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CLIFFSIDE CAPITAL LTD. REPORTS SECOND QUARTER 2022 FINANCIAL RESULTS AND PROVIDES BUSINESS UPDATE

TORONTO, August 26, 2022 - Cliffside Capital Ltd. (“**Cliffside**” or the “**Company**”) (TSXV: CEP) is pleased to announce financial results for the second quarter ended June 30, 2022.

The Company reported an increase of \$90.2 million or 98.2% in finance receivables, net, from \$91.9 million as at June 30, 2021 to a record high of \$182.1 million as at June 30, 2022, which generated:

- \$0.9 million of net income before taxes for the six months ended June 30, 2022;
- \$3.2 million or 55.6% increase in net interest income for the six months ended June 30, 2022, compared to the same period in the prior year; and
- \$1.3 million of adjusted net income before taxes for the six months ended June 30, 2022 (*refer to the Reconciliation of Non-IFRS Measures section on page 12 of the Q2 2022 MD&A available on www.sedar.com, for an explanation on this measure*).

During 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 August 2, 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

Notwithstanding the challenging global macroeconomic environment, the Company’s partnerships continue to have access to efficient financing from various Canadian lenders for their purchase of new auto loan receivables. Two of these facilities, are expected to be renewed for an equal or higher amount. The funding facility used for the purchase of loan receivables into another of the Company’s partnerships, known as CAR LP I has been extended through January 2023. As the mezzanine lender who participated in this funding structure does not wish to further renew their funding beyond that point, Cliffside does not expect to fund further loan receivables into that partnership and does not expect the current facility for CAR LP I to be available past January 2023., Cliffside will use its other facilities in its other partnerships for normal course monthly purchases of loan receivables.

Global Macroeconomic Challenges

Recent and ongoing macroeconomic global events, including COVID-19, 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 adequate funding sources and capital to permit it to continue current operations in a manner consistent with its business plan, 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, management believes that 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 adjusting to the current environment and will continue to explore all options 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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