

Rifco Reports Second Quarter Results

Red Deer, Alberta, November 24, 2021: Rifco Inc. (TSXV: RFC) (“Rifco” or the “Company”), is pleased to announce its consolidated second quarter results for the period ended September 30, 2021.

Second Quarter Highlights

- On October 27, 2021, Rifco announced that it had entered into an arrangement agreement with Chesswood Group Limited (Chesswood) pursuant to which Chesswood will acquire all of the issued and outstanding common shares of Rifco by way of a statutory plan of arrangement under the Business Corporations Act (Alberta). Under the terms of the Agreement, each Rifco shareholder will receive consideration of \$1.28 for each Rifco Share held, to be satisfied either in cash or Chesswood common shares.
- Rifco reported quarterly Adjusted Net Income before Taxes of \$2.1M and \$0.10 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 \$2.1M and \$0.10 per share.
- The quarterly Credit Spread Rate improved 16 basis points over the previous period from 13.32% to 13.48%. 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 \$34.5M are a 206% increase over the same quarter last year. Originations also increased 9% from the \$31.8M 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 3.08%. 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 September 30, 2021		Prior Quarter 3 Months Ended June 30, 2021		Comparable Quarter 3 Months Ended September 30, 2020	
Statements of income	(\$,000’s, except per share, % of average loan receivables)					
Average loan receivables for the period	206,212		195,667		204,689	
Financial revenue	9,033	17.52%	8,450	17.27%	8,947	17.48%
Credit losses	2,084	4.04%	1,929	3.95%	1,660	3.24%
Credit Spread	6,949	13.48%	6,521	13.32%	7,287	14.24%



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Financial expenses	2,243	4.35%	2,201	4.50%	2,458	4.80%
Adjusted Net Financial Income before Operating Expenses	4,706	9.13%	4,320	8.82%	4,829	9.44%
Adjusted Operating Expenses	2,641	5.13%	2,497	5.10%	2,534	4.95%
Adjusted Net Income before Taxes	2,065	4.00%	1,823	3.72%	2,295	4.49%
Strategic review process	-	0.00%	-	0.00%	18	0.04%
Decrease (increase) in provision for impairment	724	1.40%	1,138	2.33%	439	0.86%
Net income before taxes	2,789	5.40%	2,961	6.05%	2,752	5.39%
Income tax expense	(681)	(1.32%)	(674)	(1.38%)	(649)	(1.27%)
Net income	2,108	4.08%	2,287	4.67%	2,103	4.12%
Weighted average number of outstanding shares at period end	21,750		21,750		21,597	
Fully diluted basis	21,758		21,750		21,597	
Adjusted Net Income before taxes per Common Share basic	\$0.095		\$0.084		\$0.106	
Diluted	\$0.095		\$0.084		\$0.106	
Net income (loss) per common share basic	\$0.097		\$0.105		\$0.097	
Diluted	\$0.097		\$0.105		\$0.097	

Rifco, today, filed its quarterly financial statements and management discussion and analysis for the period ended September 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 September 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



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million shares (basic) outstanding and 22.66 million (fully diluted) shares.

CONTACT:

Rifco Inc.

Warren Van Orman

Vice President and Chief Financial Officer

Telephone: 1-403-314-1288 Ext 7007

Fax: 1-403-314-1132

Email: vanorman@rifco.net

Website: www.rifco.net

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