

**FOR IMMEDIATE RELEASE**

## **ECN Capital Establishes Dividend Policy, Receives Investment Grade Ratings and Affirms \$4.41 per Share Fair Market Value**

**Toronto, Canada – October 3, 2016** – ECN Capital Corp. ("ECN Capital" or the "Company") today announced that the Company's Board of Directors has approved the establishment of an initial dividend policy for ECN Capital based on an annual dividend of \$0.04 per common share.

Concurrently, the Company's Board of Directors authorized and declared a quarterly dividend of \$0.01 per outstanding common share of ECN Capital for the fourth quarter of 2016. The dividend will be paid on January 13, 2017 to shareholders of record at the close of business on December 30, 2016. These dividends are designated to be eligible dividends for purposes of section 89(1) of the Income Tax Act (Canada).

"The Board's decision to establish this initial dividend policy for ECN Capital signals that it has confidence in management's ability to execute the Company's strategy and to continue to identify and exploit profitable growth opportunities in the North American commercial finance market," said Steven Hudson, ECN Capital's Chief Executive Officer.

### **ECN Capital Receives Investment Grade Ratings**

ECN Capital also announced today that it received investment grade ratings from both DBRS Limited and Kroll Bond Rating Agency ("KBRA").

KBRA assigned a BBB Issuer rating to ECN Capital with a Stable Outlook while DBRS Limited issued a BBB (low) Issuer rating with a Stable Trend.

"We are extremely pleased that both rating agencies have validated the business model of ECN Capital reflecting the solid franchise and sustainability of ECN Capital as a leading commercial lender and lessor in North America" indicated Steven Hudson.

### **ECN Capital's Fair Market Value Determination**

ECN Capital also announced that in conjunction with the Company's separation from Element Financial Corporation (the "Separation Transaction"), the Board of Directors of Element Financial Corporation (the "Element Board") has determined \$1.707 billion to be the aggregate fair market value of ECN Capital, or \$4.41 per share based on the ECN Capital common shares currently issued and outstanding. An independent valuation was obtained to assist the Element Board in determining the fair market value of the assets and liabilities pertaining to the Separation Transaction and now held by ECN Capital.

### **ECN Capital's Pending Acquisition of INFOR Acquisition Corp.**

The previously announced acquisition (the "IAC Acquisition") of all of the issued and outstanding shares in the capital of INFOR Acquisition Corp. (TSX: IAC.A, IAC.WT) ("IAC") is subject to certain conditions, including approval of the IAC shareholders at a meeting scheduled for October 24, 2016. The IAC Acquisition is expected to provide ECN Capital with approximately \$222 million in cash (subject to redemptions), which capital will be used by ECN Capital to finance its growth strategy.

At closing of the IAC Acquisition, each outstanding share in the capital of IAC will be acquired in exchange for a specified number of ECN Capital common shares. The exchange ratio will be established using the fair market value of ECN Capital as determined by the Element Board, as noted above, and the net assets of IAC immediately prior to the closing of the IAC Acquisition. The net assets of IAC at such time are expected to consist of the funds received from IAC's initial public offering less the aggregate amount of funds paid to IAC shareholders that have validly exercised their rights of redemption in connection with the IAC Acquisition and certain expenses.

"The fair market value for ECN Capital established by the Element Board approximates the estimated equity book value as of September 30, 2016 which would satisfy the applicable conditions of the IAC Acquisition agreement," said William Lovatt, former Chairman of the Element Board and current Chairman of ECN Capital.

The fair value and estimated book value at September 30, 2016 is approximately 9% higher than the book value reported in the Company's carve-out statements of June 30, 2016 and reflects the following key events during the third quarter of 2016:

Quarterly growth and related working capital adjustments accounted for 3.6% of the increase (or \$0.14 per share).

Upon separation and in accordance with US tax rules, the tax basis of the US net assets was reset from the historic depreciated tax value to the separation date fair value. The net impact of the change was a 2.6% (or \$0.11 per share) increase in book value. This increase in valuation will be realized in future years as it will defer future cash tax accordingly.

Variation in foreign currency, namely the USD whereby the USD appreciated by 1.5% between June 30, 2016 and September 30, 2016, resulted in an increase in book value of 1.3% (or \$0.05 per share).

The fees paid to the bank syndicate for the establishment of the new dedicated senior credit facility for ECN Capital accounted for 1.5% (or \$0.06 per share). These fees were paid on closing of the transaction and will be amortized into income over the 3 year term of the facility.

On a currency neutral basis and excluding the bank fees which will be reversed back into income in the future, the adjusted book value represents an increase of approximately 6% (or \$0.24 a share) over the amount reported at the end of June 2016, reflecting the impact of operating activities during Q3, 2016 and the tax impact of the separation.

### **About ECN Capital Corp.**

With total owned and managed assets of \$8.2 billion, ECN Capital Corp. (TSX: ECN) is one of North America's leading equipment finance companies. ECN Capital operates across North America in three verticals of the equipment finance market (Rail Finance, Commercial & Vendor Finance, and Commercial Aviation Finance).

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*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, including with respect to the IAC Acquisition, the anticipated benefits of the IAC Acquisition, the ability to satisfy the closing conditions in respect of the IAC Acquisition, the expected timing of the closing of the IAC Acquisition, the expected amount of capital to be obtained pursuant to the IAC Acquisition, 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 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, risks related to completion of the IAC Acquisition, the possibility that the proposed IAC Acquisition will not be consummated within the anticipated time period or at all, including as a result of regulatory, market or other factors, the risk that the necessary regulatory, court and shareholder approvals, as applicable, will not be obtained in connection with the IAC Acquisition and the potential for disruption to ECN Capital's business in connection with the IAC Acquisition, 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 Element's Management Information Circular dated July 28, 2016 which has 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.