



Investor Presentation

October 2017



- Private and Confidential -

Important Information



Certain information in this presentation is forward-looking and related to anticipated financial performance, events and strategies. When used in this context, words such as “will”, “anticipate”, “believe”, “plan”, “intend”, “target” and “expect” or similar words suggest future outcomes. Forward-looking statements relate to, among other things, Axis Auto Finance Inc.’s (“Axis”) objectives and strategy; future cash flows, financial condition, operating performance, financial ratios and projected asset base; anticipated cash needs, capital requirements and need for and cost of additional financing; future assets; demand for services; Axis’ competitive position; and anticipated trends and challenges in Axis’ business and the markets in which it operates; and the plans, strategies and objectives of Axis for future operations.

The forward-looking information and statements contained in this presentation reflect several material factors and expectations and assumptions of Axis including, without limitation: that Axis will conduct its operations in a manner consistent with its expectations and, where applicable, consistent with past practice; the general continuance of current or, where applicable, assumed industry conditions; the continuance of existing tax and regulatory regimes; certain cost assumptions; the continued availability of adequate debt and/or equity financing and cash flow to fund its capital and operating requirements as needed; and the extent of its liabilities. Axis believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

By their nature, such forward-looking information and statements are subject to significant risks and uncertainties, which could cause the actual results and experience to be materially different than the anticipated results. Such risks and uncertainties include, but are not limited to, operating performance, regulatory and government decisions, competitive pressures and the ability to retain major customers, rapid technological changes, availability and cost of financing, availability of labor and management resources and the performance of partners, contractors and suppliers.

Readers are cautioned not to place undue reliance on forward-looking statements as actual results could differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements. Except as required by law, Axis disclaims any intention and assumes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Highlights



TSX-V: AXIS

- Axis Auto Finance (“Axis”) provides used car financing solutions to borrowers unable to obtain financing through traditional lending sources

Significant Growth in Originations and Cash Flow

- Rapid growth in lease originations has led to strong growth in revenue
- Consistently delivering ~100% YoY revenue growth

Attractive Margins

- Average yield of >30%+ on the lease portfolio

Substantial Market Opportunity

- Canadian non-prime used vehicle financing is an estimated \$8 billion annual market
- Axis is currently serving ~300 dealers in the GTA (of 1,814 in the GTA and 4,400 in Ontario)

Disciplined and Highly Scalable Business Model

- Combination of technology and smart underwriting practices lowers inherent lending risks
- \$40 MM senior debt facility provides plenty of runway for growth

High Quality Team

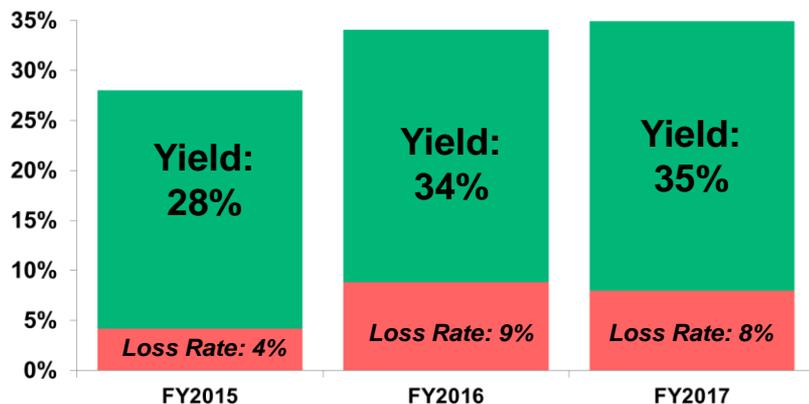
- Strong management team and high quality Board with relevant experience
- Large management and Board ownership aligns interests with investors

Company Overview

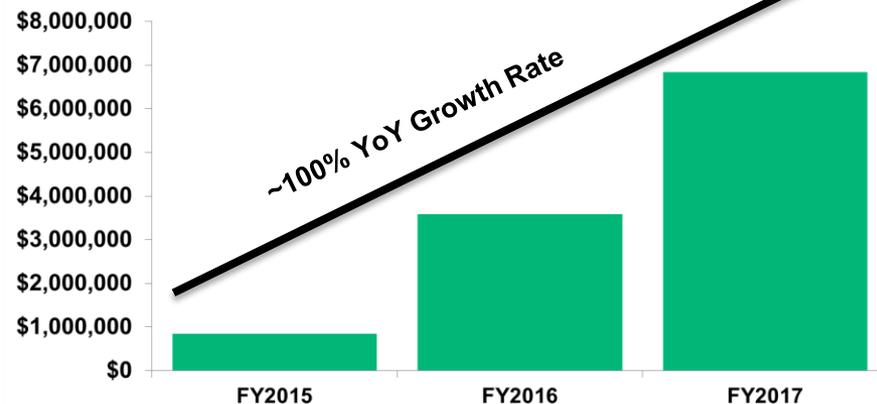


- ~\$24 MM in lease receivables
- Yielding 30%+ on the portfolio
- 8% annualized loss rate – much lower than industry standard set by Carfinco ~12.5%
- ~\$7.6 MM annual revenue run rate
- Axis has **scalable** systems to continue aggressively gaining market share and grow receivables origination and revenues without sacrificing credit standards

Yield vs. Loss Rate



Revenue

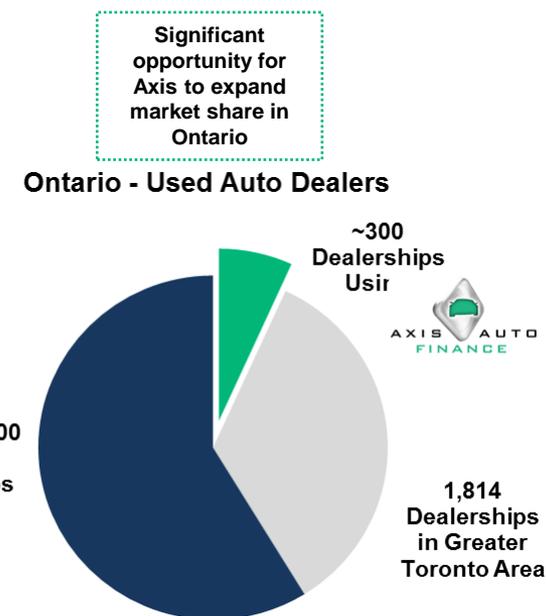
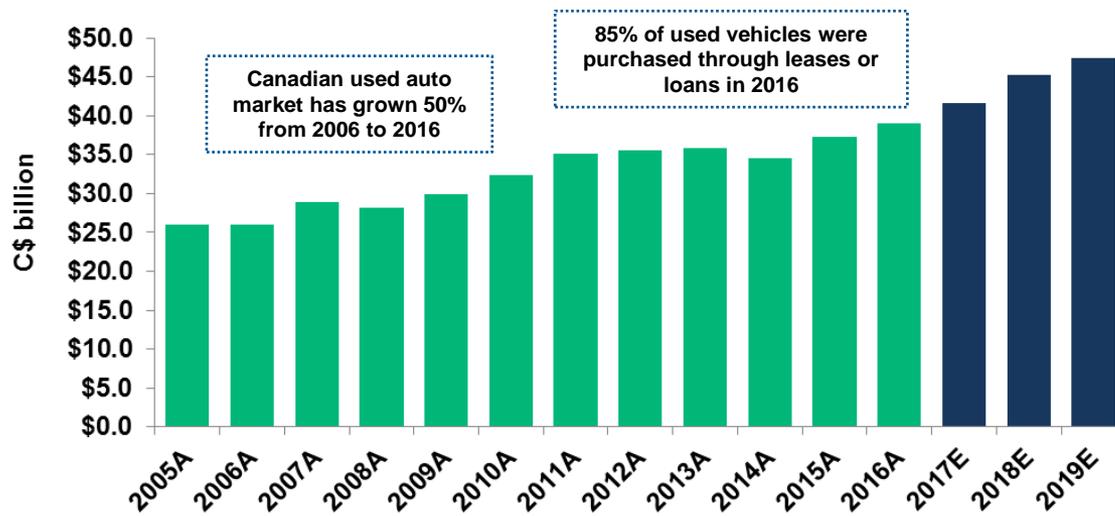


Canadian Auto Lending Market



- A vehicle is a must-have, with 2.8 MM used cars sold annually in Canada = a market of \$36 B
- ~30% of Canadians do not qualify for traditional financing sources
- Canadian non-prime used vehicle financing is an estimated \$8 B market
- There are 4,400 used auto dealers in Ontario with 1,814 located in the Greater Toronto Area
- Highly fragmented market - largest publicly listed competitor was Carfinco Financial Group Inc. (TSX: CFN) – acquired by Banco Santander S.A. in March 2015

Annual Sales of Canadian Used Light Vehicles



Competitive Advantages



Client Credit Quality	A	B	C	D
Lenders Servicing Market Segment	<p>Along with credit unions and insurance companies</p>	<p>And other small regional lenders</p>	<p>And other small regional lenders</p>	

- B2B origination platform delivering superior service to the dealer network
 - Axis credit product is superior for the following reasons:
 1. **Speed** - Faster approvals and faster funding
 2. **Coverage** - One-stop lender servicing the B-D credit brackets
 3. **Service** - Provide the financing sales process to dealers at no extra cost
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- 4. **Fully open lease contracts, 100% reporting to the Credit Bureau**

Borrower & Vehicle Profile



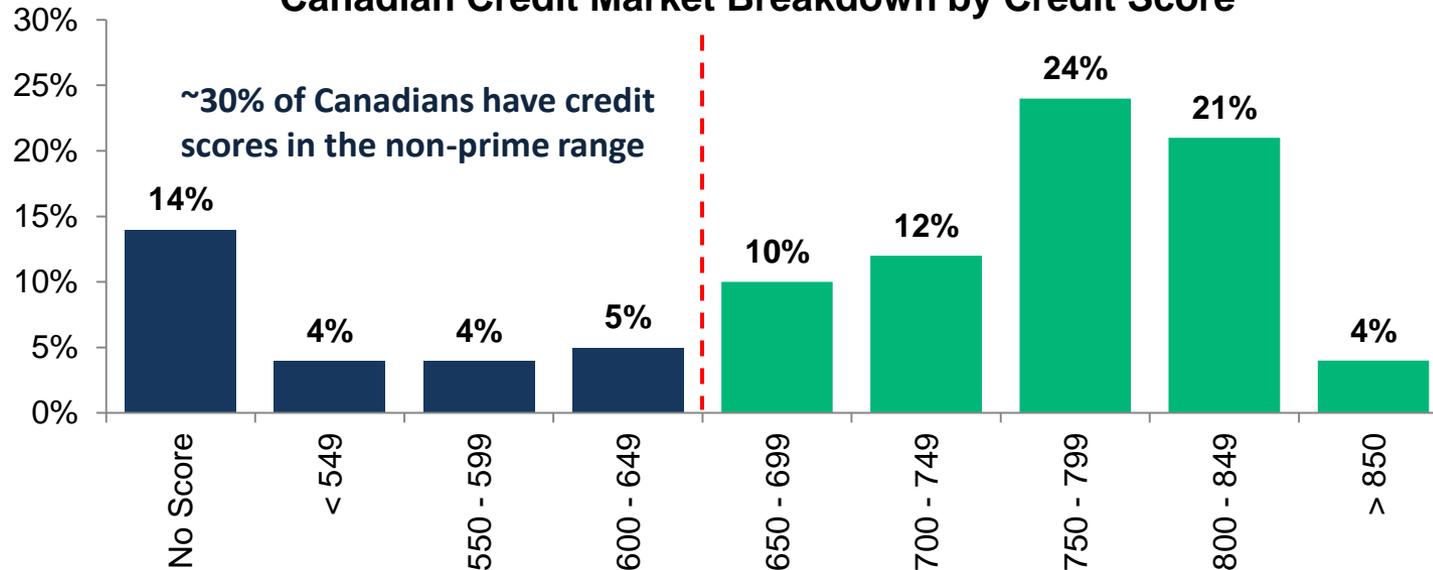
Average Axis Customer:

- ✓ 37 years old
- ✓ Income of \$3,900/month
- ✓ Credit score between 450-600

Average Axis Lease:

- ✓ ~7 year old vehicle
- ✓ Starting balance ~\$11,000
- ✓ Monthly payments of ~\$400
- ✓ ~50 month term

Canadian Credit Market Breakdown by Credit Score



Risk Management

Stringent underwriting criteria and disciplined system of credit approvals

- Each client's credit situation is evaluated individually
- Client's credit situation and fair market value of the vehicle are taken into account to determine acceptable lease terms
- Every vehicle is insured with Axis as "loss payee"
- Vehicle ownership is registered in the name of Axis
- A lien is put on each vehicle
- Rigorous audit/verification process prior to funding
- An Axis mechanic sees each vehicle prior to delivery



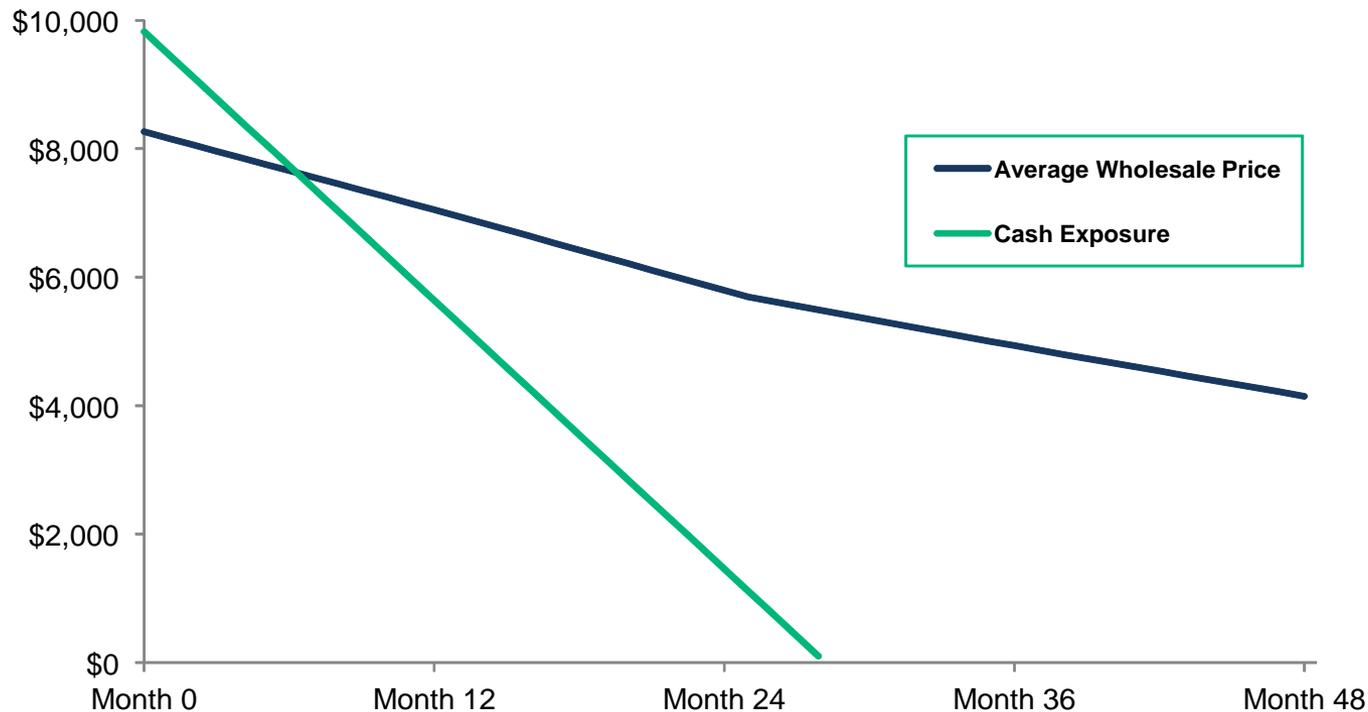
In cases of non-payment, Axis is protected through:

- 1. GPS starter interrupters installed in the vehicle (i.e. kill switch)**
 - 2. Spare set of car keys remaining with Axis to enable repossession**
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Risk Management – cont.

- The chart below illustrates the wholesale price depreciation of an average financed vehicle according to Canadian Black Book (CBB) vs. the cash exposure based on an average AXIS lease
- On an average lease, AXIS' cash exposure diminishes greatly and is eliminated after ~2 years
- Net exposure (net of CBB wholesale value) is typically eliminated over the first 12 months

Average Wholesale Price¹ vs. AXIS Exposure²



Source: Canadian Black Book.

¹ Based on the average price for the six most popular vehicles financed by AXIS.

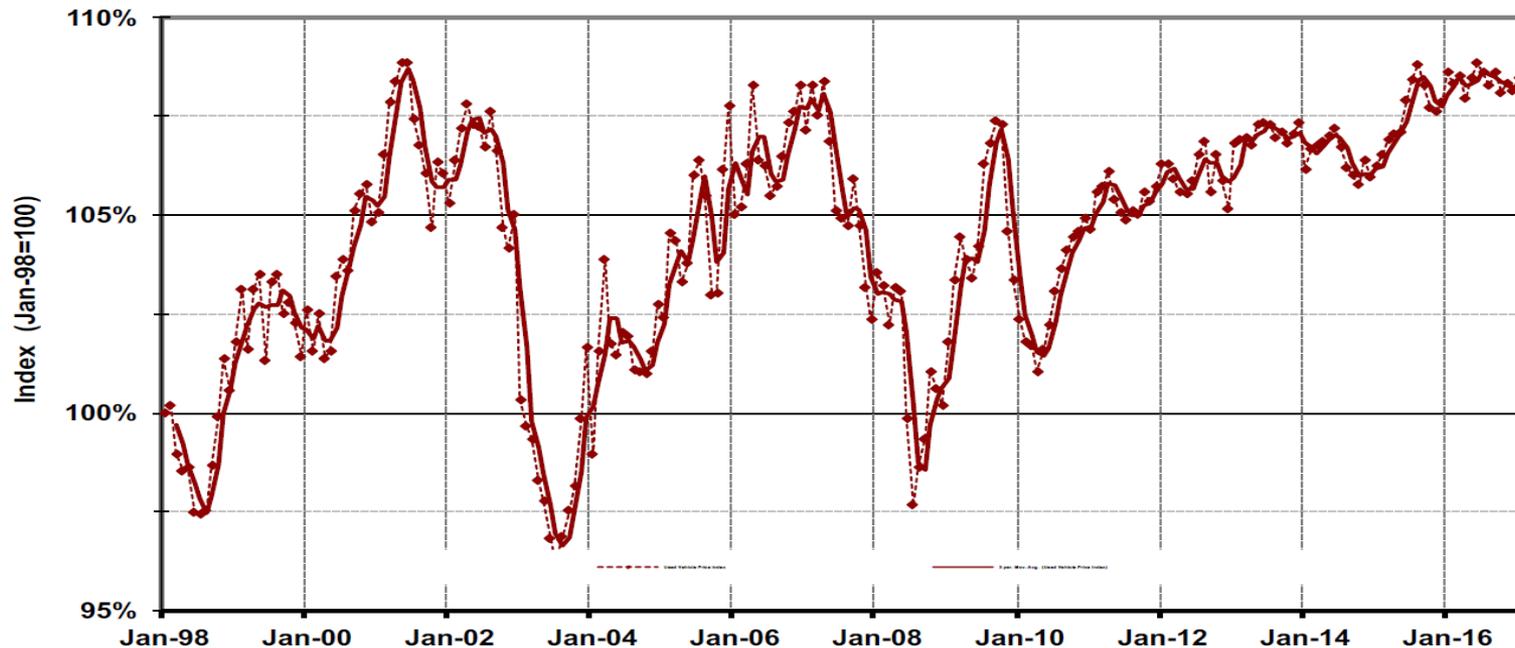
² Cash exposure calculated on a cash basis and assuming on-time payments by the customer.

“Recession-Resilient” Business



- Carfinco went through the last recession with a manageable increase in losses
- As tracked by the ADESA Canada Used Vehicle Price Index, prices of Canadian used cars have remained very stable over the last 20 years
- During the “Great Recession” prices dipped by 9% and have trended upwards since

ADESA Canada Used Vehicle Price Index
January 1998 to February 2017



Selected Financial Information



As of:	June 2015	June 2016	June 2017
Portfolio Size (\$ MM)	\$5	\$15	\$24
Revenue Run Rate (\$ MM)*	\$2.3	\$5.0	\$7.6
Gross Yield	32%	34%	35%
Annualized Loss Rate	7.3%	8.8%	8%

- Consistent >30% yield
- Consistent ~100% YoY revenue growth
- Raised ~\$10 million in equity to date
- \$40 million credit facility leveraging equity at 2:1
- Management and board own ~30%

*accrual basis.

Management Team



Ilja Troitschanski – Founder & CEO

- A successful entrepreneur with a wealth of business development experience
- Raised over \$70 million in capital for private and public ventures

Richard Lloyd, CPA, CA, CBV – Chief Financial Officer

- Former Director of Operations & Finance at Travelers (acquired by Scotia)
- 20 year career in the specialty lending industry



Shaun Stergios – VP Customer Service and Collections

- Former senior national manager collections and recovery at VFC (acquired by TD)
- 14 year career in non-prime auto lending recovery operations



Natalia Stepanova CFA, MBA, CPA - Senior Vice President, Finance

- Spent last 10 years as financial controller and business development manager with publicly listed Canadian companies
- Proven track record of excellence in financial reporting, compliance and audit



Ned Milouchev – Vice President, Business Development

- 15 year career in specialty used car finance
- Previously with FIS lender solutions and TREND Financial



Board of Directors & Advisory Board



Board of Directors⁽¹⁾

Bruce Smith	Former President and Chief Operating Officer of Element Financial Corporation (TSX: EFN), and former Managing Director and Senior Vice President of Vendor Finance at CIT Financial
Fraser Clarke	Founding investor and former director of Element Financial Corporation (TSX: EFN), currently President and CEO of Massage Addict Inc.
Robert Howe	25 year career in the asset finance sector, former Managing Director of AT&T Capital and Newcourt Credit Group
Joshua Arbuckle	20 year career as corporate/securities legal counsel and currently a partner at Chitiz Pathak LLP
David Mitchell	29 year career in the finance industry, former Director and Vice-President at Octagon Capital Corporation
Jordan Zinberg	Managing Director and Portfolio Manager at Donville Kent Asset Management – an award winning \$300 million hedge fund

Advisory Board

Todd Hudson	Co-founder of Element Financial and COO of ECN Capital Corp. (TSX: ECN)
Stephen Sands	Co-founder of Element Financial and Chief Credit Officer of ECN Capital Corp.

¹ Board of Directors also includes Ilja Troitschanski.

Investment Summary



- Opportunity to invest in a high margin, rapidly growing business with tremendous potential
- Poised to continue aggressive organic growth and take advantage of potential M&A opportunities
- Experienced, dedicated and highly motivated management team
- Large management and board ownership align interest with investors
- Listed under “AXIS” on TSX Venture



Contact Information



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