



Axis Auto Finance Completes the Acquisition of Cars on Credit Financial

TORONTO, ONTARIO – February 1, 2018 – Axis Auto Finance Inc. (TSXV:AXIS) (“Axis” or “the Company”), Canada’s fastest growing publicly-traded sub-prime automotive finance company, is pleased to announce that it has closed its acquisition (the “Acquisition”) of Cars on Credit Financial Inc. (“Cars on Credit”).

The Acquisition was completed pursuant to a share purchase agreement dated December 20, 2017 (the “Share Purchase Agreement”) for a total consideration of approximately \$11 million, comprised of: (i) \$6,537,360 in cash; (ii) \$2,950,719 in cash paid into escrow and, subject to certain exceptions, releasable no later than the date that is 18 months from the closing date of the Acquisition; and (iii) a contingent amount of up to \$1,500,000 in cash payable in accordance with the terms of the Share Purchase Agreement.

“Axis has successfully completed the first step in our growth-by-acquisition strategy and I would like to thank the entire deal team on their tireless efforts to make this happen”, said Ilja Troitschanski, President and CEO of Axis. “Given the overwhelmingly positive response to this transaction from our Automotive Dealer partners and the capital markets, we are as excited as ever to continue growing Axis organically and through additional acquisitions”, he added.

The Acquisition was funded by a private placement financing which closed on January 19, 2018 (the “Offering”) through a syndicate of agents co-led by Canaccord Genuity Corp. and INFOR Financial Inc. and including PI Financial Corporation and Raymond James Ltd. Pursuant to the Offering, Axis issued 27,142,858 subscription receipts (the “Subscription Receipts”) at a price of \$0.70 per Subscription Receipt for gross proceeds of approximately \$19 million. In accordance with the terms of the Subscription Receipts, each Subscription Receipt was exchanged upon the closing of the Acquisition for one common share of Axis (“Common Shares”) and one-half of one common share purchase warrant (each, a “Warrant”) and the proceeds from the sale of the Subscription Receipts were released from escrow. Each whole Warrant entitles the holder thereof to purchase a Common Share of the Company at an exercise price of \$0.90 for a period of 36 months following the closing date of the Offering. Holders of Subscription Receipts are not required to take any action in order to receive their Common Shares and Warrants.

INFOR Financial Inc. acted as financial advisor to Axis in connection with the Acquisition and Dentons Canada LLP acted as legal counsel to Axis.

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.

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