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CLIFFSIDE CAPITAL LTD. REPORTS THIRD QUARTER 2022 FINANCIAL RESULTS

TORONTO, November 23, 2022 - Cliffside Capital Ltd. (“**Cliffside**” or the “**Company**”) (TSXV: CEP) is pleased to announce financial results for the third quarter ended September 30, 2022. The Company continued to pursue its long-term strategy of disciplined growth and is reporting:

- 37% increase in net finance receivables from \$135.7 million as at September 30, 2021 to a record high of \$185.9 million as at September 30, 2022;
- \$14.0 million in net interest income, a 51.1% increase compared to the same period in the prior year;
- \$7.2 million in net financial revenue before credit losses and excluding mark to market gains on derivative financial instruments, resulting in a 38.5% increase compared to the same period in the prior year; and
- \$0.4 million in net loss before income taxes, due to the amortization of financing costs in one of its partnerships, an increase in net interest expense consistent with the growth of its finance receivables in the current rate environment and an increase in its provision for credit losses. In light of the overall challenging global business environment, continued high inflation, growth in finance receivables and the prospect of further interest rate increases, the Company’s provision for credit losses increased by \$6 million compared to the same period in the prior year when macroeconomic conditions were more favourable.

Subsequent to the quarter, the Company also declared a quarterly cash dividend on the outstanding common shares of \$0.0025 per common share (\$0.01 on an annualized basis), which was paid on November 10, 2022. Each such dividend qualified as an “eligible” dividend as defined in the *Income Tax Act* (Canada). The dividends were subject to customary Canadian withholding tax for shareholders that are non-resident of Canada.

Business Update

The Company’s partnerships continue to enjoy access to market financing from various Canadian lenders for any purchase of new auto loan receivables. One facility was renewed in October 2022 for \$100 million, a \$25 million increase. The funding facility used for CAR LP I will not be renewed past January 2023. Consistent with its original loan terms, and market practice for similar loan facilities, all cash flow from the partnership will repay the senior lender first, then flow to the mezzanine lender with the remaining balance flowing to the partnership equity.

Global Macroeconomic Challenges

Recent and ongoing macroeconomic global events, including global supply chain delays, the war in Ukraine, higher global inflation as well as the expectation of a continued inflationary environment coupled with rising interest rates have resulted in alternative and non-bank financial companies, such as Cliffside, facing a challenging environment in which to raise equity capital for growth. While Cliffside maintains access to funding sources, management believes that these recent macroeconomic challenges could have an adverse effect on the Company’s ability to raise new equity capital to fund future growth. Accordingly,

the recent pattern of strong growth which the Company has experienced may be difficult to maintain. Management and the Board of Directors are actively monitoring and considering available options to adjust to the current environment and will continue to explore all possibilities available to the Company.

Further information on Cliffside's financial results can be found at www.cliffsidecapital.ca.

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 its partnerships, statements with respect to the Company's ability to raise equity capital in the future, statements with respect to the expected renewals of certain debt financing facilities, the expected terms of such renewals and the anticipated use of proceeds, and the ability of management to effectively protect and grow the Company's business in light of recent and ongoing macroeconomic risks and uncertainties. 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.

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