

Accord Financial Announces Record Revenue, Net Earnings, Funds Employed and Book Value Per Common Share

TORONTO, Nov. 4, 2021 /CNW/ - Accord Financial Corp. (TSX: ACD) today released its financial results for the three and nine months ended September 30, 2021. The financial figures presented in this release are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards.

<u>SUMMARY OF FINANCIAL RESULTS</u>	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Average funds employed (millions)	414	327	383	343
Revenue (000's)	16,119	12,312	45,015	35,598
Earnings(loss) before income tax (000's)	3,132	(120)	10,083	(5,209)
Net earnings (loss) attributable to shareholders (000's)	2,643	566	8,313	(968)
Adjusted net earnings (loss) (000's) (note)	2,801	621	8,645	(63)
Earnings (loss) per common share (basic and diluted)	0.31	0.07	0.97	(0.11)
Adjusted earnings (loss) per common share (basic and diluted)	0.33	0.07	1.01	(0.01)
Book value per Common share (September 30)			\$ 11.31	\$ 10.56

Third quarter revenue increased to a record \$16,119,000 compared to \$12,312,000 last year primarily driven by a 27% increase in average funds employed and other income. Average funds employed were \$414 million in the current quarter compared to \$327 million last year, finishing the quarter at an all-time record \$437 million.

Net earnings attributable to shareholders ("shareholders' net earnings") rose from \$566,000 in the third quarter of last year to \$2,643,000 in the third quarter of 2021 representing a clear recovery from the adverse economic impacts of Covid-19. Earnings per common share ("EPS") rose to 31 cents compared to 7 cents last year. Adjusted net earnings were \$2,801,000 compared to \$621,000 in the third quarter of 2020, resulting in adjusted EPS of 33 cents compared to 7 cents last year.

The first nine months revenue and earnings reflect steady growth in funds employed; average funds employed increased 12% to \$383 million compared to \$343 million last year. Portfolio growth and higher yields drove revenue higher by 26% to a first nine months record \$45.0 million in 2021 compared to \$35.6 million last year. Shareholders' net earnings were a first nine months record \$8,313,000 rebounding from the shareholders' net loss of \$968,000 in 2020. The increase in net earnings primarily resulted from higher revenue and a lower provision for losses. EPS were also a first nine months record 97 cents compared to a loss per common share ("LPS") of 11 cents last year. Adjusted net earnings for the first nine months of 2021 were a record \$8,645,000 (adjusted EPS of \$1.01) compared to an adjusted net loss of \$63,000 (adjusted LPS of 1 cent) in the first nine months of 2020.

Commenting on the financial results, the Company's President and CEO, Mr. Simon Hitzig, stated: "Accord's strong performance in the third quarter and nine months puts the Company squarely back on its pre-pandemic growth trajectory. Emerging from the economic crisis, Accord has put together four consecutive strong quarters, with trailing twelve month adjusted earnings per share of \$1.26. With the economy rebounding, we continue to capitalize on innovative product development, deep market presence and financial strength. Progress rarely follows a straight line, but the fundamentals are falling into place."

Mr. Hitzig added: "Accord's record year-to-date performance validates our strategy, and steady improvement of operating efficiency, diversification and credit quality underpin the foundation, adding an element of strength and stability as we look forward to continued success in 2022."

About Accord Financial Corp.

Accord Financial is North America's most dynamic commercial finance company providing fast, versatile financing solutions for companies in transition, including factoring, inventory finance, equipment leasing, trade finance and film/media finance. By leveraging our unique combination of financial strength, deep experience and independent thinking, we craft winning financial solutions for small and medium-sized businesses, simply delivered, so our clients can thrive. For 43 years, Accord has helped businesses manage their cash flows and maximize financial opportunities.

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 (basic and diluted) is adjusted net earnings divided by the weighted average number of common shares outstanding (basic and diluted) in the period. Management believes adjusted net earnings is a more appropriate measure of operating performance as it excludes items which do not directly 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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Shareholders' net earnings:	2,643	566	8,313	(967)
Adjustments, net of tax:				
Restructuring expenses	139	—	186	738
Stock-based compensation expenses	13	—	13	—
Business acquisition expenses	6	55	133	166
Adjusted net earnings	2,801	621	8,645	(63)

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.

SOURCE Accord Financial Corp.

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