



Axis Reports Record Second Quarter Results

March 01, 2017 – Toronto, Ontario – Axis Auto Finance Inc. (“Axis” or the “Company”), ([TSXV: AXIS](#)) an alternative lender servicing the Canadian used vehicle market, announced today financial results for the quarter ended December 31, 2016. This is the second quarter of fiscal 2017 for Axis and the second quarter of consolidated reporting post completion of the Reverse Take-Over in July 2016. The comparative prior period figures pertain to the private company Axis Auto Finance, recorded before completion of the RTO.

HIGHLIGHTS

- Record revenues of \$1.63 million for the quarter compared to \$0.76 million in the second quarter of fiscal 2016;
- Record lease receivables balance of \$20.64 million at the end of the quarter compared to \$15.4 million as of June 30, 2016;
- Record loan originations of \$9.54 million compared to \$5.83 million in the first six months of fiscal 2016;
- Average portfolio yield of above 30%
- Annualized loss rate at 7.0%, down from 8.8% in fiscal 2016

Revenues of \$1.63 million for the quarter increased 113% from the revenues of \$0.76 million for the comparative period in fiscal 2016, consistent with the portfolio growth. Second quarter revenue equated to an annualized revenue run-rate of \$6.52 million, compared to \$3.6 million reported for the 2016 fiscal year.

Loan originations for the first six months of fiscal 2017 were \$9.54 million, a 64% increase from \$5.83 million in the first six months of fiscal 2016. On an annualized basis originations are consistent with management’s growth objectives.

The annualized loss rate for the first six months of fiscal 2017 was 7.0%, down from 8.8% for fiscal 2016 and well within the management expectation of a loss rate that can fluctuate between 5-10%.

The average portfolio yield for the first six months of fiscal 2017 was 34.43%, compared to 32.81% in fiscal 2016 and consistent with the management objective to maintain the average yield on its lease receivables portfolio above 30%.

Lease receivables at the end of the quarter were \$20.64 million, an increase of 34% from \$15.4 million at June 30, 2016.

Net loss for the quarter was \$161,044, or \$0.003 per share, down from \$1,156,762 in Q2 of fiscal 2016 and resulting primarily from non-cash expenses being the provision for credit losses of \$450,626 and stock based compensation of \$190,401.

About Axis Auto Finance

Axis provides non-standard financing options targeting roughly 30% of Canadians (Source: Equifax) that do not qualify for traditional bank-type financing for their used vehicle purchase. Through personalized service and a commitment to building strong, long-lasting relationships with dealer partners, Axis continues to be one of Canada's fastest-growing auto-financing companies.

Further information on the Company can be found at www.axisautofinance.ca.

The TSX Venture Exchange has neither approved nor disapproved the contents of this press release. Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

Certain information in this press release may constitute forward-looking information. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to the Company. Additional information identifying risks and uncertainties is contained in the Company's filings with the Canadian securities regulators, available at www.sedar.com.

Axis Auto Finance Inc.
Ilja Troitschanski
CEO
(416) 633-5626
info@axisautofinance.ca