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CLIFFSIDE CAPITAL LTD. REPORTS SIGNIFICANT INCREASE IN NET INCOME AND SOLID GROWTH IN NET FINANCIAL INCOME IN SECOND QUARTER OF 2020

TORONTO, August 11, 2020 - Cliffside Capital Ltd. (“**Cliffside**”) (TSXV:CEP) is pleased to report results for the second quarter ended June 30, 2020.

For the three months ended June 30, 2020, the Company reported strong results with net income of \$1.2 million compared to net loss of \$0.2 million for the same quarter prior year. The increase in net income was primarily due to decline in provision for credit losses due to lower delinquency, lower provision on performing receivables (IFRS 9 stage 1), and higher net interest income.

“The credit quality of our loan books in the Partnerships remain strong and while the impacts of COVID-19 continue to severely affect individuals, businesses and society, in general, it is encouraging to see our business model sustain these early pressures even though uncertainty still remains high” said CEO Steve Malone.

During the second quarter of 2020, net interest income increased by \$0.2 million, or 6.9%, to \$3.6 million from the second quarter of 2019. Cliffside reported net financial revenue before credit losses of \$1.9 million during the quarter, which had increased \$0.3 million, or 16.5%, from the same quarter prior year.

The delinquency rate for the Partnerships was significantly lower as at June 30, 2020 at 4.09%, and the customer payment deferrals processed in May and June were down significantly compared to March and April. “If you look, for example, at the preceding six months before March 2020, our deferrals in May and June are actually below those pre-COVID levels. To be cautious though, there has been an abundance of government stimulus and there is still a lot of uncertainty yet to come but early into this pandemic and unprecedented times things certainly look better than I would have initially expected” said Malone.

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 June 30, 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.

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