ACCORD FINANCIAL CORP.

Accord Announces Record Funds Employed, Revenue and Book Value per Share. Third Quarter and First Nine Months Earnings up 32% and 73%, respectively. Regular Quarterly Dividend Announced.

Toronto – October 29, 2018: Accord Financial Corp. (TSX – ACD) today released its financial results for the three and nine months ended September 30, 2018. The financial figures presented in this release are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards.

SUMMARY OF FINANCIAL RESULTS

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2018	2017	2018	2017
	$	$	$	$
Average funds employed (millions)	283	189	256	166
Revenue (000's)	13,120	8,370	33,976	21,474
Net earnings attributable to shareholders (000's)	2,616	1,983	6,195	3,577
Adjusted net earnings (000's) (note)	2,842	2,166	6,957	4,102
Earnings per common share (basic and diluted)	0.31	0.24	0.75	0.43
Adjusted earnings per common share (basic and diluted)	0.34	0.26	0.84	0.49
Book value per share (September 30)			$ 9.82	$ 8.98

Net earnings attributable to shareholders ("shareholders' net earnings") rose by $633,000 or 32% to $2,616,000 in the third quarter of 2018 compared to $1,983,000 earned last year. Shareholders' net earnings rose mainly as a result of higher revenue. Basic and diluted earnings per common share ("EPS") rose by 29% to 31 cents compared to 24 cents last year. Adjusted net earnings rose by 31% to $2,842,000 from the $2,166,000 earned in the third quarter of 2017. Adjusted basic and diluted EPS increased to 34 cents compared to 26 cents in last year's third quarter.

Revenue rose by 57% to a quarterly record $13,120,000 in the third quarter compared to $8,370,000 last year mainly as a result of higher funds employed. Average funds employed were 50% higher at $283 million in the current quarter compared to $189 million last year. Funds employed at September 30, 2018 were at a record high $304 million.

Shareholders' net earnings in the first nine months of 2018 increased by $2,618,000 or 73% to $6,195,000 compared to $3,577,000 in 2017. Shareholders' net earnings rose mainly as a result of higher revenue. Basic and diluted EPS increased by 74% to 75 cents compared to 43 cents last year. Adjusted net earnings increased by $2,855,000 or 70% to $6,957,000 compared to $4,102,000 earned in the first nine months of 2017. Adjusted basic and diluted EPS rose 71% to 84 cents compared to 49 cents earned last year.

Revenue rose by 58% to a nine month record $33,976,000 in 2018 compared to $21,474,000 last year mainly as a result of higher funds employed. Average funds employed in the first nine months of 2018 were 54% higher at $256 million.

Commenting on the Company's results, President and CEO, Mr. Simon Hitzig, stated: "This quarter marked the seventh straight quarter of strong portfolio growth, with total funds employed topping $300 million when the books closed on September 30th. This growth is now driving revenue to record levels, with the first nine months delivering adjusted earnings of 84 cents per share, with both revenue and shareholders' net earnings for the nine months exceeding those for fiscal 2017. The strong finish to the quarter sets up a strong start to the fourth quarter. It's now been fifteen months since acquiring a 51% stake in BondIt Media Capital, and almost twelve months since acquiring 90% of CapX Partners. The addition of these two outstanding companies diversified our product range and solidified our market presence throughout the United States and Canada. Within this short period of time I'm pleased to report that both businesses are contributing nicely to Accord's success."

Mr. Hitzig added: “To set the stage for continued growth, we extended and increased our main bank facility, which now totals $367 million, including an accordion feature. We are proud that our syndicate of six banks provided strong support for our growth plan.”

The Company’s Board of Directors today declared a quarterly dividend of 9 cents per common share, payable December 3, 2018 to shareholders of record November 15, 2018

About Accord Financial Corp.
Accord Financial Corp. is a leading North American finance company providing distinctive working capital solutions to companies from coast-to-coast. Accord’s flexible finance programs cover the full spectrum of asset-based lending, from factoring and inventory finance, to equipment leasing and trade finance, to film and media finance. For 40 years, Accord has helped businesses manage their cash flows and maximize financial opportunities.

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Note: Non-IFRS measures

The Company’s financial statements have been prepared in accordance with IFRS. The Company uses a number of other financial measures to monitor its performance and believes that these measures may be useful to investors in evaluating the Company’s operating performance and financial position. These measures may not have standardized meanings or computations as prescribed by IFRS that would ensure consistency between companies using these measures and are, therefore, considered to be non-IFRS measures. The non-IFRS measures presented in this press release are as follows:

1) Adjusted net earnings and adjusted EPS. The Company derives these measures from amounts presented in its IFRS prepared financial statements. Adjusted net earnings comprise shareholders’ net earnings before stock-based compensation, business acquisition expenses (transaction and integration costs and amortization of intangible assets) and restructuring expenses. Adjusted EPS is adjusted net earnings divided by the weighted average number of common shares outstanding in the period. Management believes adjusted net earnings is a more appropriate measure of operating performance as it excludes items which do not relate to ongoing operating activities. The following table provides a reconciliation of the Company’s net earnings to adjusted net earnings:

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2018	2017	2018	2017
	$’000	$’000	$’000	$’000
Shareholders’ net earnings:	2,616	1,983	6,195	3,577
Adjustments, net of tax:				
Stock-based compensation	34	47	169	143
Business acquisition expenses	192	136	593	272
Restructuring expenses	–	–	–	110
Adjusted net earnings	2,842	2,166	6,957	4,102

2) Book value per share – book value is shareholders’ equity and is the same as the net asset value (calculated as total assets minus total liabilities) of the Company less non-controlling interests. Book value per share is the book value divided by the number of common shares outstanding as of a particular date.

3) Funds employed are the Company’s finance receivables and loans, an IFRS measure. Average funds employed are the average finance receivables and loans calculated over a particular period.