

## Rifco Reports Fourth Quarter Results

Red Deer, Alberta, June 17, 2021: Rifco Inc. (TSXV: RFC) (“Rifco” or the “Company”), is pleased to announce its consolidated results for the fourth quarter and the year ended March 31, 2021.

### Annual Highlights

- Rifco reported year-to-date Adjusted Net Income before Taxes of \$4.9M and \$0.23 per share. This is 283% higher than the prior year. Adjusted Net Income before Taxes removes the effects of the non-cash change in provision for impairment and one-time strategic review expenses. Net income including these items and taxes, was \$4.8M and \$0.22 per share.
- The annualized Credit Loss Rate for the period decreased by 265 basis points to 4.41% from 7.06% in the comparable quarter. The Company believes this is partially a product of the operational improvements it has made, and the strength of the custom credit model, originally implemented in fiscal 2018.
- The year-to-date Credit Spread Rate improved 227 basis points over the comparable period from 10.42% to 12.69%. The Company believes the latest pricing model implemented alongside the custom credit model has contributed to improved Credit Spread.
- The Delinquency Rate (over 30 days) remains at an exceptionally low level of 2.74%. This is a decrease of 281 basis points over the prior year end.
- On November 27, 2020, Rifco declared a \$0.35 per common share special dividend. The dividend was paid in cash on December 7, 2020 in the amount of \$7.6M.

### Fourth Quarter Highlights

- On April 15, 2021, Rifco announced the appointment of Roger Saran as President and Chief Operating Officer of Rifco National Auto Finance and also announced collaboration with autologiQ Inc. on ‘Easy Monthly Payments’™ (EMP) program.
- Rifco reported quarterly Adjusted Net Income before Taxes of \$1.1M and \$0.05 per share. This compares favourably with the prior quarter’s Adjusted Net Income before Taxes of \$0.7M and \$0.03 per share and the comparable quarter’s Adjusted Net Income before Taxes of \$0.7M and \$0.03 per share. Adjusted Net Income before Taxes removes the effects of the non-cash change in provision for impairment and one-time strategic review expenses. Net income including these items and taxes, was \$0.7M and \$0.03 per share.
- Originations in the current quarter were \$20.6M, a 15.1% increase over the prior quarter’s Originations of \$17.9M.

While the Company is cautiously optimistic about recent and near-term results, the economic forecast in this COVID-19 environment is uncertain.

### Annual Comparative Results

Statements of income	For the year ended March 31, 2021		For the year ended March 31, 2020	
(\$,000’s, except per share, % of average loan receivables)				
Average loan receivables for the period	203,647		225,252	
Financial revenue	34,818	17.10%	39,374	17.48%
Credit losses	8,989	4.41%	15,893	7.06%
<b>Credit Spread</b>	<b>25,829</b>	<b>12.69%</b>	<b>23,481</b>	<b>10.42%</b>
Financial expenses	9,692	4.76%	11,145	4.95%
<b>Adjusted Net Financial Income before Operating Expenses</b>	<b>16,137</b>	<b>7.93%</b>	<b>12,337</b>	<b>5.47%</b>
Adjusted Operating expenses	11,229	5.52%	11,057	4.92%
<b>Adjusted Net Income (Loss) Before Taxes</b>	<b>4,908</b>	<b>2.41%</b>	<b>1,280</b>	<b>0.55%</b>
Strategic review process	500	0.25%	(700)	(0.31%)
Decrease (increase) in provision for impairment	1,098	0.54%	(4,113)	(1.83%)

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<b>Net loss (loss) before tax</b>	<b>6,506</b>	<b>3.20%</b>	<b>(3,533)</b>	<b>(1.59%)</b>
Income tax (expense) recovery	(1,716)	(0.84)%	651	0.29%
<b>Net income (loss)</b>	<b>4,790</b>	<b>2.36%</b>	<b>(2,882)</b>	<b>(1.30%)</b>
Weighted average number of outstanding shares	21,646		21,597	
Fully diluted basis	21,646		21,597	
Adjusted Net Income before Taxes per Common Share – basic	\$ 0.226		\$ 0.059	
Diluted	\$ 0.226		\$ 0.059	
Net income (loss) per common share – basic	\$0.221		\$(0.133)	
Diluted	\$0.221		\$(0.133)	

## Quarterly Comparative Results

	<b>Current Quarter 3 Months Ended March 31, 2021</b>		<b>Prior Quarter 3 Months Ended December 31, 2020</b>		<b>Comparable Quarter 3 Months Ended March 31, 2020</b>	
<b>Statements of income</b>						
(\$,000's, except per share, % of average loan receivables)						
Average loan receivables for the period	194,058		197,611		224,580	
Financial revenue	8,240	16.98%	8,584	17.38%	9,744	17.35%
Credit losses	2,250	4.64%	2,145	4.34%	3,465	6.17%
<b>Credit Spread</b>	<b>5,990</b>	<b>12.34%</b>	<b>6,439</b>	<b>13.04%</b>	<b>6,279</b>	<b>11.18%</b>
Financial expenses	2,249	4.64%	2,325	4.71%	2,706	4.82%
<b>Adjusted Net Financial Income before Operating Expenses</b>	<b>3,741</b>	<b>7.70%</b>	<b>4,114</b>	<b>8.33%</b>	<b>3,573</b>	<b>6.36%</b>
Adjusted Operating Expenses	2,666	5.49%	3,403	6.89%	2,913	5.19%
<b>Adjusted Net Income (Loss) before Taxes</b>	<b>1,075</b>	<b>2.21%</b>	<b>711</b>	<b>1.44%</b>	<b>660</b>	<b>1.17%</b>
Strategic review process	-	0.00%	-	0.00%	(537)	(0.96%)
Increase in provision for impairment	(182)	(0.38%)	(503)	(1.02%)	(3,924)	(6.99%)
<b>Net income (loss) before taxes</b>	<b>893</b>	<b>1.83%</b>	<b>208</b>	<b>0.42%</b>	<b>(3,801)</b>	<b>(6.78%)</b>
Income tax (expense) recovery	(193)	(0.40%)	(31)	(0.06%)	771	1.37%
<b>Net income (loss)</b>	<b>700</b>	<b>1.43%</b>	<b>177</b>	<b>0.36%</b>	<b>(3,030)</b>	<b>(5.41%)</b>
Weighted average number of outstanding shares	21,750		21,612		21,597	
Fully diluted basis	21,750		21,612		21,597	
Adjusted Net Income before taxes per Common Share basic	\$0.049		\$0.033		\$0.031	
Diluted	\$0.049		\$0.033		\$0.031	
Net income (loss) per common share basic	\$0.032		\$0.008		\$(0.140)	
Diluted	\$0.032		\$0.008		\$(0.140)	



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Rifco, today, filed its annual financial statements and management discussion and analysis for the year ended March 31, 2021. The previously released financial statements and the related management's discussion and analysis can be viewed at [www.sedar.com](http://www.sedar.com) or at [www.rifco.net](http://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. 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 March 31, 2021.

## **About Rifco**

Rifco National Auto Finance Corporation ("RNAF"), Rifco's sole, wholly owned, subsidiary operates with a purpose to help its clients obtain a safe and reliable vehicle by providing alternative finance solutions. RNAF currently distributes its alternative finance products indirectly through select automotive dealer partners.

Rifco is built on a foundation of trust, respect, empowerment, accountability and passion which are exhibited by each and every member of the Rifco team, as we collaboratively pursue our collective vision and do so in a manner that is consistent with our purpose.

**The common shares of Rifco Inc. are traded on the TSX Venture Exchange under the symbol "RFC". There are 21.75 million shares (basic) outstanding.**

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