer deals have potential to add significant dealers in short period 	<p style="text-align: center;">4</p> <p style="text-align: center;">Manufacturer Partnerships</p> <ul style="list-style-type: none"> • Partnerships with merchants, wholesalers and manufactures • HVAC, home improvement, etc. • 4 Partnerships announced YTD 	<p style="text-align: center;">5</p> <p style="text-align: center;">Experienced Management Team</p> <ul style="list-style-type: none"> • Management has been instrumental in several non-bank finance companies which have grown to +\$Billion valuations
<p style="text-align: center;">6</p> <p style="text-align: center;">Low Origination Costs</p> <ul style="list-style-type: none"> • Dealers finance opportunities as part of their owns selling process 	<p style="text-align: center;">7</p> <p style="text-align: center;">Large and Growing Market</p> <ul style="list-style-type: none"> • Estimated annual HVAC financing opportunity in Canada +\$7.5 Billion and market is expected to grow at 9% annually <p>Source: Consulting Specifying Engineer</p>	<p style="text-align: center;">8</p> <p style="text-align: center;">Multiple Funding Partners</p> <ul style="list-style-type: none"> • Syndicate of funding partners for warehouse facilities and securitization and adding incremental capacity to expand 	<p style="text-align: center;">9</p> <p style="text-align: center;">Long Term Prime Loans</p> <ul style="list-style-type: none"> • Average term ~7.5 years • Notice of security interest on home with <2% Default Rates • Risk is spread-out over +22,000 loan contracts 	<p style="text-align: center;">10</p> <p style="text-align: center;">Low Cost of Funding</p> <ul style="list-style-type: none"> • At current rates less than 4%

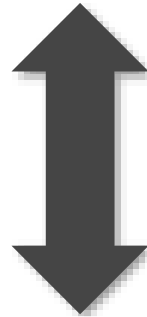
Focus Growth Areas 2016-2018

Grow Origination Volumes



- Manufacturer Deals
- High Volume Dealers
- Expanding Loan Products
- Geographic Expansion

Increase Funding Facilities



- Reduce Cost of Funds

Leverage Equity



- Generate long term cash flow
- Increase ROAA and ROE

Dealnet Capital

APPENDIX

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Capital Structure

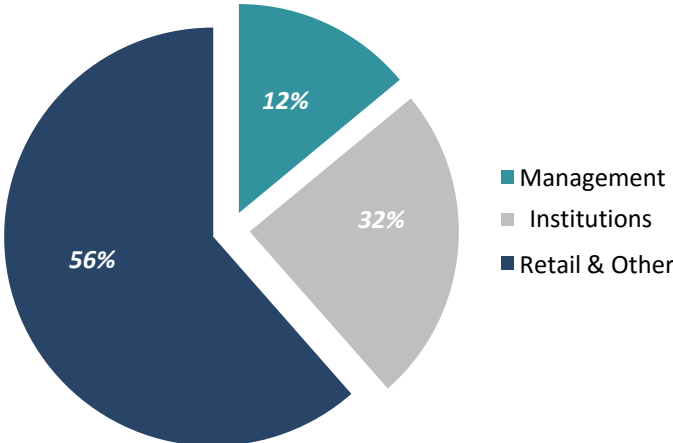
Capital Structure

TSX Venture Exchange	DLS
Basic Shares Outstanding	243 MM
Fully Diluted Shares Outstanding	298 MM
Warrants	25 MM
Options	16 MM
Expected Cash Proceeds from Warrants	~\$11.3 MM
Current Share Price	\$0.51

Analyst Coverage

Cormark Securities	Jeff Fenwick
GMP Securities	Stephen Boland
Paradigm Capital	Corey Hammill
Canaccord	Scott Chan

Ownership



Proven Leadership Team



Dr. Steven Small

Executive Chairman

Dr. Small brings decades of experience in identifying and building successful businesses in the “non Bank” asset finance sector as well as business and consumer service companies. Dr. Small recently retired from his position as a Co-Founder and seed capital investor of Element Financial Corporation, where he acted as Executive Vice Chairman. He also was a Co-Founder, seed capital investor, and Director of Newcourt Credit Group. Newcourt was, when sold, the largest independent “non bank” asset backed finance company in the world.



Michael Hilmer

CEO & Director

After several years with Wood Gundy financial services, Mr. Hilmer moved to MCI Systemhouse with responsibility for large financial services customers. In 2000, Mr. Hilmer founded Millennium Care, a call centre outsourcing and software company. Mr. Hilmer acquired the OC Communications Group of Companies in 2008 and successfully turned them into strong solutions provider for the financial services, utilities, retail, telecom and pharmaceutical industries.



Paul Leonard

CFO

Mr. Leonard was CFO of CFF Bank, a Canadian schedule 1 bank that had approximately \$245 million in assets and over \$1.5 billion in loans under administration. Prior, he was the CFO of Ally Credit Canada which offered savings products, retail and wholesale auto loans and residential mortgages through both direct and indirect channels. Ally had over \$13 billion in assets before being acquired by Royal Bank of Canada. In addition, he was founding Chief Financial Officer of ING DIRECT, an innovator in offering direct to consumer savings and lending products.



Roy Murzello

SVP Consumer Finance

Mr. Murzello has spent the last 10 years as a Senior Leader at one of Canada’s largest providers of HVAC finance solutions. His various roles have included Director of Dealer Programs, where Mr. Murzello was directly responsible for leading and growing the dealer finance programs including HVAC leasing. In this role, he also led a large leasing business that was acquired and subsequently integrated into the core business. His prior experience includes Vice President for Citi Group managing a major credit card initiative, a Senior Underwriter Manager at GE Capital and Credit Manager at CIBC.



John Leon

SVP Engagement

John has extensive hi-tech experience with different corporations: He worked for 15 years at Nortel Networks in various functions; his last position was VP-GM of Nortel’s Wireless Solutions Group in Canada. After leaving Nortel, John held the position of VP, Sales & Marketing at Unique Broadband Systems and VP Sales & Marketing for OnMobile Systems, a Silicon Valley start-up. John has an honors B.A.Sc. (Chemical Engineering) and MBA degrees from University of Toronto, and is a member of Professional Engineers of Ontario.

Board of Directors



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Executive Chairman

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Harold Bridge

*Lead Director
Chair Audit Committee*

Mr. Bridge is the Chairman & Chief Executive Officer of Kathar Enterprises Inc., a Toronto-based firm that provides corporate finance, mergers & acquisition and financial advisory services to national and international clients. Mr. Bridge currently serves on the board of Element Financial, and is Chairman of the Element audit committee. From 1976 to 2006, Mr. Bridge served as a partner in the financial advisory, audit and consulting services practice at Deloitte & Touche LLP and as Executive Vice President and Director at Deloitte & Touche Corporate Finance Canada Inc.



Brent Houlden

Director

Mr. Houlden is a retail strategy & operations consultant with deep financial advisory skills. He understands how digital and mobile technologies have changed shopping patterns and the path-to-purchase of consumers. After 26 years as a Deloitte partner, he retired from the Firm in November 2014 to co-found CR Advisors – a consulting boutique focusing on formulating high impact and practical business solutions. Through his career, he led Deloitte’s retail practice in Canada while serving numerous retailers, consumer product companies, real estate developers and landlords.



John Radford

*Chair Compensation
Committee*

Mr. Radford has held senior executive level positions in the automotive sector at both Corporate and Retail spheres in the USA and Canada for over three decades and retired as Senior Executive Vice President of National Sales and Marketing of Ford Motor Company of Canada in 2000. That role carried direct and material P&L responsibility in one of Canada’s largest corporations. Currently, Mr. Radford is the senior Executive Auto Recruiter at the Marckis Group, Canada’s leading exclusive auto executive recruiting company for international OEM’s and OEM’s captive auto loan operations.



Victoria Davies

Director

Ms. Davies is the former Chief Financial Officer for Lee Hecht Harrison Knightsbridge, Canada’s largest human capital consulting firm. Prior to joining Knightsbridge, Ms. Davies’ career included working at Pepsi. Ms. Davies is a director and a member of the audit committee of Axsium Group, a workforce management implementation company. Ms. Davies is a director and member of the finance committee for Action Against Hunger (ACF-Canada). She is also a Director and Treasurer for The Churchill Society for the Advancement of Parliamentary Democracy.



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Emerging Leader in Non-Bank Point of Sale Consumer Lending

Dealnet DLS

\$101 Million

\$56 Million

+600

Listed on the
TSXV

June Finance
Receivables

Q1 +Q2+ Q3
Originations

Employees

Lease & Loan Products Overview

Prime Consumer: ~730 Credit

Term: 5-10 Years

Defaults: <2%, Loss Rate 0.32%

Products: HVAC, Water Tanks,
Windows, Doors, and Roofs

Customer: Prime Consumer who
Own Home

Cost of Funding: <4%

Avg. Size Loan / Lease : \$6,500

Geography: 90% Ontario

Management Team

Michael A. Hilmer - CEO



Dr. Steven Small - Executive Charmain



Paul Leonard - CFO



Roy Murzello - Consumer Finance



John Leon - Engagement



Long Duration Loan Up to 10 Years Allow
us to Grow the Book Quickly and
Compound Cash Earnings Year Over Year

2015 / 2016 Key Accomplishments

