



Axis Announces Record Year End Results for Fiscal 2017

October 25, 2017 – Toronto, Ontario – Axis Auto Finance Inc. (“Axis” or the “Company”), ([TSXV: AXIS](#)) a non-prime lender servicing the Canadian used vehicle market, announced today financial results for the fiscal year ended June 30th, 2017. The fiscal year results cover 1 month prior and 11 months 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.

Fiscal 2017 was a record setting year with Axis achieving its best ever results in terms of portfolio size, revenue and originations.

HIGHLIGHTS

- Record revenues of \$6.8 million compared to \$3.6 million in 2016;
- Record lease receivables balance of \$23.8 million at the end of 2017 compared to \$15.4 million for 2016;
- Record loan originations of \$18.9 million for 2017;
- 61+ day delinquent accounts at the end of 2017 were 1.6% compared to 1.9% for 2016;
- Average portfolio yield of 35% compared to 34% in 2016;
- Annualized loss rate at 8.0%, down from 8.8% in fiscal 2016; and
- Adjusted Earnings¹ of \$0.9 million in 2017 compared to \$0.4 million in 2016.

“2017 was a pivotal year for us with Axis setting records in every reportable category. Our team has built and continues to grow a portfolio that yields 35% with a loss rate of 8%, which are very attractive metrics for our business”, said Ilja Troitschanski, CEO of Axis. “We are well positioned to continue delivering aggressive organic growth and taking advantage of possible M&A opportunities in 2018”, he continued.

Revenues of \$6.8 million for 2017 increased 91% from \$3.6 million for 2016. The fourth quarter revenue equated to an annualized revenue run-rate of \$7.6 million.

Loan originations for 2017 were \$18.9 million, a 33% increase from \$14.2 million in 2016. Axis ended the fiscal year with \$23.8 million in lease receivables compared to \$15.4 million at the end of 2016, a 55% increase. Average annual receivables balance, used for the calculation of yield and losses, increased by 87% to \$19.6 million.

The portfolio performance was strong with 61+ days delinquent accounts at the end of 2017 reduced to 1.6% versus 1.9% at the end of 2016.

Net loss for 2017 was \$0.8 million or \$0.016 per share compared to \$1.8 million or \$0.075 per share for 2016. Adjusted earnings for the 2017 fiscal year were \$0.9 million compared to \$0.4 million in 2016.

¹In order to track the performance of its Lease Receivable portfolio in a given period without the volatility associated with estimates and assumptions, Axis introduced a non-IFRS measure called Adjusted Earnings. This measure, now included in the MD&A, is equal to the net income (loss) for the period, adjusted for (i) non-cash expense items (ii) actual credit losses incurred and (iii) specified expenses which were entirely recognized in a given quarter but for which the benefit was derived over more than a given quarter.

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