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CLIFFSIDE CAPITAL LTD. REPORTS NET INCOME IN THIRD QUARTER OF 2020

TORONTO, November 17, 2020 - Cliffside Capital Ltd. (“**Cliffside**”) (TSXV:CEP) is pleased to report net income for the third quarter ended September 30, 2020.

For the three months ended September 30, 2020, the Company reported strong results with net income of \$1.1 million compared to net loss of \$0.6 million for the same quarter prior year. This is the second quarter in a row that the Company has reported net income of over a million. The increase in net income was primarily due to decline in provision for credit losses resulting from lower delinquency in finance receivables as of the quarter end.

For the nine months ended September 30, 2020, net interest income increased by \$0.6 million, or 6% to \$10.7 million. For the same period, Cliffside reported net financial revenue before credit losses of \$5.6 million compared to \$5.7 million in the corresponding period prior year, which also included a one-time gain of \$0.8 million.

“We’re extremely pleased with the continued demonstration of the resiliency of our business model. The underlying credit performance within the partnerships has been strong and levels of payment deferrals remain below pre-COVID levels. While the severity and impact of initial restrictions has certainly eased, there remains uncertainty within the general macroeconomic environment and we will manage carefully through this next phase remaining cautiously optimistic to build upon the momentum of our results over the last two quarters” said CEO Steve Malone.

“It’s a unique landscape where stimulus and relief programs are leading to lower repossession rates coupled with supply demand that is resulting in higher used car prices at auctions. These factors along with higher credit quality of new originations, lower funding costs, and significantly lower delinquency rates positions us well to finish 2020 on a positive note” said Malone.

Cliffside is also pleased to announce that the limited partnerships renewed their respective funding facilities with a Canadian Schedule 1 Bank and a Canadian Life Insurance Company allowing for additional funding of \$90 million through the end of June 2021. Access to additional funding enables the partnerships to continue growing their portfolios of fully serviced non-prime automobile loans, and fuels Cliffside’s strategy of building assets under management in the non-prime lending market.

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 September 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 Cliffsides' 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. Cliffsides 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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