

CLIFFSIDE CAPITAL LTD. REPORTS FIRST QUARTER 2023 FINANCIAL RESULTS

TORONTO, May 29, 2023 - Cliffside Capital Ltd. (“**Cliffside**” or the “**Company**”) (TSXV: CEP) is pleased to announce financial results for the first quarter of 2023. The Company reported the following:

- Growth in net interest income by 17.7% to \$4.9 million compared to Q1 2022
- Growth in net financial revenue before credit losses, excluding mark to market gain (loss) on derivative financial instrument, by 12.6% to \$2.5 million compared to Q1 2022
- Decline in net finance receivables by 4.8% to \$164.6 million compared to Q1 2022
- Provision for credit losses increased by 14% or \$0.3 million to \$2.2 million compared to Q1 2022
- Net loss before taxes of \$0.5 million for the quarter ended March 31, 2023

On December 6, 2022, the Company announced the formation of an independent committee to explore and evaluate potential strategic alternatives that may be available to the Company with the goal of maximizing value for Cliffside shareholders and other stakeholders of the Company. No decisions relating to any specific potential strategic transaction has been made and there are no assurances that any potential strategic transaction, or transactions, will result from the formation of the independent committee and the strategic review process, generally.

The Company paused acquisition of new finance receivables in Q1 2023 and also announced on February 7, 2023, that it will temporarily suspend the payment of quarterly dividends to its shareholders. This decision was made by the Board in light of the strategic review being conducted by the Independent Committee.

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 March 31, 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.

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