



## **Axis Announces Record Year End Results for Fiscal 2016**

**October 31, 2016 – Toronto, Ontario** – Axis Auto Finance Inc. (“Axis” or the “Company”), ([TSXV: AXS](#)) a non-prime lender servicing the Canadian used vehicle market, announced today financial results for the fiscal year ended June 30<sup>th</sup>, 2016. The results pertain to the private company Axis Auto Finance, prior to the completion of the reverse takeover in July 2016.

Fiscal 2016 was a record setting year with Axis achieving triple digit growth in portfolio size, revenue and originations, as compared to fiscal 2015.

### **HIGHLIGHTS**

- Record lease receivables balance of \$15.4 million at the end of 2016 compared to \$5.7 million for 2015;
- Record revenues of \$3.6 million for 2016 compared to \$1 million in 2015;
- Record loan originations of \$13.6 million for 2016;
- 61+ day delinquent accounts at the end of 2016 were 2% compared to 7% for 2015.

Revenues of \$3.6 million for 2016 increased 360% from the revenues of \$1 million for 2015, consistent with the portfolio growth. Loan originations for 2016 were \$13.6 million, a 255% increase from \$5.3 million in 2015.

Lease receivables at the end of 2016 were \$15.4 million, an increase of 271% from \$5.7 million for 2015, exceeding Axis’ goal of 100% annual growth.

61+ days delinquent accounts at the end of 2016 were 2% versus 7% at the end of 2015, resulting from improvements in underwriting and customer service/collection practices.

Net loss for 2016 was \$1.75 million, resulting primarily from the increase in the provision for credit losses to \$2.2 million and an interest expense of \$1.8 million, consisting of cash interest of \$768,000 and non-cash interest (accretion and re-valuation of derivative liabilities) of \$1 million. The increase in the provision for credit losses is consistent with the growth in the lease receivable portfolio.

Management continues to target growth of the lease receivables in the neighborhood of 100% during fiscal 2017, while focusing on maintaining acceptable interest rate margins and levels of credit losses.

Subsequent to fiscal year-end, Axis completed the reverse takeover of Verdant Financial Partners I Inc. resulting in its shares being listed on the TSX Venture Exchange, the release of the cash held in escrow, the conversion of all the convertible debentures and the reclassification of the derivative liability through the exercise of the warrants.

## 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](http://www.axisautofinance.ca).

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*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](http://www.sedar.com).*

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