

**Rifco Disputes Notice of Termination of Arrangement Agreement Provided by ACC Holdings Inc. and CanCap Management Inc.**

- The Board of Directors Recommends that Securityholders vote For the Arrangement
- The deadline for submission of Proxies is 1:00 p.m. (Calgary time) on April 1, 2020

**RED DEER, ALBERTA – March 30, 2020** – Rifco Inc. (TSXV: RFC) ("**Rifco**" or the "**Company**") today announces that ACC Holdings Inc. (the "**Purchaser**") delivered written notice to Rifco on March 27, 2020 (after markets close) that it is alleging termination of the arrangement agreement dated February 2, 2020 (the "**Arrangement Agreement**") among Rifco, the Purchaser, and CanCap Management Inc. ("**CanCap**") in respect of a statutory plan of arrangement under the *Business Corporations Act* of Alberta (the "**Arrangement**").

The Purchaser alleges that what it describes as “recent events” constitute a "Material Adverse Effect" on the business of Rifco under the terms of the Arrangement Agreement. As such, the Purchaser has communicated that it does not intend to close the Arrangement.

Rifco categorically disagrees with the Purchaser's allegation that “recent events” constitute a Material Adverse Effect under the Arrangement Agreement, and strongly asserts that neither the Purchaser nor CanCap has any basis on which to terminate the Arrangement. Rifco intends to vigorously enforce its rights, and the obligations of the Purchaser and CanCap, under the binding Arrangement Agreement.

Prior to the March 27, 2020 written notice from the Purchaser, there had not been any assertion made by the Purchaser that a Material Adverse Effect had occurred, or any assertion that any obligation of Rifco under the Arrangement Agreement had been unfulfilled to date. On March 11, 2020, Bill Graham, CEO of Rifco was invited to the Purchaser's offices in Toronto for meetings to discuss post-closing integration opportunities. Bill Graham met principals of CanCap and received a tour of CanCap's operations. These meetings were positive and constructive in anticipation of closing. On the same day CanCap communicated to the Chair of Rifco's board of directors by email that CanCap was appreciative of Rifco's transparency in communicating with CanCap on the approach taken towards solicitation of proxies and obtaining voting support for the Agreement.

The previously announced special meeting of securityholders of Rifco (the "**Meeting**") to seek approval of the Arrangement will proceed as scheduled on Friday, April 3, 2020 at 1:00 p.m. at the Holiday Inn Hotel & Suites Red Deer South, 33 Petrolia Drive – Gasoline Alley, Red Deer County, Alberta. Provided that securityholder approval is obtained at the Meeting, Rifco will then proceed to seek the approval of the Court of Queen's Bench of Alberta for a final order approving the Arrangement at a hearing scheduled for Monday, April 6, 2020.

**Update**

Rifco reported a strong balance sheet as of December 31, 2019 with \$29 million in total equity, corresponding to \$1.35 per share. Some Company highlights:

- Rifco has had no interruptions in accessing its sources of capital. The Company is compliant with all terms and covenants for its funding facilities.
- Based on securitization and warehouse tranche transactions in process, the Company is forecasting to have over \$15MM of cash on hand on or about April 3, 2020.
- Funding transactions placed in recent months have been priced at borrowing rates at or below securitization tranches previously funded.
- The Company operates as an exempted 'Essential Service' under new Alberta legislation.
- A significant proportion of Rifco's core functions are now being performed by work-from-home employees. All core Company functions have continued to operate without interruption.

### Meeting Update

Due to ongoing concerns regarding the COVID-19 and to mitigate risks to the health and safety of our communities, other securityholders, employees and other stakeholders, Rifco strongly encourages all securityholders wishing to listen to the Meeting do so by calling the number below. Rifco also strongly encourages securityholders to vote by proxy prior to the Meeting.

While we still intend to hold the Meeting in person, we are actively monitoring the current COVID-19 outbreak and will be following all federal, provincial and municipal orders and guidelines, including limits on gatherings.

In light of the rapidly evolving news and guidelines related to the COVID-19 outbreak, we ask that, in considering whether to attend the Meeting, securityholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19>) and all additional provincial and local instructions. We ask that securityholders not attend the Meeting in person if: (i) the securityholder is a confirmed case of COVID-19 or a close contact of a confirmed case of COVID-19; (ii) the securityholder is experiencing cold or flu-like symptoms, including cough, fever, shortness of breath, runny nose or sore throat; or (iii) the securityholder has travelled to/from outside of Canada within the 14 days prior to the Meeting.

Securityholders who have questions regarding the arrangement or who require assistance with voting should contact Gryphon, toll-free at 1.833.248.5458 or call collect outside North America at 1.416.661.6592 or by email at [inquiries@gryphonadvisors.ca](mailto:inquiries@gryphonadvisors.ca).

Note that as the situation is rapidly evolving, there may be other precautions that may be required to be taken at the Meeting including physical distancing.



Rifco will provide audio access to the meeting via conference call. Please dial 1.888.289.4573, and when prompted input the access code 6434842. The conference line will be muted to improve the quality of the call for all participants. If you have specific questions, please use the contact information listed below prior to the meeting.

### **About Rifco Inc.**

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 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.

More information regarding the Arrangement and Arrangement Agreement can be found in the management information circular of Rifco dated February 26, 2020 (the "**Circular**"), available on Rifco's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Caution Regarding Forward-Looking Information**

This press release may contain forward-looking statements with respect to the Company, its products and operations and the contemplated financing. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of the Company discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: the Purchaser's allegations of the occurrence of a Material Adverse Effect and the Purchaser's intention not to close the Arrangement, Rifco's intent to vigorously enforce its rights under the Arrangement Agreement, Rifco's intent to proceed with the Meeting, receipt of securityholder approval at the Meeting and Court approval of the final order in respect of the Arrangement, Rifco's financial performance prior to the pandemic, its expected financial performance after the pandemic, the financial performance forecasts set out herein, management's view of the impacts of the pandemic on the business of Rifco, and procedures for the Meeting.

Although the forward-looking statements contained in this news release are based upon factors and assumptions which management of the Company believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, the purported termination of the Arrangement Agreement, future impacts of the pandemic on the Company's business, competition, changes in government regulations, and the factors described under "Risk Factors" in the



Management's Discussion and Analysis of the Company and the Circular, both of which are incorporated by reference herein and are available at [www.sedar.com](http://www.sedar.com).

With respect to forward-looking statements contained in this news release, the Company has made assumptions regarding, but not limited to, general economic and industry trends, the impact of the pandemic on the Company's business, the timely receipt of required securityholder, regulatory and court approvals in connection with the Arrangement, the Company's ability to obtain and retain qualified staff in a timely and cost-effective manner, the impact of increasing competition, operating costs, future capital expenditures of the Company, the ability to obtain additional debt and/or equity financing on satisfactory terms, anticipated timelines and budgets being met in respect of the Company's operations, that any required commercial agreements can be negotiated and completed, the ability of the Company to successfully implement strategic initiatives and that such initiatives will yield the expected benefits, the ability of the Company to generate and maintain sufficient cash flow from operations to meet its current and future obligations, distributable cash flow and net cash provided by operating activities consistent with expectations, and future operating results and the success of the Company's operations.

The cautionary statements qualify all forward-looking statements attributable to the Company and persons acting on their behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the Company has no obligation to update such statements other than in accordance with applicable securities laws.

The amount of cash on hand for the Company on or about April 3, 2020 contained in this news release may be considered a financial outlook as defined by applicable securities legislation. Such information and any other financial outlooks have been approved by management of the Company as of the date hereof. Such financial outlooks are provided for the purpose of presenting information about management's current expectations of the financial performance of the Company on or about April 3, 2020. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

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SOURCE Rifco Inc.

**For further information: MEDIA CONTACTS: Rifco Inc.: William Graham, Chief Executive Officer, (403) 314-1288 ext. 7006.**

