

Dealnet Capital

Q2 2020 Investor Presentation

August 14, 2020

Cautionary Statement

This Presentation has been prepared taking into consideration information available and contains forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address Dealnet's expectations, should be considered forward-looking statements. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements.

You should not place undue reliance on these forward-looking statements. These statements reflect Management's current view of future events and are subject to certain risks and uncertainties as contained herein and, in the Company's, other filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the Company's actual results could differ materially from those anticipated in these forward-looking statements. Management undertakes no obligation to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events. Although we believe that these expectations are based on reasonable assumptions, we can give no assurance that those expectations will materialize.

Successfully Managing Through COVID-19

Expected Financial Impacts

1. Temporary reduction in originations
2. Likely increase in delinquencies
3. Possible disruption to Call Centres in Scarborough and Reno

Proactive Response

1. DLS and EcoHome productively working from home
2. Increased social spacing at call centres
3. Tightened credit box
4. Reduced headcount / expenses
5. Deferred IT projects to conserve cash
6. Improved processes and updated product offerings
7. Active dealer engagement throughout COVID-19

Moved from 4 King West to 130 King West



Successes During COVID-19

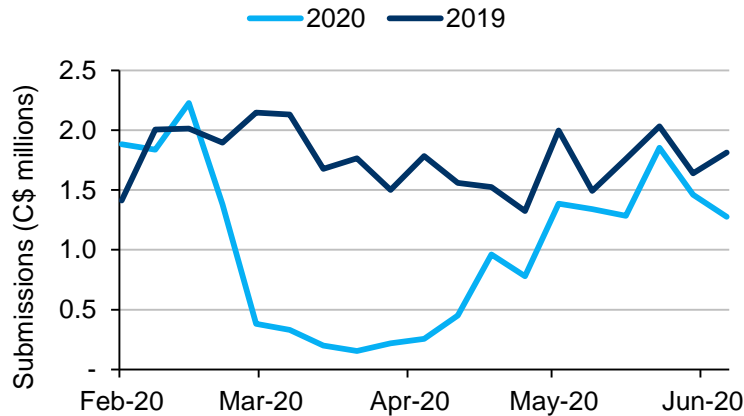
Obtained C\$6.25M Bank Facility with EDC guarantee. CEWS and PPP relief of C\$1M

Delinquencies declined from March (C\$11.3M) to June (C\$10.4M). Minimal deferral requests

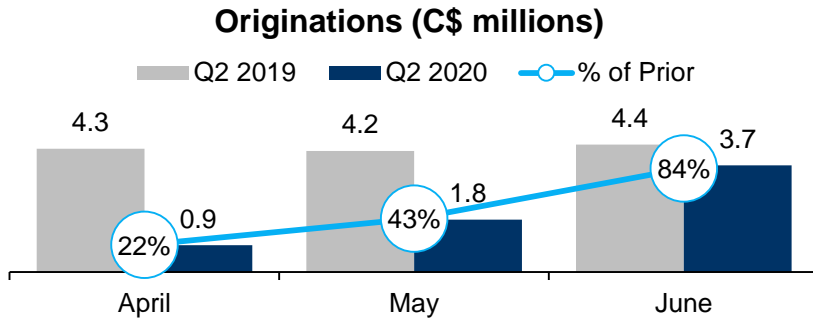
Call Centres performed in Q1 and Q2 by staying focused and concentrating on what could be controlled

Second Consecutive Quarterly Profit

1) Submissions Rebounding to Pre-COVID Levels



2) Originations Rebounding as COVID Restrictions Lifted – Strong Risk-Adjusted Margins Maintained

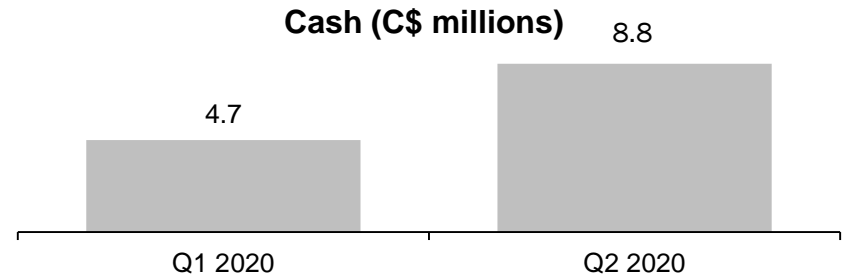


	Q2 2019	Q2 2020
Gross Yield	9.5%	9.7%
Cost of Funds	(4.7%)	(4.2%)
Expected Credit Losses	(0.5%)	(0.6%)
Risk Adjusted Margin	4.3%	4.9%

3) Expected Spike in Delinquencies from COVID Economic Stress has not Materialized to Date

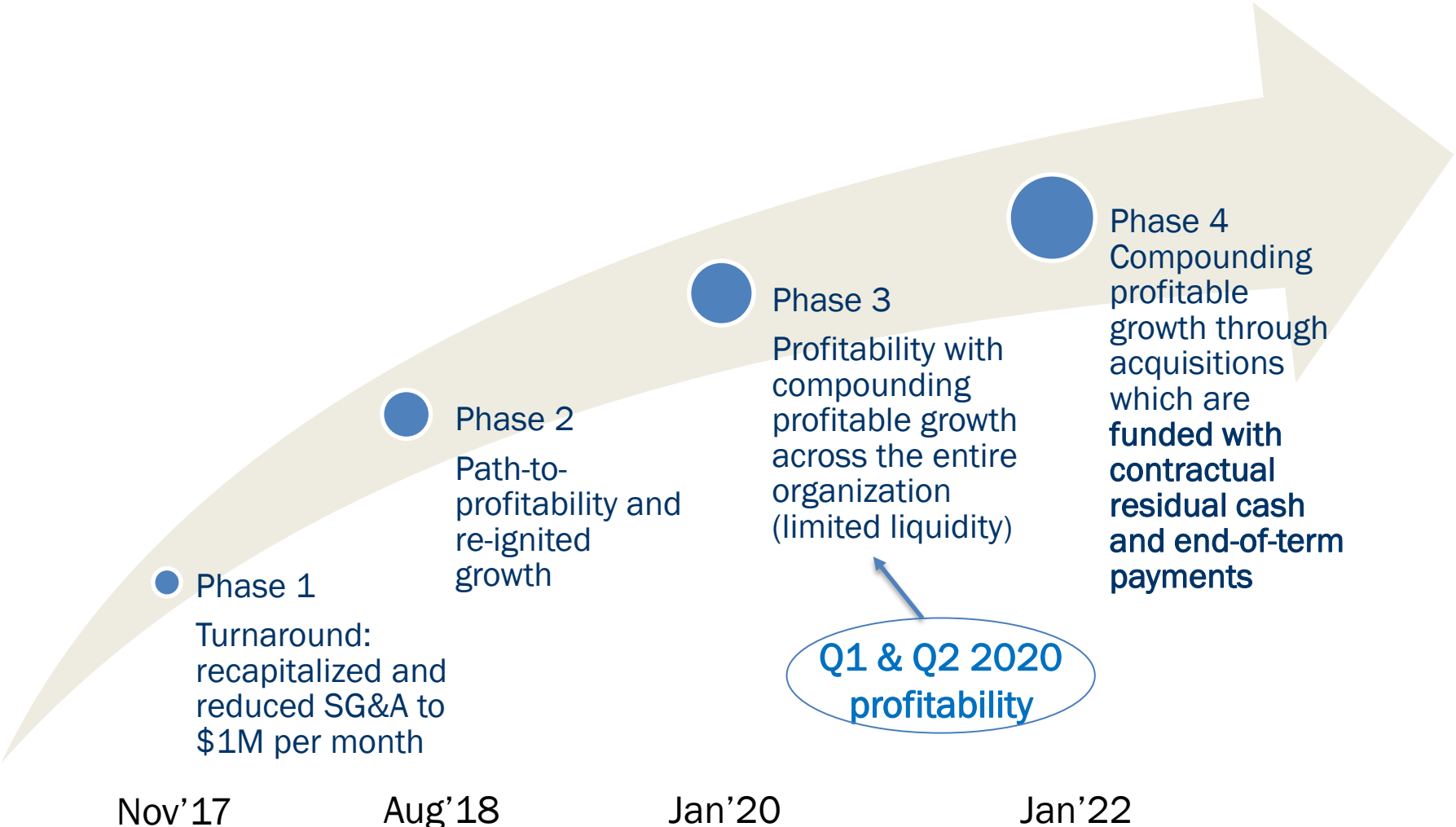
% Delinquent	0-30 days	31-90 days	91+ days	Total
Q2 2020	0.7%	0.5%	3.9%	5.1%
Q1 2020	1.2%	0.8%	3.5%	5.5%

4) Increase in Cash with New Bank Facility



5) Total Q2 Revenue (One Contact and EcoHome) increased by 4% over Q2 2019. No service disruptions to our Dealers and One Contact clients

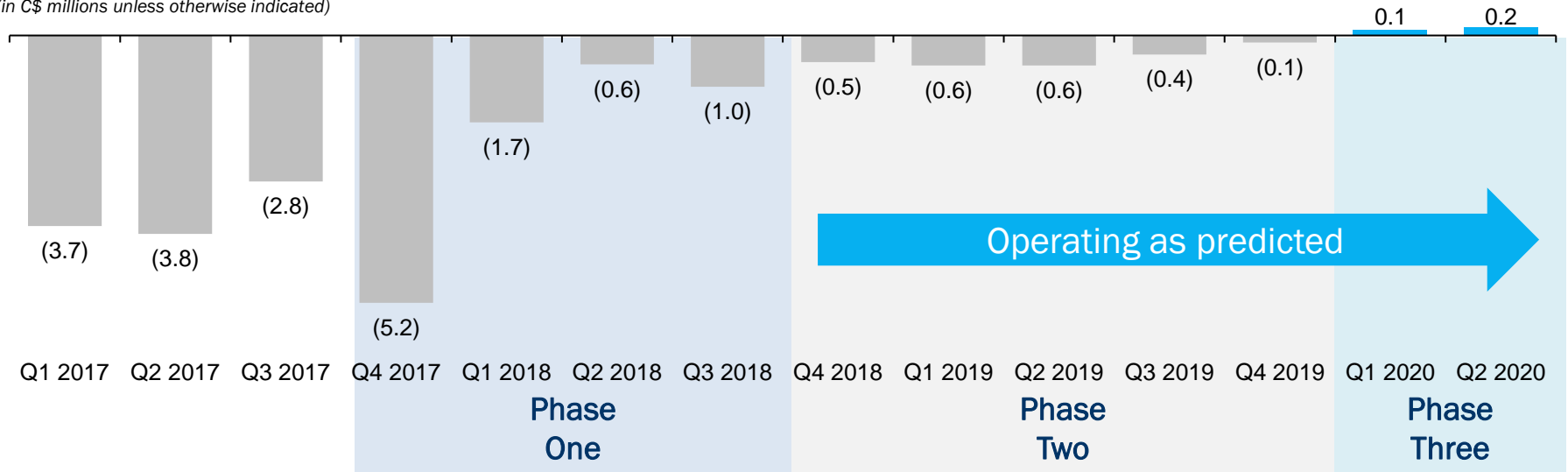
Dealnet Built for Compounding Profitable Growth



Path to Profitability

Operating Income / (Loss) from Continuing Operations

(in C\$ millions unless otherwise indicated)



To reach profitability, Management:

1. Fixed the business by smart, well executed action steps
2. Upgraded staff and improved employee engagement and commitment
3. Introduced prudent lending practices and risk-adjusted pricing
4. Enforced against the delinquent direct dealers
5. Reduced corporate overhead to < C\$1.0M per month
6. Improved back office processes and collection practices
7. Invested in technology in One Contract and EcoHome

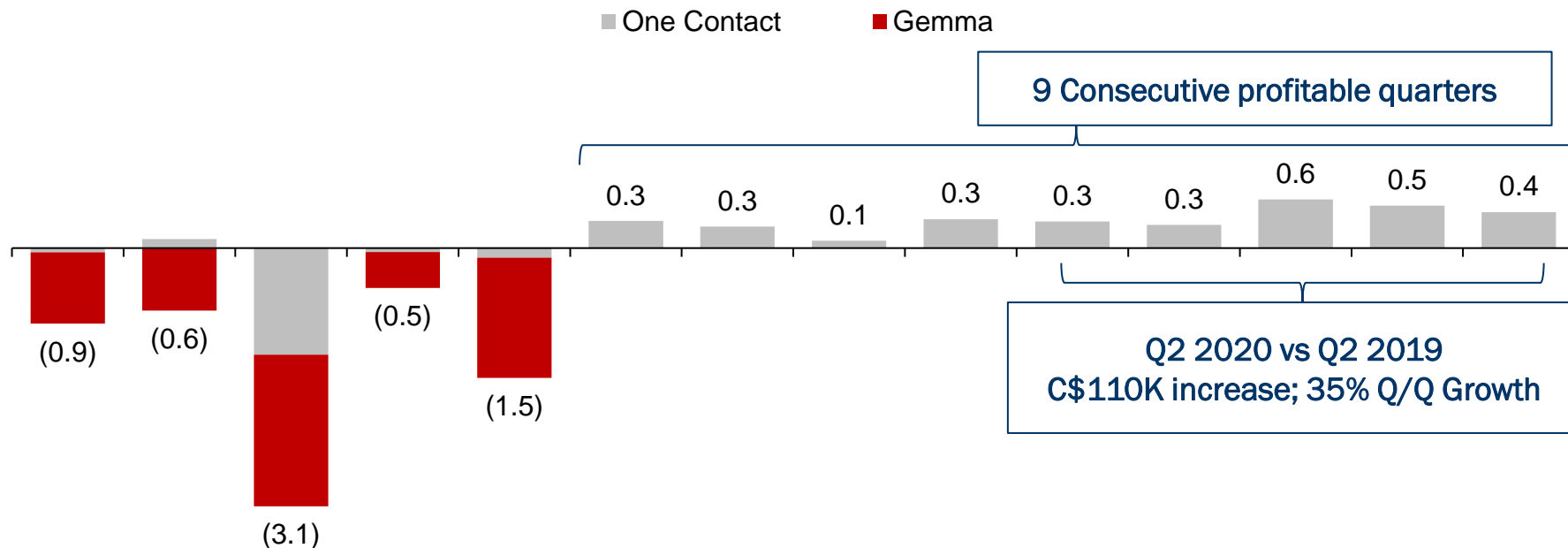
Rebuilt Call Centre Business

Dealnet rebuilt the call centre business by expanding its blue-chip client base, renewing long-standing contracts in competitive contests and developed a strong sales pipeline

- Best practices were implemented across the business allowing the unit to exceed the requirements of its most demanding clients
 - Achieving high service levels; no service penalties were incurred throughout 2019 or 2020 YTD
 - Strong gross margins in excess of 37%

Operating Income

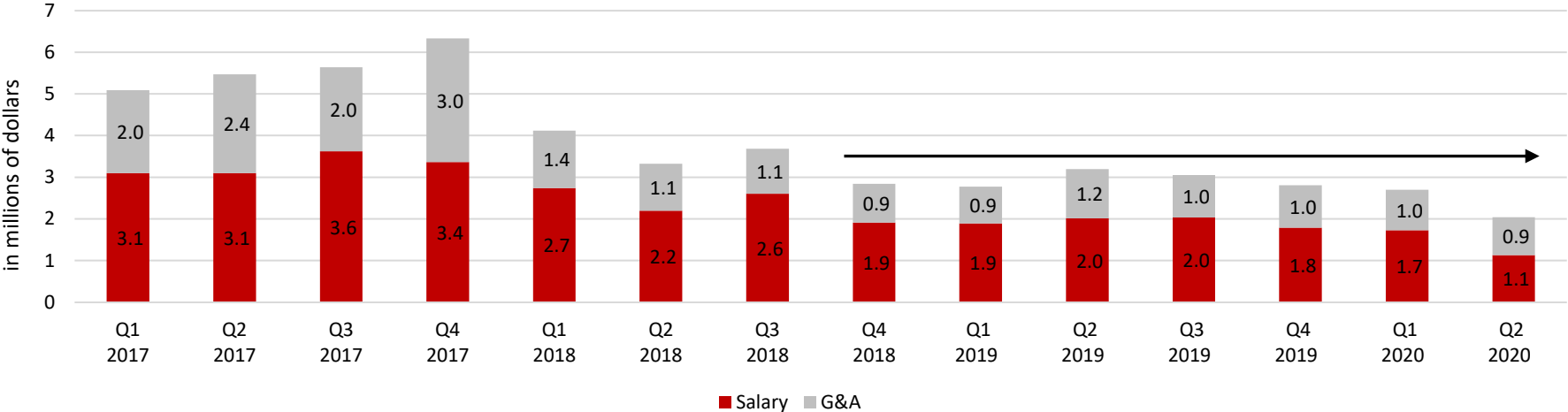
(in C\$ millions unless otherwise indicated)



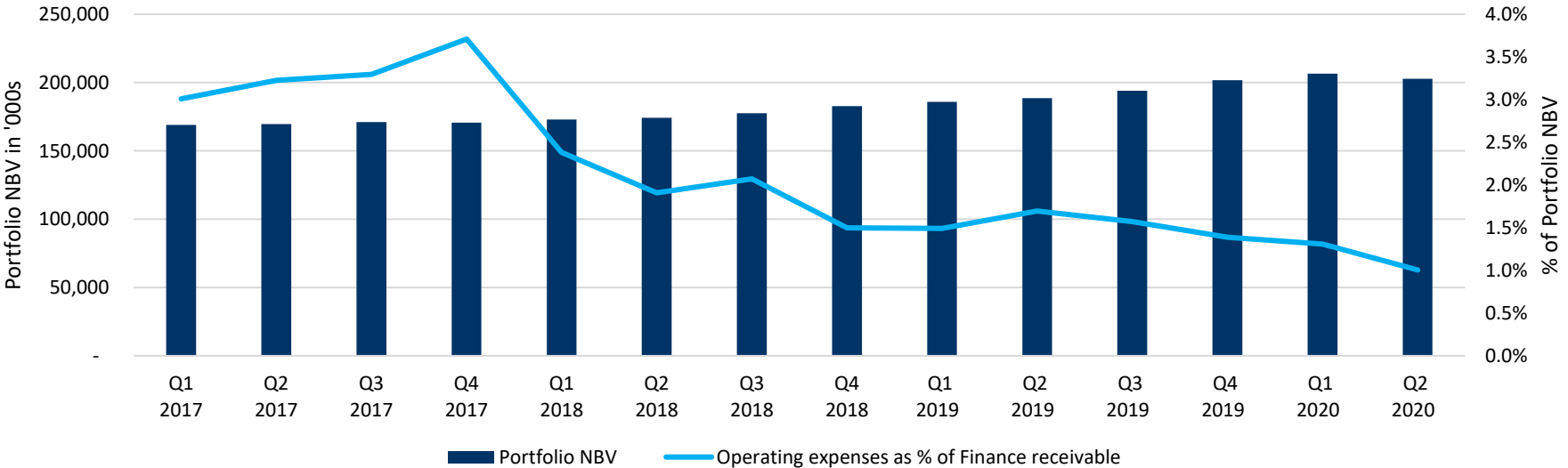
Q1 2017 Q2 2017 Q3 2017 Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 Q1 2020 Q2 2020

Current Management Cut Overheads

Overhead Expenses



Operating Expenses as % of Portfolio NBV



Dealnet Vision: Building Compounding Profitable Growth

To provide an interconnected network of synergistic organizations that consistently deliver above average growth and profitability

EcoHome: To set the standard for profitable growth in specialized consumer finance lending, leveraging strong management expertise and technology to drive innovation, superior service and operational efficiency.

One Contact: To deliver our customers best-in-class omni-channel contact centre and back office solutions.



1. Deepen existing dealer relationships
2. Take advantage of the current market disruption as the industry consolidates
3. Cross-selling complimentary products and financial services
4. Expand beyond NOSI and enter new verticals

1. Profitable niche (not competing with off-shore call centres)
2. Delivering omni-channel and RPA technology capabilities
3. Leverage existing EcoHome collections expertise (ability to pay and customer attitude to pay)
4. Further integrate with EcoHome

Underlying Asset Value Summary

Substantial Future Cash Flow

- C\$72M **contractual residual cash flow** (undiscounted) starting in 2022
- Rights to **end of term** payments on ~16,000 lease contracts

Proven Origination Engine

- Leading player in Canada's home improvement finance market
- Origination network includes a diverse group of quality dealers serviced through a proprietary portal, supported by Dealnet's staff and leading technology platform

Profitable Call Centre Operation

- Profitable and delivers a steady stream of cash flow

Available Tax Losses

- C\$24.6M in unused tax losses

Ability to Cross Sell

- Customer base of 39,000 creditworthy households provides substantial opportunity for cross selling, as well as replacement equipment sales. Prospects can be pre-approved for credit

Concluding Remarks

Dealnet is advantageously positioned to take advantage of a post-COVID economic rebound

Dealnet's business is strengthening, supported by a foundation that combines:

- Leading-edge technologies
- A solid multi-year growth plan
- Talented leaders and managers who are demonstrating an ability to execute in the face of operational challenges

We continue to position Dealnet to create sustainable value for shareholders by driving compounding profitable growth

CE **EcoHome FINANCIAL**

Keeping Cool with these great offers

FACTORY AUTHORIZED DEALER
Carrier
Turn to the experts

July 1st- August 31st. Must be installed by September 30th. 2020

Choose from

4 or 4 FREE PAYMENTS ON LOANS OR LEASES

OR

24 @ **0%** Interest Equal Payment Plan

- 2 Payments courtesy of CE
- 2 Payments courtesy of EcoHome Financial
- **Promo Dealer Rate: 6.25%**
- Normal Rate Card Rate: 9.25%
- CE Contribution: 1.5%
- EcoHome Contribution: 1.5%

* Based on monthly originations volume

This promotion is **available to select Carrier dealers** who are approved EcoHome Financial contractors. **Not Registered? Click below.**

[Dealer Onboarding Here](#)

For more information regarding this promotion or on how to get registered please call 1.855.233.8237

Carrier Turn to the experts | **CE** | **EcoHome FINANCIAL**

Offer excludes Quebec. Applicable to HVAC products only. Can not be combined with Water products. Special Terms and Conditions Apply. OAC. July 1st- August 31st Must be installed by September 30th. 2020