

Accord Financial Corp. Announces Pricing of Convertible Unsecured Subordinated Debentures and Filing of Final Short Form Prospectus

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Toronto, ON – December 11, 2018 /CNW/ - Accord Financial Corp. (“Accord” or the “Company”) (TSX: ACD) announced today that further to its news release dated November 23, 2018, it has filed a final short form prospectus with the securities regulatory authorities in all of the provinces of Canada in connection with a marketed public offering of 15,000 convertible unsecured subordinated debentures of Accord (the “Initial Debentures”) at a price of \$1,000 per Initial Debenture (the “Issue Price”), for gross proceeds of \$15 million (the “Offering”). Accord also expects to issue to certain existing shareholders, certain insiders of Accord and other individuals resident in the United States on a private placement basis 3,400 convertible unsecured subordinated debentures (the “Private Placement Debentures”) for gross proceeds of \$3.4 million, which together with the gross proceeds from the Initial Debentures, represent an aggregate principal amount of \$18.4 million.

In connection with the Offering, Accord has entered into an underwriting agreement with a syndicate of underwriters led by RBC Capital Markets and CIBC Capital Markets (the “Underwriters”).

Accord has also granted the Underwriters the option to purchase up to an additional 2,250 convertible unsecured subordinated debentures (the “Additional Debentures” and, together with the Initial Debentures and the Private Placement Debentures, the “Debentures”), at the Issue Price, for additional gross proceeds of \$2.25 million, exercisable in whole or in part, at any time up to 30 days following the closing date of the Offering.

Accord intends to use the net proceeds of the Offering and non-brokered private placement to repay a portion of its outstanding indebtedness under its credit facilities.

The Debentures will mature on December 31, 2023 (the “Maturity Date”) and interest will be payable semi-annually in arrears on June 30 and December 31 of each year, commencing June 30, 2019. At the holder’s option, the Debentures may be converted into common shares of Accord (“Common Shares”) at any time prior to the close of business on the earliest of (i) the business day immediately preceding the Maturity Date; (ii) if called for redemption, on the business day immediately preceding the date specified by the Company for redemption of the Debentures; or (iii) if the Company is required to offer to purchase such Debentures pursuant to a change of control purchase offer, on the business day immediately preceding the payment date. The initial conversion price (the “Conversion Price”) will be \$13.50 per Common Share, and will be subject to adjustment in certain circumstances.

The Debentures will be direct, subordinated, unsecured obligations of Accord and will rank equally with one another and subordinate to all other existing and future senior secured and senior unsecured indebtedness of the Company, including accounts payable to trade creditors, and will rank *pari passu* with all future subordinated unsecured indebtedness of the Company.

The Debentures will not be redeemable by the Company prior to December 31, 2021, except in limited circumstances. On or after December 31, 2021 and at any time prior to December 31, 2022, the Debentures may be redeemed by Accord, in whole or in part from time to time, on not more than 60 days’ and not less than 40 days’ prior notice at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest thereon, if any, up to but excluding the date set for

redemption, provided that the arithmetic average of the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "TSX") for the 20 consecutive trading days ending five trading days prior to the date on which notice of redemption is provided is at least 125% of the Conversion Price. On or after December 31, 2022 and prior to the Maturity Date, Accord may, at its option, redeem the Debentures, in whole or in part, from time to time at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest thereon, if any.

The Offering is expected to close on or about December 18, 2018 and no later than December 27, 2018 and is subject to the satisfaction of certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction. The Debentures and the Common Shares issuable upon the conversion, redemption or maturity of the Debentures, have not been and will not be registered under the U.S. Securities Act of 1933 (the "1933 Act") or any state securities laws. Accordingly, the Debentures may not be offered or sold in the United States, except pursuant to applicable exemptions from the registration requirements of the 1933 Act and in compliance with applicable state securities laws.

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, including: factoring, inventory finance, equipment leasing, trade finance and film/media finance. For 40 years, Accord has helped businesses manage their cash flows and maximize financial opportunities.

Forward-Looking Statements

This press release includes forward-looking statements about Accord, including, but not limited to, Accord's use of proceeds of the Offering and the non-brokered private placement as well as the expected closing of the Offering. In certain cases, forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, and/or can be identified by the use of words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'budgeted', 'estimates', 'forecasts', 'targets' or negative versions thereof and similar expressions, and/or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved.

Forward-looking statements are based on certain factors and assumptions and are inherently subject to, among other things, risks, uncertainties and assumptions about Accord's operations, economic factors and the industry generally, as well as those factors referred to in the "Risk Factors" section of the preliminary short form prospectus filed in connection with the Offering and in the "Risks and Uncertainties That Could Affect Future Results" section on pages 23 and 24 of Accord's annual report for the year ended December 31, 2017, which is incorporated by reference into its Annual Information Form dated March 21, 2018. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those expressed or implied by forward-looking statements made by Accord. The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements, which may not be appropriate for other purposes. Accord is under no obligation (and expressly disclaims any such

obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, unless required by law.

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The Offering is only made by the final short form prospectus. The final short form prospectus contains important detailed information about the securities being offered. Copies of the final short form prospectus may be obtained from RBC Capital Markets at 416-842-5349 or Distribution.RBCDS@rbccm.com. Investors should read the final short form prospectus before making an investment decision.