PRESS RELEASE

Rifco Reports First Quarter Results

Red Deer, Alberta, August 28, 2018: Rifco Inc. (TSXV: RFC) ("Rifco" or the "Company") the largest publicly-traded alternative auto finance company in Canada, is pleased to announce its consolidated first quarter results for the period ended June 30, 2018.

First Quarter Highlights

Rifco is dedicated to building the best auto finance company in Canada. The Company is committed to achieving this goal through improved data and analytics and industry-leading software and people.

Acquired a $25M loan portfolio for total consideration of $20M
Financial revenue increased 14.2% to $10.0M from $8.8M in the preceding quarter
Net Portfolio Yield has increased by 229 basis points to 17.11% from 14.82% in the comparable quarter
Average Loan Receivables increased by 3.8% to $234.00M from $225.6M in the comparable quarter
Adjusted Total Comprehensive Income increased to $1.4M

Quarterly Results

During the quarter the Company announced that it has closed on an agreement to acquire a $25M loan portfolio (the "Acquired Portfolio") consisting of over 1,850 consumer automobile loans for a total consideration paid of $20.2M. The Acquired Portfolio was originated by a competing Canadian auto loan corporation. Income from the Acquired Portfolio will be generated and recognized from three sources: Interest Income, Fee Income and Discount Income. Interest and Fee Income will be earned in the normal course of business. Discount Income totaling $4.8M will be generated as the Acquired Portfolio runs off due to the loans having been purchased at a significant discount to the value of the Loan Receivables. Due to the introduction of IFRS 9, the Company has recorded a $2.0M loan loss provision on the closing date of the transaction. This provision is taken independent of purchase price and will be equal to at least 12-months of expected losses for current and performing Acquired Portfolio loans. As such, the Company's net income is negatively impacted by this non-cash charge. The impact will be reversed, over time, as the loans run off. Adjusted Net Income, which does not include non-cash provisions for future potential losses, is expected to be improved immediately and throughout the life of the Portfolio.

Total financial revenue for the quarter is the largest recorded by the company since the fourth quarter of fiscal year 2015. Total financial revenue increased 14.2% from $8.8M in the preceding quarter. Total financial revenue increased by 19.8% to $10.0M from $8.4M in the comparable quarter as a result of increases in both Net Portfolio Yield and Loan Receivables. Net Portfolio Yield and Loan Receivables were both positively affected by the purchase of a portfolio of loans at the beginning of June 2018.

Net loss for the quarter was $0.7M. Adjusted Net Income and Net Income were negatively impacted by a 184-basis point increase in the Credit Loss rate to 8.13% from the preceding quarter.

The Company posted Originations of $25.8M, a 19.1% increase from $21.7M in the preceding quarter and a 12.3% decrease from $29.4M in the comparable quarter. Originations are impacted by management's decision to give greater consideration to the preservation and improvement of margins and profit. Originations of Loan Receivables have been appreciably higher in each of the nine quarters since the recent low of $20.1M originated in the fourth quarter of fiscal year 2016.

Average Loan Receivables during the quarter increased 3.8% to $234.0M from $225.6M in the comparable quarter mainly as a result of the purchase of a Loan Receivable portfolio which was owned for approximately one month of the current quarter. Average Loan Receivables increased 1.1% from $231.4M in the preceding quarter. Average Loan Receivables have now exceeded $230M for the past four quarters.

The Company is reporting Adjusted Net Income of $1.4M, an increase of $1.0M from the comparable quarter's $0.4M and an increase of $1.7M from a loss of $0.3M in the preceding quarter. Adjusted Net Income removes the effect of the non-cash provisions on Net Income. Adjusted Net Income accounts for the actual Credit Losses incurred in the period and is the measure that management uses to evaluate the performance of the Company in the period as it removes the volatility associated with the effect of estimates and assumptions. The Company is reporting Net Loss of $0.7M, a decrease of $0.5M from the comparable quarter Net Loss of $0.2M.

Rifco NATIONAL AUTO FINANCE
It's about time.

Rifco reported Adjusted Net Income per Share in the quarter of $0.067, an increase of 252% from the comparable quarter and an increase of $0.079 from the preceding quarter's loss of $0.012. Earnings per share (EPS) in the period of $(0.032) is $0.021 less than the preceding quarter and $0.023 less than the comparable quarter.

The Financial Expense Ratio increased 78 basis points to 4.75% compared to 3.97% in the comparable quarter. The Financial Expense Ratio increased 29 basis points from 4.46% in the preceding quarter. Unsecured Debentures increased from $8.3M at the prior fiscal year end to $12.4M in the current quarter, a 50% increase. $4.5M of debentures were issued specifically to finance the purchase of a Loan Receivable portfolio during the quarter.

Credit Losses, including costs and net of recoveries, are $4.8M, an increase of 30.8% from $3.6M in the preceding quarter and of 59.7% from $3.0M in the comparable quarter. Credit losses in the quarter were significantly outside of the Company's modeled results. Increased numbers of voluntarily surrendered vehicles and increased unrecoverable vehicles contributed to poor results in a number of Rifco's credit tiers.

The Delinquency Rate improved by 118 basis points to 5.26% from 6.44% in the preceding quarter and a decrease of 83 basis points from 5.86% in the comparable quarter. Although the Delinquency Rate is declining, it remains higher than the Company's typical seasonal ranges of between 4.00% and 5.00%.

Operating Expenses increased by 6.0% to $2.9M from $2.8M in the comparable quarter and an increase of 2.5% from $2.9M in the prior quarter. The Operating Expense Ratio increased by 11 basis points to 5.02% compared to 4.91% in the comparable quarter. The Operating Expense Ratio increased 7 basis points from 4.95% in the preceding quarter. Operating expenses experienced some temporary increases due to the acquisition of the portfolio of Loan Receivables during the quarter, along with the strategic decision to enter a servicing agreement for the Loan Receivables prior to ownership.

Rifco is in regular contact with all of its funders and remains optimistic regarding the availability of increasing amounts of Bank Borrowing and Securitized Facilities as needed. The Company currently has $106.7M in facility availability for deployment. Subsequent to the quarter end the Company renewed the $50M facility with a Securcor Trust.

Modified Funds Flow from Operations represents implicit cash value to shareholders on a periodic basis. Modified Funds Flow from Operations was $0.6M during the quarter, a decrease of $0.8M from $1.4M in the comparable quarter. Modified Funds Flow from Operations of $0.03 per share in the current quarter, is a decrease from $0.06 per share in the comparable period.

The Company's management is focused on improving its credit performance. Predictable credit performance is imperative to achieving the Company's long-term vision of $500M in annual loan Originations.

Rifco Quarterly Comparative Results

Statements of income	June 30, 2018	June 30, 2017
($, 000's, except per share and share count)		
Financial revenue	10,011	8,358
Credit Losses	4,754	2,977
Credit Spread	**5,257**	**5,381**
Financial Expenses	2,777	2,238
Adjusted Net Financial Income before Operating Expenses	**2,480**	**3,143**
Operating expenses	2,937	2,771
Adjusted Income (loss) Before Taxes	**(457)**	**372**
Income tax recovery (expense)	1,903	39
Adjusted Total Comprehensive Income	**1,446**	**411**
Increase (decrease) in Provision for Impairment	2,146	616
Total comprehensive income (loss)	**(700)**	**(205)**
Weighted average number of outstanding shares at period end	21,597,483	21,597,483
Fully diluted basis	21,597,483	21,597,483
Adjusted Net Income per common share basic	$0.067	$0.019
Diluted	$0.067	$0.019
Net earnings per common share basic	$(0.032)	$(0.010)
Diluted	$(0.032)	$(0.010)

It's about time.

Key Period-to-Date Performance as Measured Against Annual Targets

Please note the Company results as reported against the specific fiscal year 2019 objectives released with the 2018 Annual Report:

1. Achieve Loan Originations of $120M
Loan Originations for the first three months reached $25.8M. **Progress to target 22%.**

2. Achieve Finance Receivables of $250M
Finance Receivables at June 30, 2018 are $253.2. **101% of target.**

3. Achieve Credit Spread Rate of 11.40%
Year to date Credit Spread Rate of 8.98%. **Behind target by 241 basis points**.

4. Achieve Adjusted Net Income of $5.0M
Adjusted Net Income for the first three months is $1.4M. **Progress to target 29%.**

Rifco, today, filed its quarterly financial statements and management discussion and analysis for the period ended June 30, 2018. The previously released financial statements and the related management's discussion and analysis can be viewed at www.sedar.com or at www.rifco.net.

Non-IFRS Measures

Throughout this Press Release, management uses terms and ratios which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other issuers. Management believes that some non-IFRS measures are useful for investors to use to evaluate the performance of the Company without certain IFRS requirements that some investors may consider to be unrelated to the underlying economic performance of the Company. Management uses these non-IFRS measures to evaluate the performance of the Company. Specifically, management presents an Adjusted Net Income measure, along with related Adjusted sub-totals and ratios. These measures do not have any standardized meaning under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. A full description of these measures can be found in the management discussion and analysis that accompany the financial statements for the period ended June 30, 2018.

About Rifco

Rifco Inc. is focused on being the best alternative auto finance company through its wholly owned subsidiary Rifco National Auto Finance Corporation. Our mission is to help deserving Canadians own automobiles. Rifco is Canada's largest publicly traded alternative auto finance company.

Rifco seeks to create sustainable long-term competitive advantages through personalized partnerships with dealers, innovative products, the use of industry-leading data and analytics, and leading collections practices. Rifco's corporate culture fosters employees that are highly engaged, innovative, and performance driven.

Rifco is committed to creating value for all stakeholders through profitable growth and predictable credit performance, while pursuing its long-term vision of $500M in annual loan Originations.

The common shares of Rifco Inc. are traded on the TSX Venture Exchange under the symbol "RFC". There are 21.60 million shares (basic) outstanding and 23.50 million (fully diluted) shares.

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