Form 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Reporting Issuer

ECN Capital Corp. ("**ECN Capital**" or the "**Company**")
199 Bay Street, Suite 4000
Toronto, Ontario
M5L 1A9

2. Date of Material Change

August 14, 2023

3. News Release

A news release with respect to the material change referred to in this report was disseminated over Globe Newswire on August 14, 2023 and is available on ECN Capital's SEDAR+ profile at www.sedarplus.ca.

4. Summary of Material Change

On August 14, 2023, ECN Capital announced that it had entered into a share subscription agreement (the "**Subscription Agreement**") with Skyline Champion Corporation ("**Skyline Champion**"), pursuant to which Skyline Champion has agreed to make an approximately C$185 million equity investment in the Company on a private placement basis (the "**Private Placement**") in exchange for 33,550,000 common shares of the Company (the "**Common Shares**") at a price per share of C$3.04 and 27,450,000 mandatory convertible preferred shares, Series E of the Company ("**Convertible Preferred Shares**") at a price per share of C$3.04. Upon closing of the Private Placement, Skyline Champion is expected to hold an approximate 19.9% interest in the Company (assuming the conversion of all Convertible Preferred Shares).

In connection with the closing of the Private Placement, ECN Capital and Skyline Champion will form a captive finance company (the "**Captive FinanceCo**") that will be 51% owned by Skyline Champion and 49% owned by Triad Financial Services, Inc. ("**Triad**"), a wholly-owned subsidiary of ECN Capital. The Capitve FinanceCo will be focused on providing (1) a tailored retail finance loan program for Skyline Champion's customers and (2) a new branded floorplan offering for Skyline Champion and its affiliates in the manufactured home finance space. The Captive FinanceCo will operate with services provided by Triad.

5. Full Description of Material Change

Subscription Agreement

On August 14, 2023, the Company announced that it had entered into the Subscription Agreement with Skyline Champion pursuant to which Skyline Champion has agreed to acquire 33,550,000 Common Shares and 27,450,000 Convertible Preferred Shares (collectively, the "**Purchased Shares**") at a price per Purchased Share equal to C$3.04 (the "**Share Issue Price**") (representing a 15% premium to the 15-day volume weighted average price of the Common Shares on the Toronto Stock Exchange ("**TSX**") for the period ending on August 11, 2023, the last trading day prior to the date of the Subscription Agreement) and an aggregate subscription price of C$185,440,000.

Upon closing of the Private Placement, Skyline Champion is expected to hold an approximately 19.9% interest in the Company (assuming the conversion of all Convertible Preferred Shares).

The Subscription Agreement contains customary representations and warranties from each of ECN Capital and Skyline Champion and each have agreed to customary covenants including, among others, covenants of the Company relating to the conduct of the Company's business during the interim period between the execution of the Subscription Agreement and closing of the Private Placement.

The Subscription Agreement entitles each of the Company and Skyline Champion to certain termination rights, exercisable upon the occurrence of certain events, including, among others, termination by either party if the closing of the Private Placement has not occurred within 45 days of the date of the Subscription Agreement (subject to extension in certain circumstances) and provided that such right of termination will not be available to a party whose failure to fulfil any obligation under the Subscription Agreement shall have been the principal cause of, or primarily resulted in, the failure of closing to occur on or before such date.

The Company intends to use the net proceeds of the Private Placement for general corporate purposes.

While the Convertible Preferred Shares will not be listed on any stock exchange, the Company has applied for conditional approval for the listing of the underlying Common Shares on the TSX. The Company has also applied for conditional approval from the TSX for the listing of the Common Shares to be acquired by Skyline Champion pursuant to the Private Placement.

The Private Placement is expected to close in September 2023, subject to certain customary closing conditions including the receipt of conditional approval from the TSX and expiry of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

Terms of the Convertible Preferred Shares

Conversion

The Convertible Preferred Shares are initially convertible on a one-for-one basis into an aggregate of 27,450,000 Common Shares based on an initial liquidation preference and conversion price equal to the Share Issue Price, each of which are subject to customary anti-dilution adjustments in accordance with the terms of the Convertible Preferred Shares.

The Convertible Preferred Shares are convertible at any time at the option of Skyline Champion, are convertible at the option of the Company in connection with a change of control of the Company and will automatically convert into Common Shares on the fifth anniversary of closing of the Private Placement.

Unless necessary approvals of the Company's shareholders have been obtained (which the Company shall not be obligated to obtain), in the event any conversion of Convertible Preferred Shares would result in Skyline Champion beneficially owning in excess of 19.9% of outstanding Common Shares (the "**Conversion Cap**"), then in lieu of delivering Common Shares in excess of the Conversion Cap the Company will repurchase for cancellation the Convertible Preferred Shares that are not convertible at a price per each whole Common Shares that is not issuable equal to the fair market value of the Common Shares or, in the case of a change of control transaction, the greater of the fair market value of the Common Shares and the consideration payable pursuant to the change of control transaction for each Common Share.

Adjustments to Conversion Price

In accordance with the terms of the Convertible Preferred Shares, certain adjustments shall be made to the conversion price to account for, among other things (i) issuances of additional Common Shares to all or substantially all holders of Common Shares; (ii) share splits or combinations; (iii) certain rights, options and warrants; (iv) the payment of cash dividends on Common Shares in excess of the Company's current quarterly dividend; (v) certain distributions, including spin-offs; and (iv) capital reorganizations.

Voting Rights

The holders of Convertible Preferred Shares will be entitled to receive notice of, attend, and vote at, all meeting of shareholders of the Company, except where holders of another class or series are entitled to vote separately as a class or series as provided in the *Business Corporations Act* (Ontario), applicable securities laws or the rules of any applicable securities exchange. Except as otherwise required by law, the holders of the Convertible Preferred Shares and the Common Shares will vote together as a single class on all matters submitted to a vote of the shareholders of the Company. Each Convertible Preferred Share will be entitled to one vote per share and each holder of Convertible Preferred Shares will be deemed to hold such number of Convertible Preferred Shares that is equal to the number of Common Shares into which the Convertible Preferred Shares are convertible pursuant to their terms as of the applicable record date for the determination of shareholders entitled to vote at such shareholders meeting.

Dividends

The holders of the Convertible Preferred Shares will be entitled to receive, if, as and when declared by the Board of Directors of ECN Capital (the "**Board of Directors**"), cumulative cash dividends at a rate of 4.0% per annum on the liquidation preference, payable semi-annually on the last calendar day of June and December in each year. The holders of the Convertible Preferred Shares will not have the right to receive any dividends that are declared only with respect to the Common Shares or any other series of preferred shares of the Company.

Unless all accrued and unpaid dividends on the Convertible Preferred Shares and on all other shares of the Company ranking prior to or on parity with the Convertible Preferred Shares have been declared and paid, the Company will require the approval of holders of Convertible Preferred Shares in order to pay certain cash dividends or redeem certain shares of the Company.

Redemption on Change of Control

Subject to certain limited exceptions, the Company may not redeem any of the Convertible Preferred Shares.

Following the effective date of a change of control, the Company shall have the right to redeem for cash all (but not less than all) of the then outstanding Convertible Preferred Shares at a price per Convertible Preferred Share equal to the fair market value of the consideration such holder would have received had such holder converted its Convertible Preferred Shares in accordance with the their terms immediately prior to such change of control on the date that is twenty business days following the date of the change of control.

Transfers

The Convertible Preferred Shares will not be transferrable other than to affiliates of Skyline Champion or with the prior written consent of the Board of Directors.

Investor Rights Agreement

On closing of the Private Placement, the Company and Skyline Champion will enter into an investor rights agreement (the "**Investor Rights Agreement**").

Board Representation

The Investor Rights Agreement provides that, for so long as Skyline Champion beneficially owns at least 10% of the outstanding Common Shares of the Company (on a non-diluted basis, but assuming the conversion of all Convertible Preferred Shares into Common Shares) (i) Skyline Champion will have the right to designate one nominee for election or appointment to the Board of Directors (the "**Investor Nominee**"); and (ii) the number of directors on the Board of Directors shall not be increased to more than seven (7) without the consent of Skyline Champion. The Investor Nominee will be a member of the Credit and Risk Committee of the Board of Directors. On closing of the Private Placement, the Company intends to appoint Mark Yost, President and Chief Executive Officer of Skyline Champion, to the Board of Directors as the Investor Nominee.

Unanimous Board Approval

Pursuant to the Investor Rights Agreement, the Company will agree that, for a two-year period commencing on closing of the Private Placement (the "**Restricted Period**"), the Company will not, without unanimous approval of the Board of Directors (i) market the sale of any equity interests of Triad or any material assets thereof, other than the sale of assets in the ordinary course; (ii) pursue material acquisitions or dispositions outside of the ordinary course (subject to certain agreed upon dispositions); or (iii) pay any dividends in excess of the Company's current quarterly dividends on its Common Shares and existing preferred shares and dividends on the Convertible Preferred Shares.

Voting Support

Pursuant to the Investor Rights Agreement, Skyline Champion will be obligated to vote any Common Shares and Convertible Preferred Shares in favour of or abstain from voting in respect of regular business to be transacted at annual meetings of shareholders of the Company during the Restricted Period.

Pre-Emptive Rights and Top-Up Rights

During the Restricted Period, Skyline Champion shall have a pre-emptive right (the "**Pre-Emptive Right**") to participate in future offerings of Common Shares or securities convertible into Common Shares (subject to certain customary exceptions) in order to maintain its pro rata ownership interest in the Company.

For so long as Skyline Champion beneficially owns at least 10% of the outstanding Common Shares of the Company (on a non-diluted basis, but assuming the conversion of all Convertible Preferred Shares into Common Shares), the Investor Rights Agreement will provide Skyline Champion with customary top-up rights to subscribe for Common Shares in order to maintain its pro rata ownership interest in the Company in the event of dilution following certain issuances of Common Shares that are exempt from the Pre-Emptive Right (the "**Top-Up Right**").

Registration Rights

The Investor Rights Agreement provides Skyline Champion with customary piggy-back registration rights permitting Skyline Champion to require the Company to include Common Shares held by Skyline Champion in any proposed distribution of Common Shares in Canada and/or the United States by the Company for its own account, subject to certain limitations.

Right to Match

If an unsolicited offer is made to acquire the Company or Triad during the Restricted Period pursuant to which the Company has negotiated a form of definitive agreement that the Board has, in good faith, determined that it would be prepared to approve (the "**Triggering Proposal**"), Skyline Champion will have a right to match the Triggering Proposal (the "**Right to Match**") before the Company enters into a definitive agreement in respect of the Triggering Proposal. In the event Skyline Champion exercises its Right to Match, the Company will negotiate in good faith with Skyline Champion to enter into a definitive agreement with Skyline Champion in respect of its matching proposal. Any such transaction with Skyline Champion would remain subject to approval by shareholders in accordance with applicable corporate and securities laws.

In the event Skyline Champion does not exercise its Right to Match, for so long as the definitive agreement resulting from any Triggering Proposal remains in effect and is supported by the Board of Directors, Skyline Champion shall be obligated to vote its Common Shares and Convertible Preferred Shares in favour of such transaction or abstain from voting such shares or tender its Common Shares or Convertible Preferred Shares to such offer, as applicable.

Restrictions on Transfer

Pursuant to the Investor Rights Agreement, Skyline Champion will agree not to transfer any Convertible Preferred Shares except to affiliates of Skyline Champion and certain other permitted transferees in accordance with the terms of the Investor Rights Agreement.

Additionally, during the Restricted Period, Skyline Champion will agree not to transfer any Common Shares except to affiliates of Skyline Champion and certain other permitted transferees in accordance with the terms of the Investor Rights Agreement.

Standstill

Pursuant to the Investor Rights Agreements, during the Restricted Period, Skyline Champion shall agree not to, and to cause each of its affiliates not to, without the prior written consent of the Board of Directors (subject to certain exceptions, including in respect of the exercise of Skyline Champion's Right to Match, Pre-Emptive Right and Top-Up Right): (i) acquire, or propose to acquire, additional Common Shares, securities or assets of the Company; (ii) solicit proxies to vote or seek to influence any other person with respect to the voting of any securities of the Company; (iii) otherwise act, alone or jointly or in concert with others, to seek to control or influence the management, Board of Directors or policies of the Company or its affiliates; (iv) take actions that question the validity or effectiveness of any shareholder rights plan, rights agreement or any other "poison pill" or other antitakeover arrangement of the Company; (v) have any discussions or enter into any arrangements, understandings or agreements with, or advise, finance, aid, assist, encourage or act in concert with, any other person in connection with any of the foregoing; or (vi) make any public announcement with respect to the foregoing, except as may be required by applicable law, regulatory authorities or stock exchanges.

The foregoing restrictions will terminate upon a public announcement by the Company that it has agreed to a change of control transaction or upon the commencement or public announcement of a *bona fide* take-over bid for the Common Shares by a third party.

Restriction on Private Placements to Competitors

Pursuant to the Investor Rights Agreement the Company will agree that, during the Restricted Period, without the prior written consent of Skyline Champion, the Company will not knowingly issue or offer to issue any Common Shares or securities convertible into Common Shares to a competitor of Skyline Champion by way of private placement or other directly negotiated transaction.

Termination

The Investor Rights Agreement will terminate automatically on the earliest of: (i) the date on which, following the end of the Restricted Period, Skyline Champion beneficially owns less than 10% of the outstanding Common Shares (on a non-diluted basis, but assuming conversion of all Convertible Preferred Shares); (ii) the Investor Rights Agreement is terminated by written agreement of the parties; or (iii) the dissolution or liquidation of the Company. Certain provisions will survive the termination of the Investor Rights Agreement.

Captive FinanceCo

ECN Capital and Skyline Champion announced, in connection with the Private Placement, the establishment of the Captive FinanceCo on closing of the Private Placement that will be 51% owned by Skyline Champion and 49% owned by Triad. The Capitve FinanceCo will be focused on providing (i) retail finance loan programs for Skyline Champion's manufactured home retail network and (ii) a new branded floorplan offering for Skyline Champion's manufactured home products. The Captive FinanceCo will operate with services provided by Triad.

The Captive FinanceCo is expected to (i) drive greater demand for product by providing broader and more attractive financing options and services for Skyline Champion's customers; (ii) enhance Skyline Champion's turn-key homebuying solutions while magnifying the benefits of their digital and direct-to-consumer strategic investments; and (iii) generate increased retail loan originations and floorplan balances, driving growth and scale efficiencies for Triad.

Additional Information

A copy of the Subscription Agreement, including the form of Investor Rights Agreement and terms of the Convertible Preferred Shares appended thereto, will be filed with the applicable Canadian securities regulators on SEDAR+ at www.sedarplus.ca. The above descriptions of the terms and conditions of the Subscription Agreement, Investor Rights Agreement and Convertible Preferred Shares are expressly qualified in their entirety by the full text of the as filed documents.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Michael Lepore, Chief Financial Officer
561-717-4772

9. Date of Report

August 17, 2023

Cautionary Note Regarding Forward-Looking Statements

This material change report includes "forward-looking information" within the meaning of applicable Canadian securities laws (the "forward-looking statements"). 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 material change report include those relating to the Private Placement and the establishment of the Captive FinanceCo, including the anticipating timing of closing of the Private Placement, the expected use of proceeds of the Private Placement, the expected appointment of Mark Yost to the Board of Directors and the anticipated benefits of the Private Placement and Captive FinanceCo to ECN Capital and Skyline Champion. The forward-looking statements discussed in this material change report may not occur and could differ materially as a result of known and unknown risk factors and uncertainties, including risks regarding expected timing of the closing of the Private Placement and launch of the Captive FinanceCo, the market's acceptance of the Captive FinanceCo's retail finance program and branded floorplan offering, the parties' plans, strategies and objectives and other factors beyond the control of ECN Capital. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause ECN Capital's actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements contained herein. Accordingly, readers should not place undue reliance on such forward-looking statements. A discussion of the material risks and assumptions associated with ECN Capital's business can be found in ECN Capital's Management Discussion and Analysis for the three and six months ended June 30, 2023 and Annual Information Form dated March 30, 2023 which can be accessed at www.sedarplus.ca. 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.