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CLIFFSIDE CAPITAL LTD. REPORTS 13% GROWTH IN ASSETS IN 2019

TORONTO, May 29, 2020 - Cliffside Capital Ltd. (“**Cliffside**”) (TSXV:CEP) is pleased to report results for the year ended December 31, 2019.

Cliffside acquired finance receivables of \$77 million during the year, resulting in growth in total assets of \$16 million or 13% from \$121 million in the prior year to \$137 million. The increase in total assets resulted in a corresponding increase to net interest income of \$5.1 million, which is up 59% from the prior year. Similarly, Cliffside earned net financial revenue before credit losses of \$7.5 million during the year, up from \$5.1 million in the prior year. Since inception, Cliffside has acquired 10,099 automobile loans.

Cliffside reported a net loss after income taxes of \$2.6 million for the year. The net losses were primarily a result of higher provision for credit losses due to IFRS 9 provisioning standards which require earlier recognition of future credit losses on otherwise performing receivables classified as stage 1 and elevated actual credit losses in the last two quarters of 2019. The net loss after taxes included a provision for credit losses of \$9.3 million, of which \$7.1 million was actual write-offs including collection costs.

To date, Cliffside has invested \$6.7 million in two limited partnerships, each of which invests in fully serviced non-prime automobile loans and are funded through facilities with institutional lenders. In March 2019, Cliffside successfully completed a Rights offering, raising \$3.1 million of gross proceeds to further invest in the limited partnerships and fund working capital requirements. The Company subsequently invested \$2.1 million of the proceeds raised from the rights offering in the Partnerships. As part of the rights offering, the Company granted stock warrants to the individuals who provided a guarantee to fund the offering. As a result, 2,197,000 warrants were issued and are exercisable by March 26, 2022 at an exercise price of \$0.22. Additionally, the two limited partnerships negotiated a further reduction in the purchase price of fully serviced automobile loans which will reduce the monthly deferred component payable by the partnerships. The new terms apply to all loans owned by the partnerships as of January 1, 2019, as well as all subsequent acquisitions.

On May 15, 2019, the Company announced the appointment of a new Chief Financial Officer and Secretary commencing June 20, 2019, the date of the Company's annual general meeting of shareholders.

Cliffside is targeting growth in assets under management and growth in returns, while maintaining an acceptable level of credit risk to ultimately deliver attractive yields to shareholders. Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), a pandemic, which has had a significant impact on businesses through the restrictions put in place by most governments internationally, including federal, provincial and municipal levels of Canadian government, regarding travel, business operations, social distancing and quarantine orders. These restrictions have caused significant financial market disruption and led to job losses. At this time, it is unknown to what extent the impact of the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with any degree of confidence.

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. 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; as well as volatility of Cliffside's 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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