

**TSX: AXIS**



**Investor Overview June 2022**

# OUR MISSION

**CONVENIENT & HASSLE-FREE**  
PURCHASE AND FINANCING OF A USED CAR.

Transforming the way  
Canadians buy and  
finance used cars through  
superior technology.



# OUR TEAM

**PROVEN TRACK RECORD OF SUCCESS**  
READY FOR THE NEXT STAGE.



**Todd Hudson**

*Chief Executive Officer*

25 years of sales and operations management experience in Canadian alternative lending

Proven track record of excellence growing companies organically and having integrated 14 acquisitions



**Ilja Troitschanski**

*Founder and President*

A successful technology and finance entrepreneur with 20 years of business development experience

Built Axis into a dominating market leader in Canada



**Richard Lloyd**

*Chief Financial Officer*

Former Director of Operations & Finance at Travelers (acquired by Scotiabank)

20 year career in the automotive finance industry

**24%+ Management Ownership**

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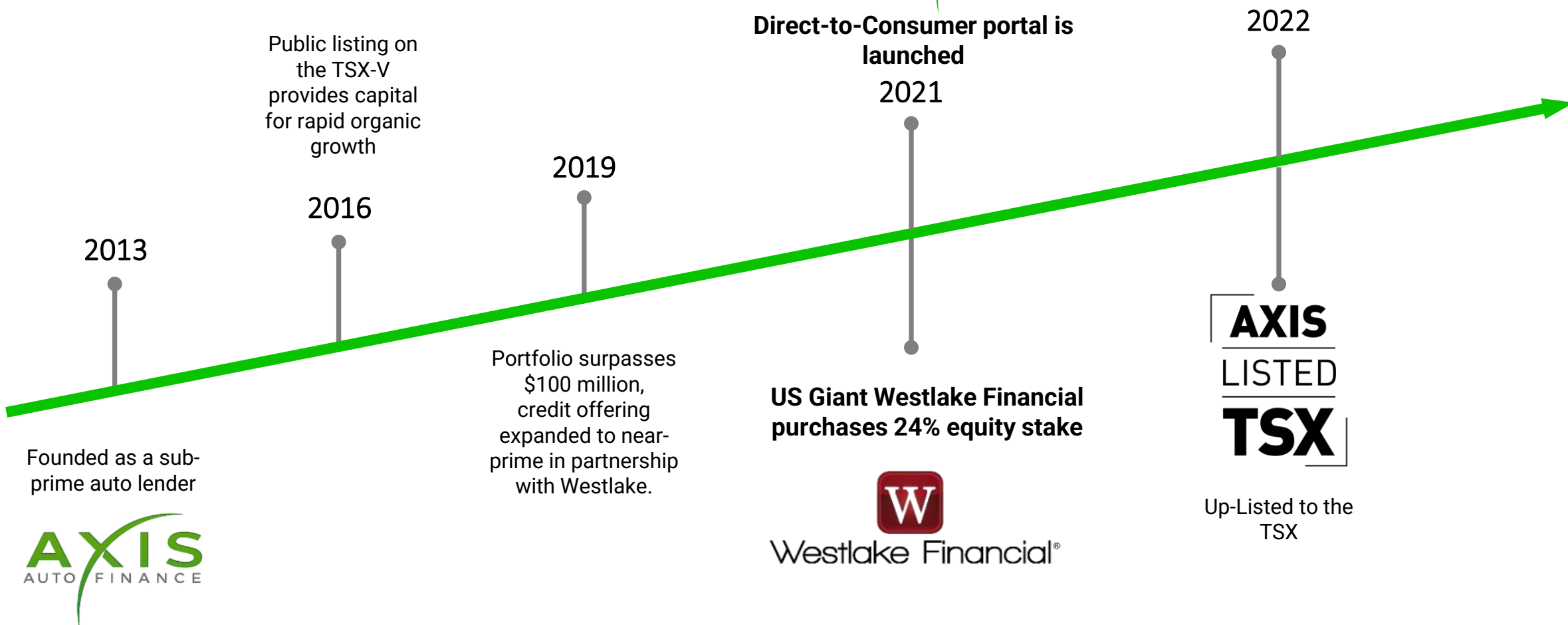
**\$10M+ invested by management**



# OUR STORY

**IS THE STORY OF GROWTH...**  
*WITH A LOT MORE TO COME.*

DRIVE **AXIS**.CA

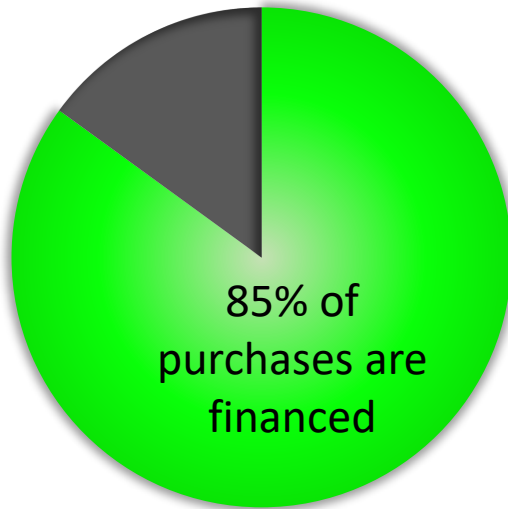


# MARKET OVERVIEW

## MASSIVE, FRAGMENTED MARKET

*RIPE FOR DISRUPTION.*

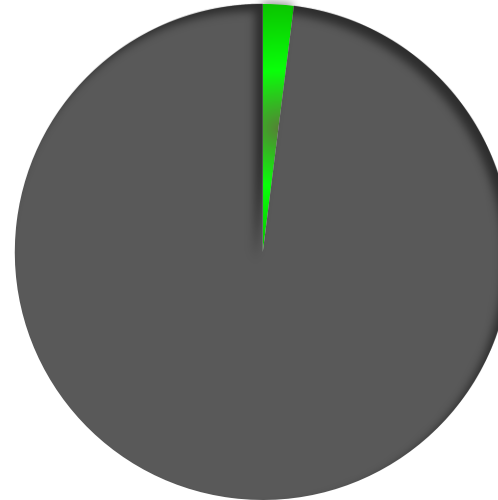
USED CARS ARE MASSIVE MARKET



**\$40+B**

Used Auto Sales

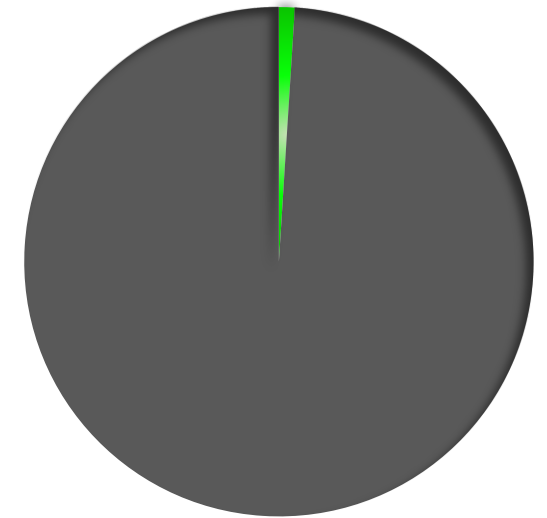
HIGHLY FRAGMENTED



**<2%**

Market Share held by  
Largest Group

RIPE FOR DISRUPTION



**1%**

Adoption of Auto  
E-Commerce

# DIGITAL ECONOMY

**80%+**

COMFORTABLE WITH  
DIGITAL AUTO PURCHASE

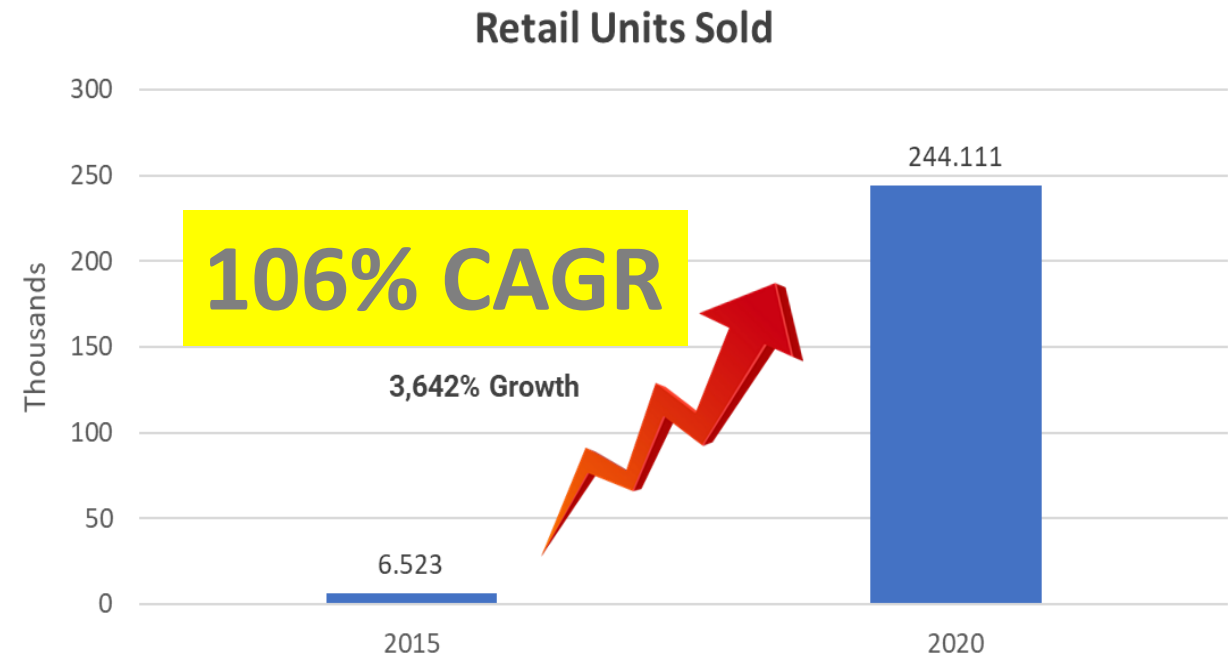
**<20%**

OF BUYERS SATISFIED  
WITH USED CAR  
BUYING PROCESS

## THE “AMAZON” EFFECT

IS TRANSFORMING HOW CONSUMERS BUY CARS.

### U.S. MARKET LEADER DEMONSTRATED POSITIVE MARKET RECEPTION OF DIGITAL USED CAR RETAIL



# THE SOLUTION

**DRIVEAXIS.CA**

THE ONLINE WAY TO BUY A USED CAR™

## 1. Get Approved

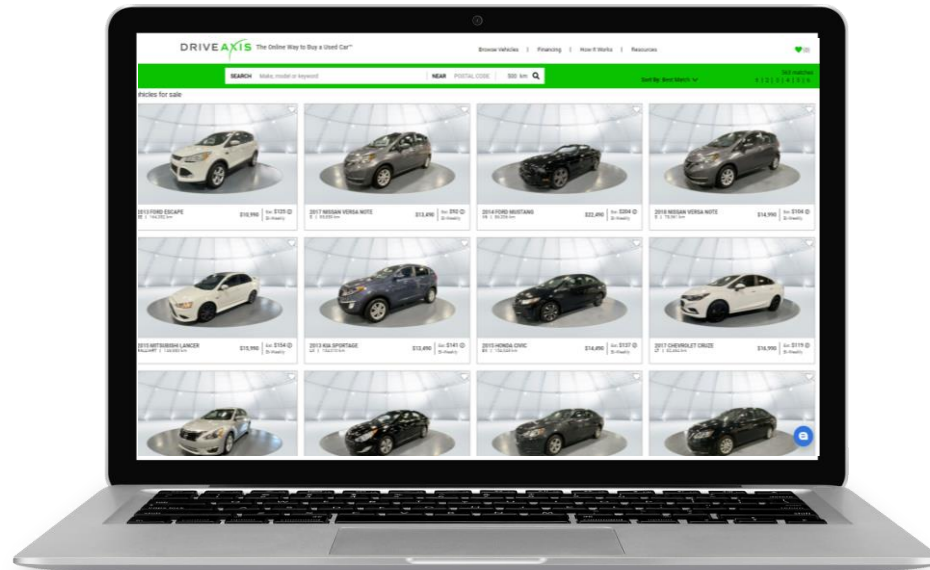
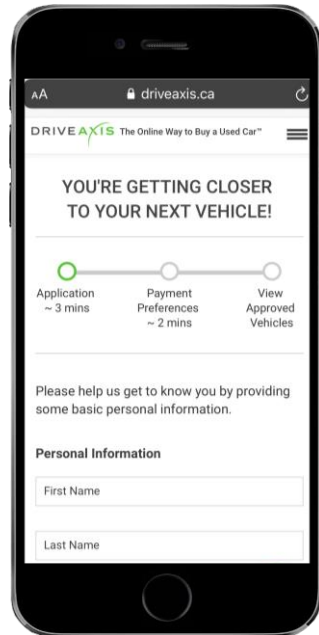
*Credit decision provided in real time.*

## 2. Select a Vehicle

*Daily updated inventory feed from dealer partners.*

## 3. Have it Delivered.

*300-pt inspected vehicle with 7-day return/exchange policy.*



CRADLE-TO-GRAVE DIGITAL SOLUTION

# LENDER BUILT SOLUTION

## CUSTOMER FOCUSED

BETTER EXPERIENCE, MORE CHOICE, HIGHER TRANSPARENCY.

**Anywhere & Anytime**


The fully automated portal is available 24/7 from anywhere in the world.



Never Set Foot in a Dealership

**Extensive Choice**

Dealer Partners allow access to thousands of vehicles.



Guaranteed Best Prices from Trusted Dealers

**Speed & Flexibility**


Instant Financing Approval with flexible terms to fit the clients needs.



Get Approved Instantly

**Get your Car Delivered**

Pre-inspected and with a satisfaction guarantee.



7-Day Return or Exchange Guarantee



## DEALER PARTNERS

**ACCESS TO 20,000+ VEHICLES**  
*A SYMBIOTIC RELATIONSHIP.*

- ✓ **Additional Stream** of **Sales Revenue**
- ✓ **DriveAxis.ca** will **Feature Dealer Inventory** at **No Cost**
- ✓ **Full Retail Price** paid to the Dealer
- ✓ **No client acquisition cost** or sales commissions



**COAST-TO-COAST COVERAGE THROUGH 2,000+ DEALER PARTNERSHIPS**

# THE AXIS DIFFERENCE

## THE BETTER BUSINESS MODEL

PROVEN AND PROFITABLE.

	CLUTCH	canada drives	DRIVEAXIS
100% Digital Journey	X	X	✓
Dealer Partners - No Inventory Constrains	X	X	✓
Asset Light & Easy Scalable	X	X	✓
<u>Profitable</u> Fintech	X	X	✓

**AXIS is the only publicly listed digital auto retail/finance company in Canada trading at a significant discount to pre-IPO valuations of our competitors.**

# PUBLIC PERCEPTION

## **TRACK RECORD AND CREDIT FOCUS** *BUILDS CUSTOMER TRUST.*

- ✓ **>70% of Axis customers improve** their credit rating through an Axis loan
- ✓ Axis is an **highly effective stepping stone to credit recovery**
- ✓ **Industry leading brand** reception across numerous metrics
- ✓ **89%** of customers **read and trust online reviews**

**Google**  
**4.6/5**  
OVER 2000+  
REVIEWS

**f**  
**4.9/5**



**75,000+**  
SERVICED  
CUSTOMERS

# THE MACRO PICTURE

## EXACERBATED BY COVID

USED CAR DEMAND AND SUBPRIME ARE ON THE RISE.

- ✓ **Consumers are re-igniting their passion** for vehicle ownership as opposed to transit & ride-share services
- ✓ Surge in demand due to increased **de-urbanization**
- ✓ **27% of Canadians are Millennials** who are now entering the market focusing on used cars and digital retail
- ✓ **30% of Canadians** do not qualify for traditional financing sources – subprime is forecasted to grow 42% faster than prime
- ✓ **Financing "NEED" vehicles** results in a recession proof model



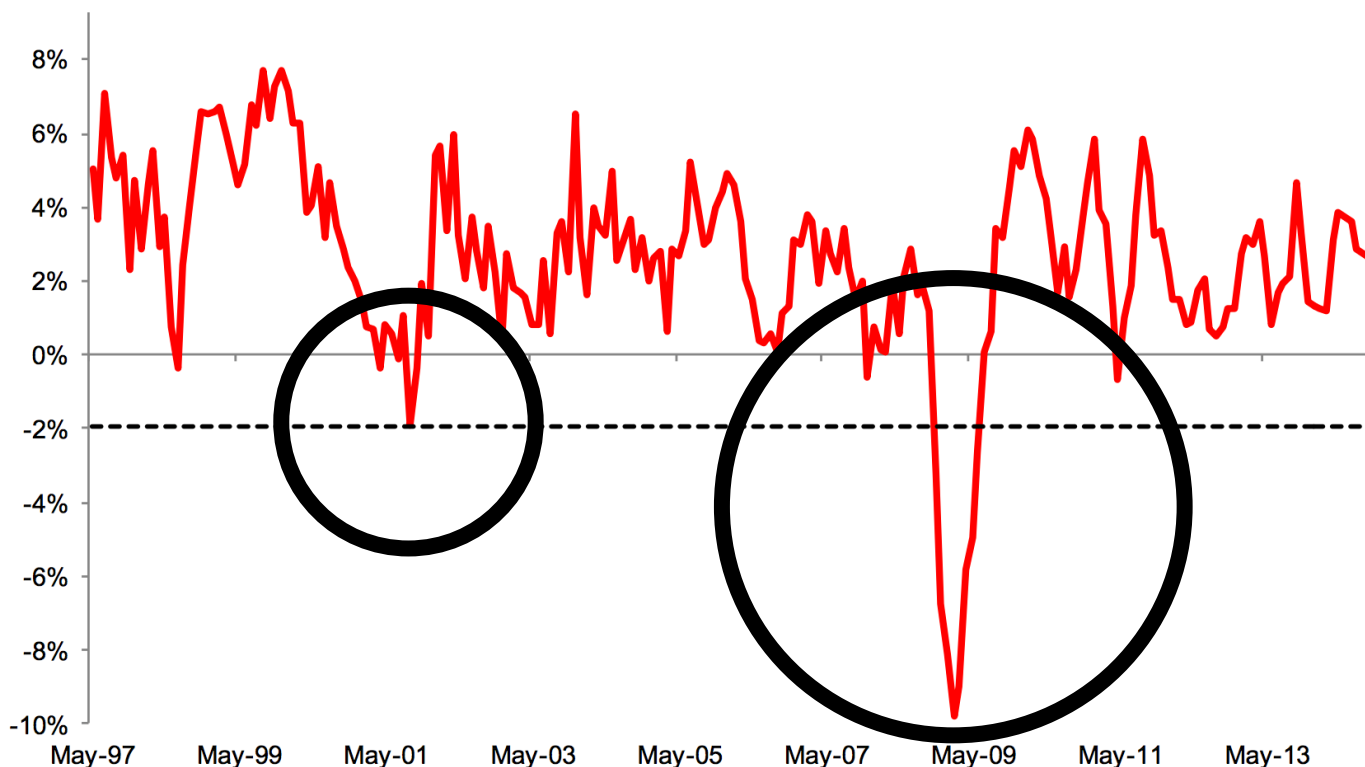


**STRONGLY POSITIONED**

## IN ANY ECONOMIC SCENARIO

NON-PRIME MOST STABLE DURING ECONOMIC SHOCKS.

Canada real GDP (all industries) - four month % change annualized



### LOAN DELINQUENCIES

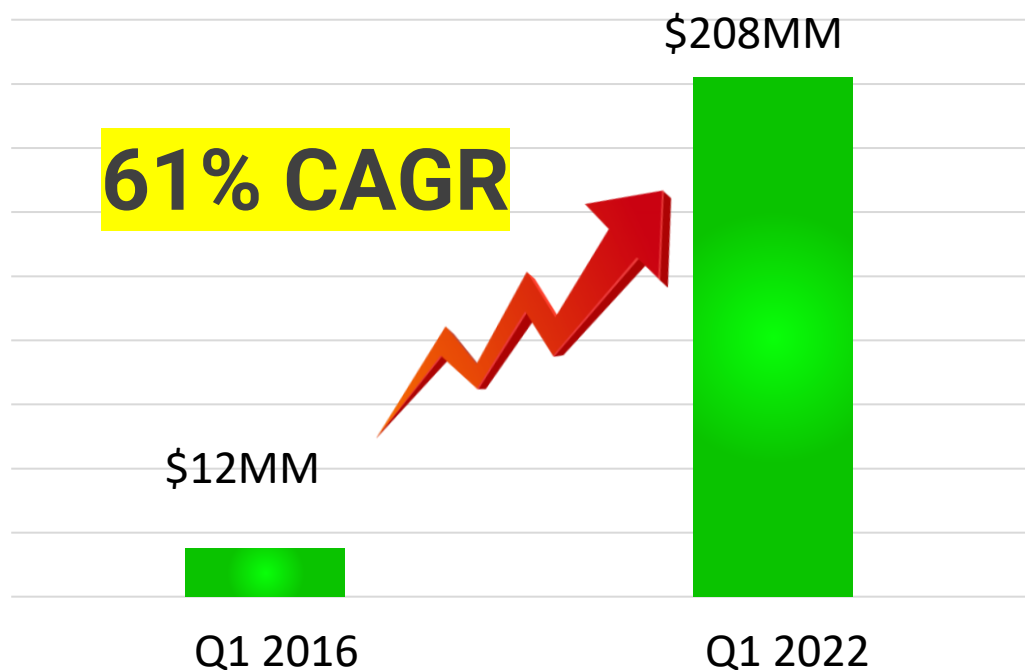
(2001 - DOT.COM & 2009 - FINANCIAL CRISIS)

	PRE-RECESSION VINTAGE	RECESSION VINTAGE	INCREASE
PRIME	1.88%	3.33%	77%
NON-PRIME	11.35%	11.80%	4%

- ✓ **Non-prime consumers most stable through recessions**
- ✓ **Banks retreat from riskier loans leaving the market to alternative lenders**

# AXIS' B2B BUSINESS

## LOAN PORTFOLIO



## **THE ORIGINAL. MORE DIGITAL.**

*FINTECH INNOVATION DISRUPTING A TRADITIONAL SPACE.*

- ✓ Axis originates loans indirectly through a coast-to-coast network of 2,000+ automotive dealers
- ✓ Growth through proprietary technology:
  - ✓ Auto Adjudication
  - ✓ Instant Proof Of Income
  - ✓ E-documents and signatures
  - ✓ Dealer embedded tech
- ✓ Axis is the only Canadian auto lender covering the entire non-prime credit spectrum

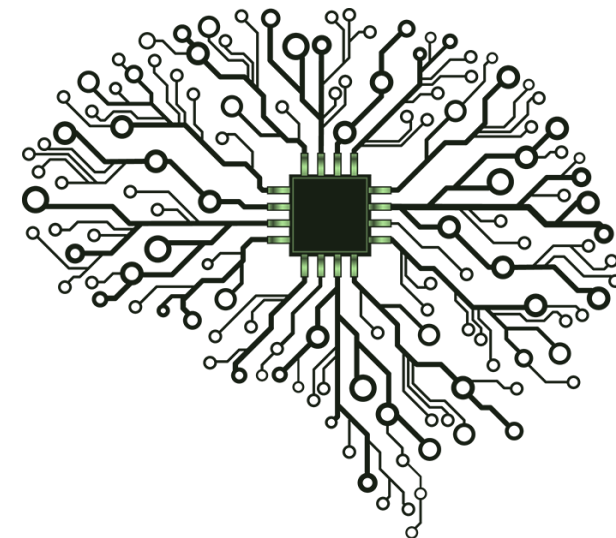
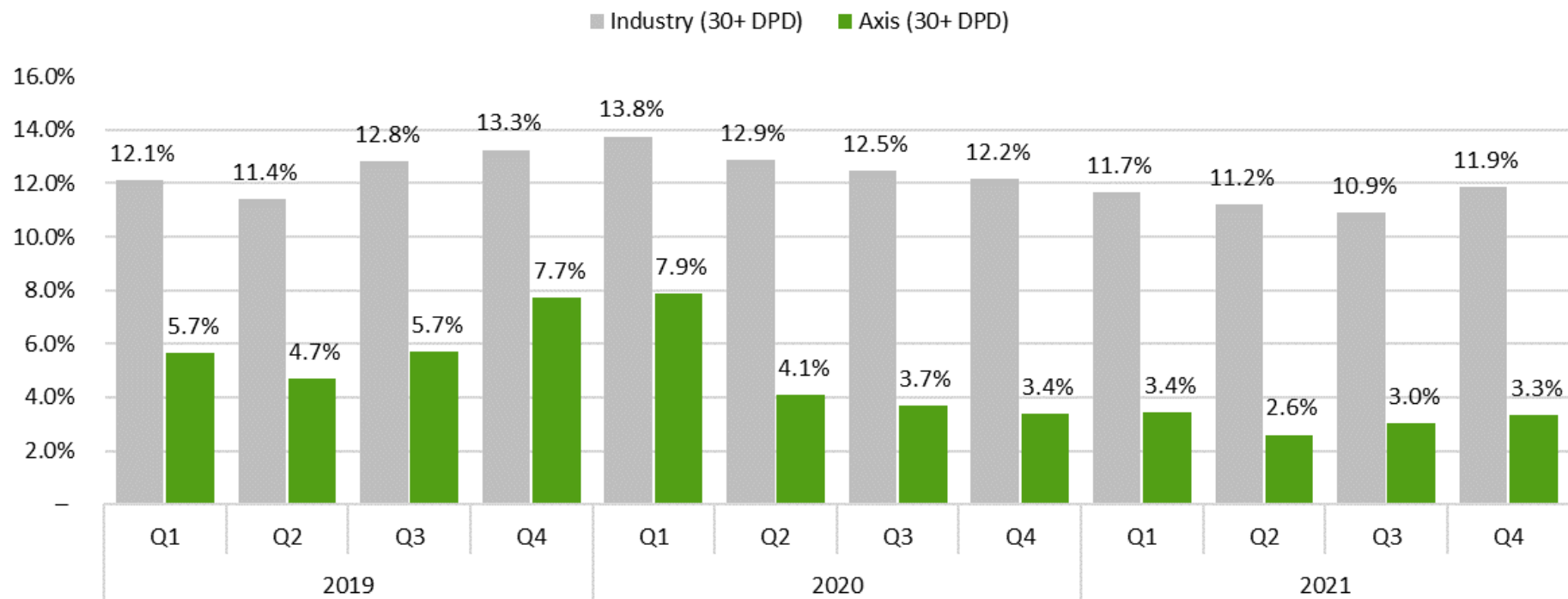
# RISK ACE

## AXIS CREDIT ENGINE

DELIVERS SUPERIOR CREDIT UNDERWRITING.

**Proprietary, AI based** credit engine powers better-than-market performance

### Superior Loan Delinquency Track Record





**FISCALLY STRONG**

***PROFITABLE AND EVER EXPANDING***  
*SUPERIOR FINANCIAL METRICS.*

**~28%  
Average  
Yield**

**Prime+1.9%  
Cost of  
Funds**

**\$208MM  
Auto Loan  
Portfolio**

**\$6MM  
F21 Profit**

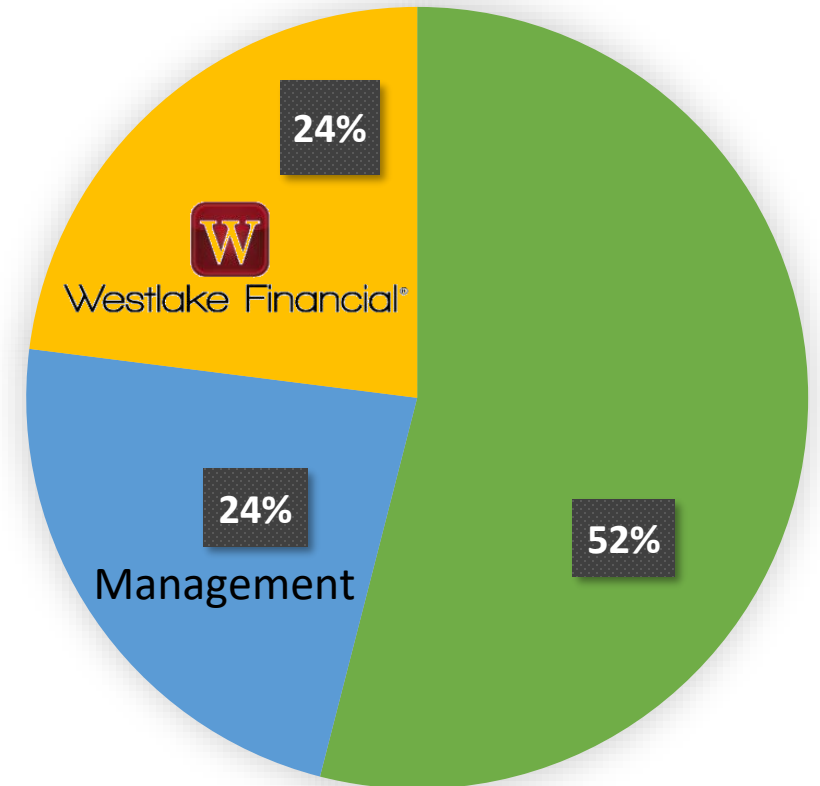


# CAPITAL STRUCTURE

**WE PUT OUR MONEY...**  
AND SMART MONEY IS FOLLOWING SUIT.

- ✓ Management has **invested over \$10MM** in equity, perfectly aligning interests with shareholders
- ✓ Westlake Financial **bought 24%** in November 2021 for \$15MM
- ✓ Westlake is the **world's largest** privately held alternative auto lender with over USD\$15B in assets
- ✓ AXIS is the only publicly listed digital car retail/finance company in Canada
- ✓ Up-listed to TSX senior board in April 2022

## EQUITY OWNERSHIP



# INVESTMENT HIGHLIGHTS

***AN ALREADY PROFITABLE FINTECH***

*UNIQUELY POSITIONED FOR CONTINUOUS GROWTH.*

MASSIVE, HIGHLY FRAGMENTED MARKET

**\$40B+**

used car sales

**<2%**

largest dealer group share

PROVEN STRATEGY

DIGITAL AUTO SALES MODEL  
PROVEN IN THE US MARKET

AXIS IS ALREADY  
PROFITABLE AND  
RAPIDLY GROWING

SUPERIOR BUSINESS MODEL

NO INVENTORY CONSTRAINTS

FINANCING IS THE MOST  
PROFITABLE SEGMENT  
OF CAR RETAIL

EXPERIENCED AND VESTED TEAM

**\$10M+**

invested

**24%**

insider ownership

BACKED BY AN INDUSTRY GIANT

WESTLAKE FINANCIAL OWNS A  
CONTROL BLOCK

USD15B  
CONGLOMERATE



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