

Rifco Inc. Receives Buyout Offer from Management

Transaction Highlights

- Anticipated consideration of \$1.15 per Rifco Share represents a significant premium of approximately 28% to the closing price of Rifco Shares on August 9, 2021
- 100% cash consideration would provide immediate liquidity and certainty of value for Rifco shareholders
- Anticipated support from 64% of holders of Rifco Shares in favour of the Transaction
- Jeffrey Newhouse steps down as CEO of Rifco

Red Deer, AB – August 10, 2021 – Rifco Inc. (TSXV: RFC) (“Rifco” or the “Company”), announced today that it has received a non-binding proposal from Warren Van Orman, Doug Decksheimer and Roger Saran, each an officer of the Company (collectively, the “Purchaser”) pursuant to which the Purchaser would, if supported by the Board of Directors of Rifco (the “Board”), acquire all of the issued and outstanding common shares of Rifco (the “Rifco Shares”) (the “Transaction”).

Special Committee and Board of Directors Responsibilities

A special committee of Rifco's Board (the “Special Committee”) has been constituted to review the Purchasers’ proposal for Rifco and to negotiate a binding agreement, further to which Raymond James Ltd. (“Raymond James”) has been retained as financial advisor. Should the Special Committee recommend the Transaction, it will be referred to the Board for approval. If approved by the Board, an Arrangement Agreement pursuant to a Plan of Arrangement would be presented for approval at a Special Meeting of the Rifco shareholders, which is expected to be held in late September or early October, 2021.

Transaction Details

The Purchaser intends to offer \$1.15 per Rifco Share. This would represent a significant premium of approximately 28% to the closing price of Rifco Shares on the Toronto Venture Exchange on August 9, 2021. The proposal compares favourably with the previous offer, approved by Rifco securityholders on April 3, 2020 for \$1.18 per share, after considering the \$0.35 special dividend that was paid to shareholders on December 10, 2020.



The Purchaser has indicated that informal support has been received from approximately 64% of current holders of Rifco Shares. The Purchaser believes a going-private transaction is the best solution to Rifco's current closely-held, deeply-divided shareholder base and highly illiquid stock.

Advisors and Counsel

Raymond James is acting as exclusive financial advisor to Rifco's Special Committee in connection with the Transaction. Miller Thompson LLP is acting as counsel to Rifco.

Warren Sinclair LLP is acting as counsel to the Purchaser.

Resignation of CEO

In addition to the foregoing, Jeffrey Newhouse has decided to step down as CEO of Rifco to focus his full-time efforts on autologiQ Inc. The Board supports Mr. Newhouse's decision and looks forward to Mr. Newhouse's continued involvement as a director of Rifco.

About Rifco Inc.

Rifco Inc. is focused on being Canada's 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.

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. Forward-looking statements may include, without limitation, statements relating to future outlook and anticipated events such as: closing of the transaction and implementation of the plan of arrangement; receipt of required securityholder approval at the Special Meeting; receipt of required court and regulatory approval; anticipating timing of the holding of the Special



Meeting, mailing of the information circular and closing of the transaction; the delisting of the Rifco Shares from the TSXV; Rifco ceasing to be a reporting issuer in Canada; and management of Rifco following completion of the Transaction. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, risks related to global pandemics including the COVID-19 global health pandemic, changes in government regulations, and the factors described under “Risk Factors and Management” in the Management's Discussion and Analysis of the Company which is available at www.sedar.com. 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 except as required pursuant to applicable securities law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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