

**CLIFFSIDE CAPITAL LTD. REPORTS SECOND QUARTER 2023
FINANCIAL RESULTS AND UPDATE ON STRATEGIC REVIEW
BEING CONDUCTED BY THE INDEPENDENT COMMITTEE**

TORONTO, August 23, 2023 - Cliffside Capital Ltd. ("**Cliffside**" or the "**Company**") (TSXV: CEP) is pleased to announce financial results for the second quarter of 2023. The Company reported the following:

- Net income before taxes of \$0.1 million for the quarter ended June 30, 2023
- Net financial revenue before credit losses, excluding mark to market gain (loss) on derivative financial instrument, remained relatively flat at \$4.8 million compared to Q2 2022
- Decline in net finance receivables by 20.3% to \$145.2 million compared to Q2 2022
- Provision for credit losses remained relatively flat at \$4.3 million and also as a percentage of average gross finance receivables compared to six-months ended June 30, 2022

Under the current economic environment characterized by higher inflation and higher benchmark interest rates, it is expected that delinquency will remain elevated over the next several quarters, however management is focused on proactive portfolio management for better performance under these challenging economic circumstances.

The special committee, comprised of independent members of the Board of Directors of the Company (the "**Independent Committee**"), with the assistance of outside financial and legal advisors, specifically Raymond James Ltd and Gardiner Roberts LLP, has now fully explored the sale of the Company, its business and/or the three partnerships which it owns as potential strategic alternatives available to the Company with the goal of maximizing value for Cliffside shareholders and other stakeholders of the Company (collectively, the "**Potential Strategic Transactions**").

At this time, no third party contacted has expressed an interest in entering into a Potential Strategic Transaction. The Independent Committee is continuing to explore other strategic alternatives for the Company. The Company does not intend to comment further until it determines that additional disclosure is appropriate in the circumstances and in accordance with applicable securities laws.

Further information on Cliffside's financial results can be found at www.cliffsidecapital.ca, and a copy of the condensed consolidated financial statements for the quarter ended June 30, 2023, prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (IFRS), including International Accounting Standard 34, Interim Financial Reporting, and the corresponding management's discussion and analysis will be available under the Company's profile on www.sedar.com.

About Cliffside

Cliffside is focused on investing in strategic partnerships with parties who have specialized expertise and a proven track record in originating and servicing loans and similar types of financial assets. Cliffside's strategy is to generate revenue as an investor, affording its shareholders an opportunity to invest in the growing alternative lending sector with the potential for attractive yields and minimal operational risk while earning a reliable total return. For more information, see Cliffside's filings on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the business and operations of Cliffside and the ability of the Independent Committee to successfully complete a Potential Strategic Transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and

other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; the results of operations; potential for conflicts of interests; the availability of appropriate finance receivables that may be purchased by the Company's limited partnerships under existing funding facilities; and volatility of common share price and volume. There can be no assurance that such statements will prove to be accurate or complete, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Cliffside disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by 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.

For further information, contact:

Praveen Gupta, CFO

(647) 776-5810

pgupta@cliffsidecapital.ca