

Dealnet Capital

Q3 2016 Financial Results

November 29, 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.



Q3 2016 Highlights

Key Performance Indicators ('000s)	Q1 2016	Q2 2016	Q3 2016	Growth Q2-Q3	Growth Q1-Q2
Originations	\$12,333	\$20,545	\$23,049	12%	67%
Securitizations	\$7,887	\$10,457	\$21,197	103%	33%
Cash Provided by (Used in) Operating Activities	(\$9,492)	(\$12,893)	\$1,343	\$14,236	(\$3,401)
Cash and Cash Equivalents	\$7,654	\$1,899	\$5,161	+\$3,262	(\$5,755)
Finance Receivables*	\$83,018	\$100,571	\$117,581	17%	21%
Equity	\$49,624	\$51,966	\$55,049	6%	5%

Highlights

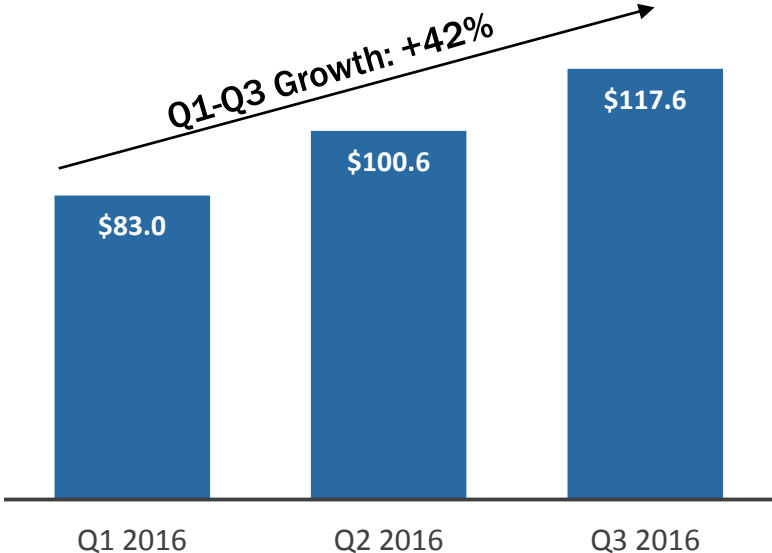
Performance in Q3 is underscored by the following significant operational achievements (compared to Q2):

- Increased quarterly originations by 12% to \$23.0 million.
- Increased quarterly securitization by over 103% to \$21.2 million compared to \$10.4 million.
- Increased cash from operating activities by \$14.2 million.
- Increased cash to \$5.2 million compared to \$1.9 million, excluding restricted cash balances.

Strong Growth Trajectory

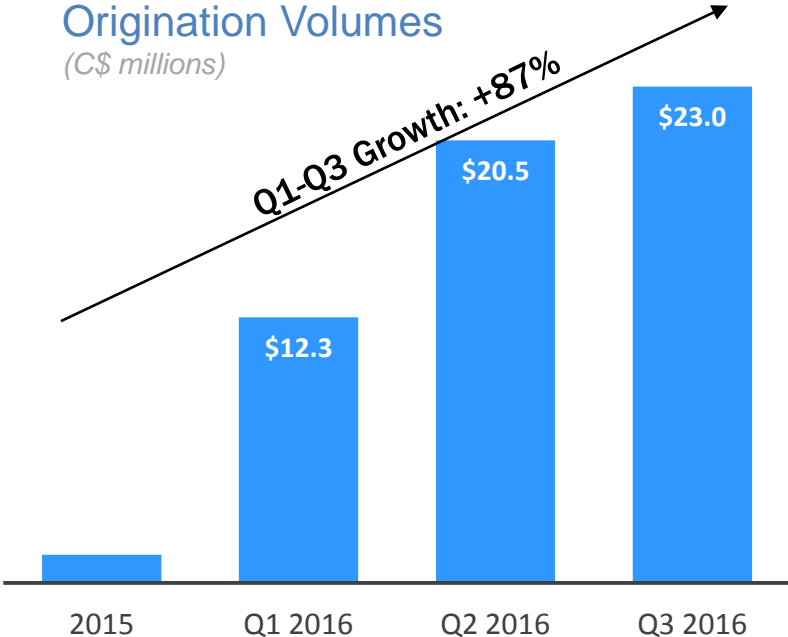
Consumer Finance Receivables

(C\$ millions)



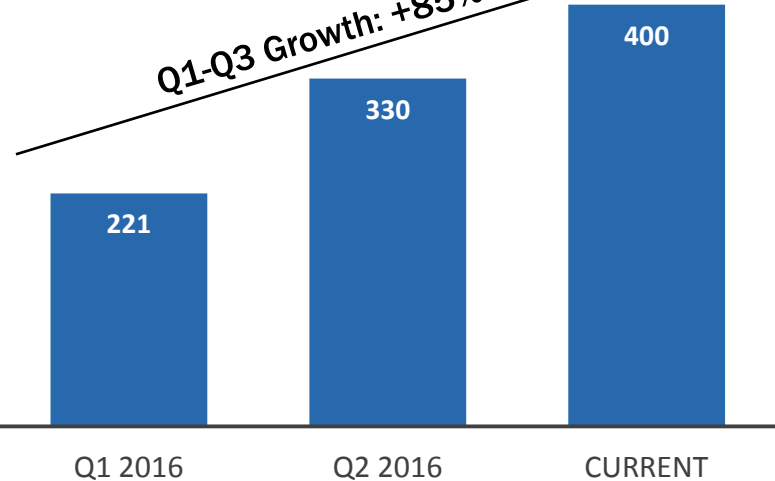
Origination Volumes

(C\$ millions)



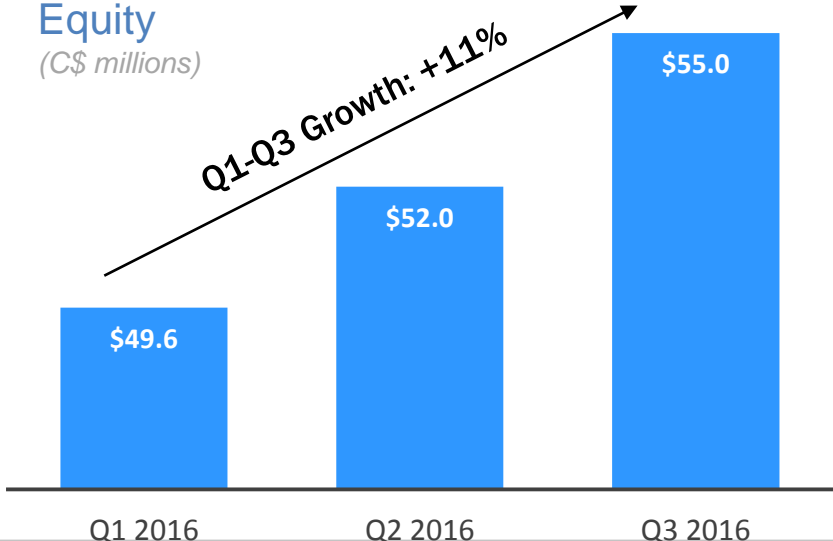
Active Dealer Count

Q1-Q3 Growth: +85%



Equity

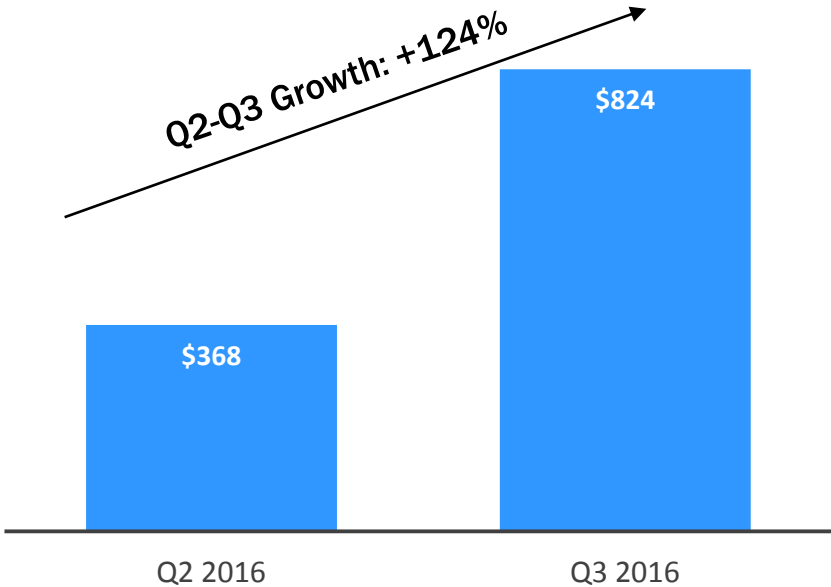
(C\$ millions)



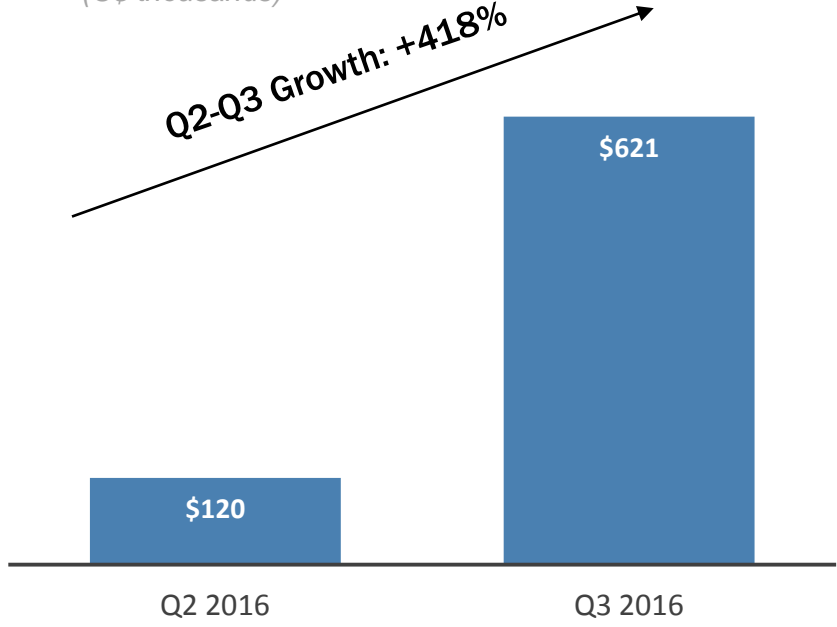
Closing consumer finance receivables are net of payments received for outstanding loans.

Business Segments are Now Profitable

Consumer Finance Business Profit
(C\$ thousands)



Engagement Business Profit
(C\$ thousands)



- Significant margin growth and optimization within in both business segments as the Company begins to benefit from economies of scale and integration work completed.

Balance Sheet Improvements

Key Achievements

1. Q3 – Securitized \$21.2M in Loans
2. Q3 – Closed 2 new securitization facilities and renewed a third for approximately \$130M of annual volume
3. Q3 – Increased Cash and Cash Equivalents to \$5.2 M
4. Q2 – Gross Finance receivable originations of \$20.5M [Q1-\$12.3M]
5. Q2 - \$4.1M cash proceeds from exercise of 13.7M warrants
6. Q2 – Increased debenture facility from \$10M to \$13M
7. Q1 – February 18th closed acquisition of EcoHome
8. Q1 – February 5th closed bought deal private placement for gross proceeds of \$30M

	September 30, 2016	June 30, 2016
<i>in \$'000s</i>		
	\$	\$
Cash and cash equivalents	5,161	1,899
Cash reserves	7,688	6,571
Trade receivables	4,673	5,805
Finance receivables	117,581	100,571
Other assets	1,208	2,474
Property and equipment	1,209	1,168
Intangibles	21,128	20,690
Goodwill	22,706	22,706
Assets	181,354	161,884
Accounts payable and accrued liabilities	9,831	8,084
Other liabilities	82	66
Debentures, notes payable and loans	21,625	22,905
Secured borrowings	94,404	78,483
Deferred revenue	363	380
Total Liabilities	126,305	109,918
Share capital	53,564	49,318
Contributed surplus	7,774	7,388
Other comprehensive income	41	37
Deficit	(6,330)	(4,777)
Shareholders' Equity	55,049	51,966
Liabilities and Shareholders' Equity	181,354	161,884

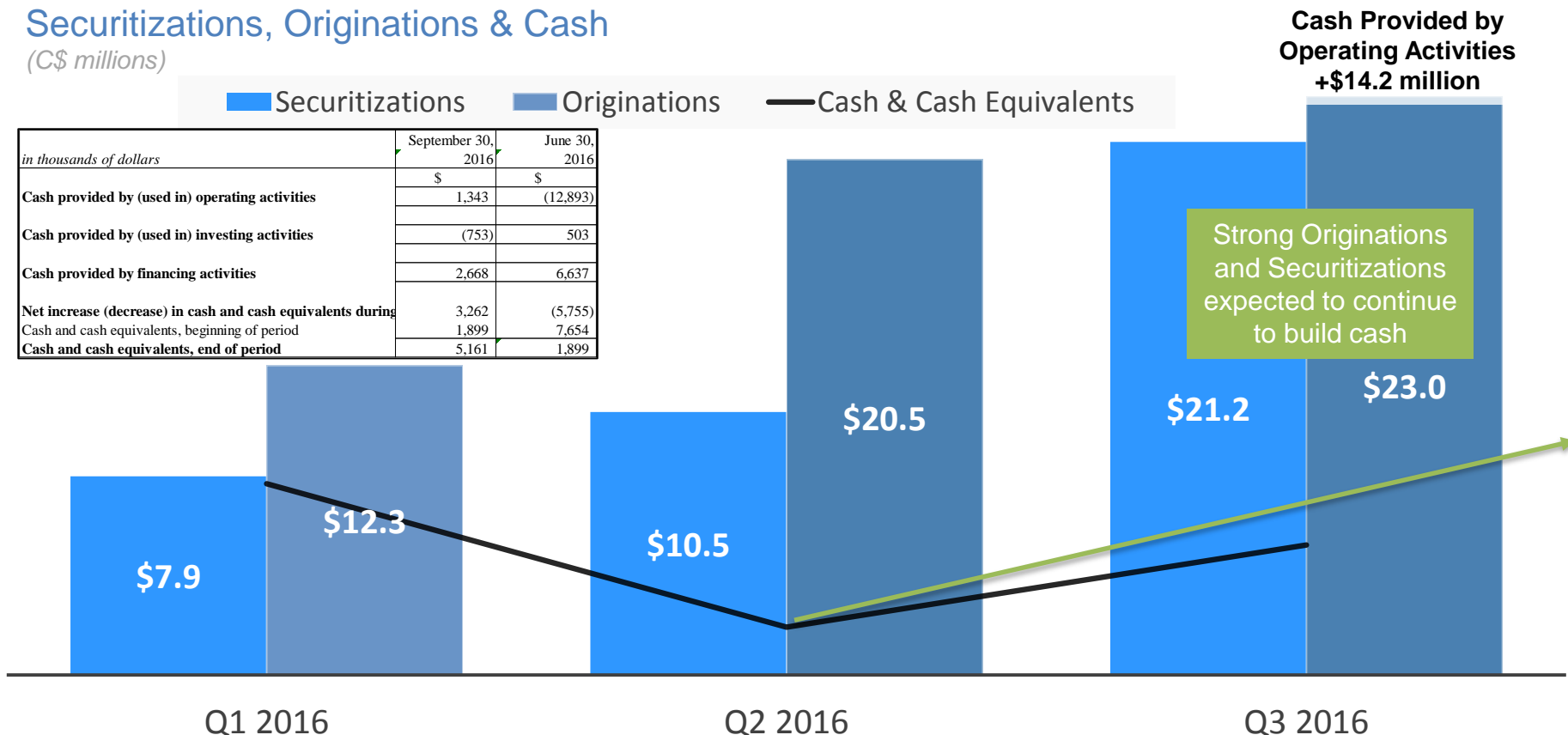
Increased Cash Driven By Securitization Cycle

Securitizations, Originations & Cash

(C\$ millions)

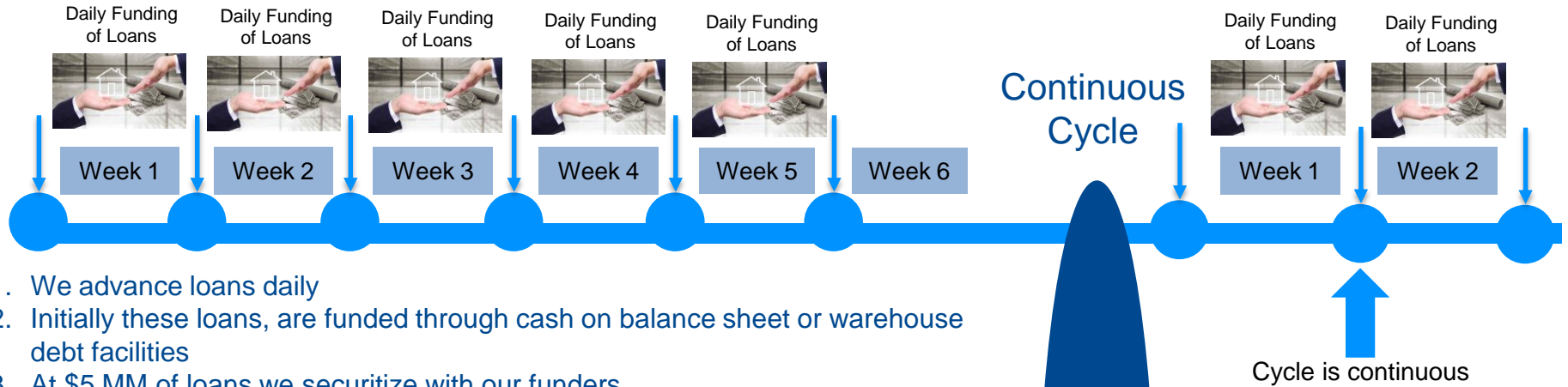
■ Securitizations ■ Originations — Cash & Cash Equivalents

<i>in thousands of dollars</i>	September 30, 2016	June 30, 2016
Cash provided by (used in) operating activities	\$ 1,343	\$ (12,893)
Cash provided by (used in) investing activities	(753)	503
Cash provided by financing activities	2,668	6,637
Net increase (decrease) in cash and cash equivalents during	3,262	(5,755)
Cash and cash equivalents, beginning of period	1,899	7,654
Cash and cash equivalents, end of period	5,161	1,899



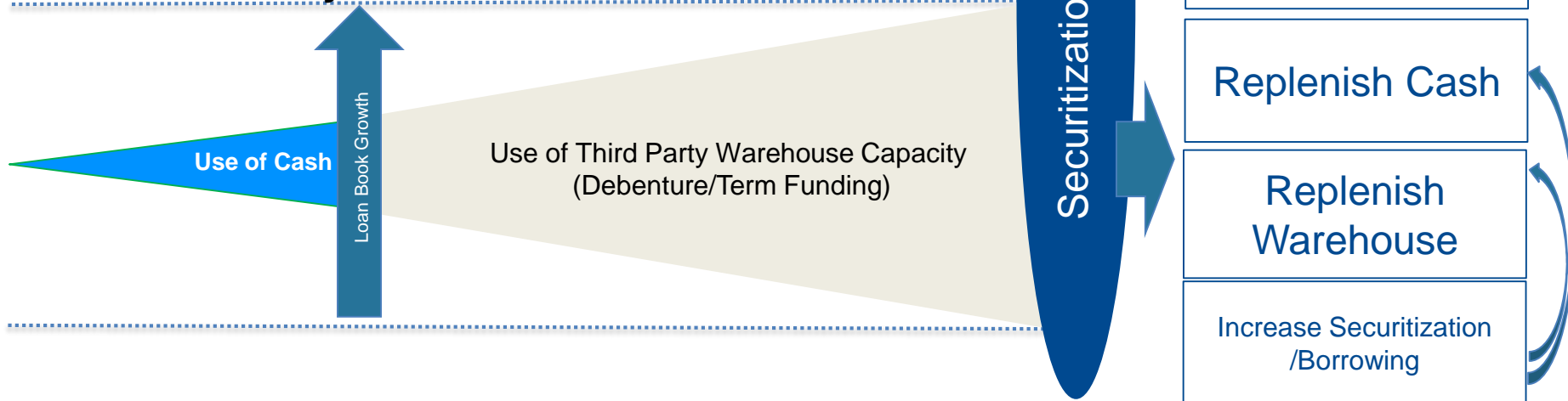
1. Growth in securitization and originations has increased cash and liquidity.
2. Increased Cash Provided by Operating Activities by \$14.2 million to positive \$1.3 million compared to cash used of (\$12.9) million in the previous quarter and cash used of (\$9.5) million in the first quarter of 2016.
3. This positive development is attributable to increased securitization activity of \$21.2 million in Q3

Loan Funding and Securitization Cycle



1. We advance loans daily
2. Initially these loans, are funded through cash on balance sheet or warehouse debt facilities
3. At \$5 MM of loans we securitize with our funders
4. Our funders take ~1 week to audit and 1 week to pay Dealnet with ALL loan proceeds advanced plus a cash gain that expands treasury capacity to grow
5. We earn revenue and cash flow over the term of the loans funded but receive the cash profit 'piece' up front which increases our ability to fund more loans

Dealnet Treasury



Securitization Economics - Example

	<u>Single Loan</u>		<u>Pool of Loans</u>	
	Consumer Contract	Securitization	Consumer Contract	Securitization
Contract Size	\$5,000		\$1.0 MM	
Gross Funding Amount		\$5,750		\$1.15 MM
Cash Booked to Reserve		\$300		\$57,500
Cash Booked to Cash and Cash Equivalents		\$5,450		\$1.09 MM
Monthly Consumer Payment	\$47.90		\$9,580	
Term	120		120	
Example Face Rate*	8.60%		8.60%	

* Based on current market rates.

Strategic Relationships with OEMs

4 Strategic Financing Partnerships Announced YTD



Distributor of HVAC and fireplace
100 dealers



High-end window manufacturer
75 dealers



Manufacturer of water treatment
equipment
125 dealers



Global HVAC manufacturer
200 dealers

1. Manufacturer and Distributor Financings Partnerships are key growth initiatives
2. Through these partnerships Dealnet expects to double its active Dealer count to 800 in 2017
3. We are actively engaged with several additional Home Improvements OEM for financing partnerships

Key Performance Indicators

The Company has achieved all key performance indicators set by leadership. In 2016, the Company developed one of the largest quarterly origination stories in the space. Management will continue to focus on increasing all of the following areas:

1. Finance Receivables – signals revenue and net interest margin growth
2. Originations – signals near term growth and trajectory
3. Securitization – signals cash generation
4. Cash Provided by Operating Activities – evidences operating efficiency and liquidity
5. New and Expanded Funding Facilities – signals 2018 capacity
6. OEM Financing Partnerships – signals growth approximately 3-6 months from announcements and ongoing

Dealnet Capital

APPENDIX

Michael A. Hilmer
Chief Executive Officer
mhilmer@Dealnetcapital.com
416.420.5529

Dealnet Capital Structure as of November 28, 2016

TSX Venture Exchange	DLS
Basic Shares Outstanding	252 MM
Fully Diluted Shares Outstanding	298 MM
Warrants	19 MM
Options	16 MM
Expected Cash Proceeds from in the Money Warrant	~\$8.1MM
Current Share Price	~\$0.55

In the Money Warrants

As of November 28, 2016

	Outstanding	Avg. Price	Expected Proceeds
December 2016	2.1 MM	\$0.30	\$625 K
February 2017	11.3 MM	\$0.50	\$5.7 MM
August 2017	3.2 MM	\$0.55	\$1.8 MM
TOTAL			\$8.1 MM

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



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.



Harold Bridge
Lead Director

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
Director

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.



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.



Daniel Wittlin
Director

Mr. Wittlin is a serial entrepreneur with considerable experience in the financial services industry. He founded Enable Capital Corporation, an asset based equipment leasing company focused on the manufacturing sector in Ontario. Mr. Wittlin acquired Blue Chip Leasing Corporation which specializes in providing equipment financing for small to mid-size transactions. Mr. Wittlin serves on the Board of Governors for the Friends of Simon Wiesenthal Centre and is a member of the Business Development Committee at Mount Sinai Hospital. He is a member of The Young Presidents Organization.