



Axis Reports Record Profitability for Q1 of FY2018

November 29, 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 September 30, 2017. This is the first quarter of fiscal 2018 for Axis.

HIGHLIGHTS

- Record revenues of \$2.2 million for the quarter compared to \$1.5 million in the first quarter of fiscal 2017;
- Record lease receivables balance of \$25.8 million at the end of the quarter compared to \$18.6 million as of September 30, 2016;
- Average portfolio yield of 35%, unchanged year-over-year
- Annualized loss rate at 5.14%, down from 6.05% for the first quarter of FY2017
- Adjusted Earnings¹ of \$0.5 million for the quarter compared to \$0.2 million in Q1 FY2017

Revenues of \$2.2 million for the quarter increased 47% from the revenues of \$1.5 million for the comparative period in fiscal 2017, consistent with the portfolio growth. First quarter revenue equated to an annualized revenue run-rate of \$8.6 million, compared to actual 2017 fiscal year revenues of \$7.6 million.

The annualized loss rate for the quarter was 5.14%, well within the management expectation of a loss rate that can fluctuate between 5-10%. The loss rate for Q1 2017 was 6.05%.

The average portfolio yield was 34.78% virtually unchanged from 34.68% for Q1 of fiscal 2017 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 \$25.8 million, an increase of 39% from \$18.6 million at September 30, 2016.

Net income for the quarter was \$68,866, or \$0.001 per share, up from a net (loss) of (\$96,117) in Q1 of fiscal 2017.

Adjusted earnings for the quarter were \$0.5 million compared to \$0.2 million in 2016. On an annual run-rate basis, Adjusted Earnings were \$2.1 million, up from \$0.9 million for the 2017 fiscal year.

¹ In 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 calculated as the net income (loss) for the quarter, 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.

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