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CLIFFSIDE CAPITAL LTD. REPORTS GROWTH IN ASSETS AND NET LOSS IN FIRST QUARTER OF 2020

TORONTO, July 13, 2020 - Cliffside Capital Ltd. (“**Cliffside**”) (TSXV:CEP) is pleased to report results for the first quarter ended March 31, 2020.

In the first quarter of 2020, Cliffside acquired Finance receivables totaling \$19.7 million, resulting in portfolio growth of \$3.2 million, or 2.4%, from December 31, 2019, to \$133.8 million. Net interest income increased by \$0.7 million, or 21.1%, to \$3.8 million compared to the first quarter of 2019. Net financial revenue before credit losses (excluding one-time gain of \$0.8 million in 2019) increased by \$0.5 million during the quarter.

Cliffside reported a net loss of \$1.5 million for the quarter, compared to net loss of \$0.1 million for the same quarter prior year. The increase in net loss of \$1.4 million results primarily from a one-time gain of \$0.8 million in 2019, which was not repeated in 2020, and the 16% growth in the portfolio, requiring a higher provision for expected credit losses under IFRS 9 on otherwise performing receivables classified as stage 1, and the potential impact of events resulting from COVID-19.

During the first quarter of 2020, Cliffside further invested \$0.8 million and the non-controlling party invested its proportionate share of \$0.3 million into the two limited partnerships. To date, Cliffside has invested \$6.7 million in two limited partnerships, each of which invests in fully serviced non-prime automobile loans which are funded through facilities with institutional lenders. 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.

Further information on Cliffside’s March 31, 2020 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.

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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