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**CLIFFSIDE CAPITAL LTD. REPORTS STRONG NET INCOME IN SECOND QUARTER, RAISES 4.5 MILLION AT \$.20 PER SHARE SUBSEQUENT TO QUARTER END AND DECLARES A QUARTERLY CASH DIVIDEND**

TORONTO, August 30, 2021 - Cliffside Capital Ltd. (“Cliffside” or the “Company”) (TSXV: CEP) presents its results for the second quarter ended June 30, 2021.

Cliffside is pleased to announce strong financial results, despite the continued market challenges from COVID-19:

- Net income of \$0.9 million for the second quarter ended June 30, 2021.
- \$2 million year-over-year increase in net income compared to a net loss of \$0.3 million for the six months ended June 30, 2020, driven by better performance and consistent with the expected profitability of the portfolio over its life.
- 100 basis points improvement in delinquency rate (i.e. finance receivables greater than 30 days past due) from 4.09% in the second quarter of 2020 to 3.09% as at June 30, 2021.
- Provision for credit losses reduced year-over-year to \$1 million compared to \$4 million for the six months ended June 30, 2020, through a combination of slower acquisition of new finance receivables, government’s economic support for individuals and closely managing borrower performance.

Cliffside continues to monitor and respond accordingly to ongoing uncertainties created by COVID-19, a global pandemic. Management monitored its portfolio proactively for performance and credit quality, which is reflected in the Company’s strong financial results throughout this pandemic. Cliffside’s primary business of acquiring non-prime auto finance receivables remains well positioned.

Subsequent to the quarter-end, on July 14, 2021, the Company raised \$4.5 million in gross proceeds through a private placement of its common shares, at \$. 20 per share, of which it invested \$3.75 million in a newly formed special purpose private limited partnership, C.A.R. LP. As a result of the private placement, the Company issued 22,500,000 units consisting of one common share and one-quarter of one common share purchase warrant. Each full warrant is exercisable for a three-year period at \$0.20 per common share. The limited partnership was formed to acquire non-prime consumer auto loan receivables and obtained funding from a Schedule 1 Bank, a private Canadian asset management firm, and limited partners' capital. The funding structure will result in better funding costs and improved cash flows for the limited partnership.

"I am very pleased with our second quarter and year-to-date 2021 results amid uncertainties created by COVID-19. Net income, year-over-year, improved significantly, and our limited partnerships continue to perform strongly, consistent with our expectations. As evidenced by our new investment in C.A.R. LP, our focus remains on acquiring new receivables with strong risk-adjusted returns to drive long-term value for our shareholders” said CEO Steve Malone.

Cliffside also announces today that its Board of Directors has declared a quarterly cash dividend on the outstanding Common Shares of \$0.0025 per Common Share (or \$0.01 on an annualized basis). The dividend is payable on November 1, 2021 to holders of Common Shares of record at the close of business on Oct 1, 2021. The dividend on Common Shares is an "eligible dividend" for Canadian income tax purposes.

Cliffside looks to grow its asset base and net interest margin by closely managing its credit exposure, costs, and net interest expense.

Further information on Cliffside's financial results can be found at [www.cliffsidecapital.ca](http://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](http://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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