

Rifco Reports First Quarter Results

Red Deer, Alberta, August 25, 2021: Rifco Inc. (TSXV: RFC) (“Rifco” or the “Company”), is pleased to announce its consolidated first quarter results for the period ended June 30, 2021.

First Quarter Highlights

- Rifco reported quarterly Adjusted Net Income before Taxes of \$1.8M and \$0.08 per share. This is 120% higher than the same quarter in 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 \$2.3M and \$0.11 per share.
- The quarterly Credit Spread Rate improved 204 basis points over the comparable period from 11.28% to 13.32%. The Company believes that despite the impacts of COVID-19, the recent improvements in operations and current pricing model implemented alongside the custom credit model has contributed to improved Credit Spread.
- Originations in the quarter of \$31.8M are a 322% increase over the same quarter last year. Originations also increased 24% from the \$20.6M in the prior quarter. Originations are on track for a full recovery from those seen immediately following the pandemic outbreak.
- The Delinquency Rate (over 30 days) is at an exceptionally low level of 2.85%. Government support programs for those impacted by COVID-19 had an impact on the Company’s Delinquency Rate. Loan modification and payment deferral programs implemented in response were mostly concluded by July 2020.

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

Rifco Quarterly Comparative Results

	Current Quarter 3 Months Ended June 30, 2021		Prior Quarter 3 Months Ended March 31, 2021		Comparable Quarter 3 Months Ended June 30, 2020	
Statements of income	(\$,000’s, except per share, % of average loan receivables)					
Average loan receivables for the period	195,667		194,058		216,988	
Financial revenue	8,450	17.27%	8,240	16.98%	9,047	16.68%
Credit losses	1,929	3.95%	2,250	4.64%	2,934	5.40%
Credit Spread	6,521	13.32%	5,990	12.34%	6,113	11.28%
Financial expenses	2,201	4.50%	2,249	4.64%	2,660	4.90%
Adjusted Net Financial Income before Operating Expenses	4,320	8.82%	3,741	7.70%	3,453	6.38%
Adjusted Operating Expenses	2,497	5.10%	2,666	5.49%	2,626	4.84%
Adjusted Net Income before Taxes	1,823	3.72%	1,075	2.21%	827	1.54%
Strategic review process	-	0.00%	-	0.00%	482	0.89%
Decrease (increase) in provision for impairment	1,138	2.33%	(182)	(0.38%)	1,344	2.48%
Net income before taxes	2,961	6.05%	893	1.83%	2,653	4.91%
Income tax expense	(674)	(1.38%)	(193)	(0.40%)	(843)	(1.55%)
Net income	2,287	4.67%	700	1.43%	1,810	3.36%



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Weighted average number of outstanding shares at period end	21,750	21,750	21,597
Fully diluted basis	21,750	21,750	21,597
Adjusted Net Income before taxes per Common Share basic	\$0.084	\$0.049	\$0.038
Diluted	\$0.084	\$0.049	\$0.038
Net income (loss) per common share basic	\$0.105	\$0.032	\$0.084
Diluted	\$0.105	\$0.032	\$0.084

Rifco, today, filed its quarterly financial statements and management discussion and analysis for the period ended June 30, 2021. 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. 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, 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 and 22.70 million (fully diluted) shares.

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