

## **Callidus Capital Special Committee Responds to Braslyn's Announcement of a Non-Binding Proposal to Acquire Callidus Shares**

TORONTO, Dec. 6, 2018 /CNW/ - The Special Committee (the "Special Committee") of the Board of Directors of Callidus Capital Corporation ("Callidus" or the "Company") (TSX:CBL) acknowledges today's announcement by Braslyn Ltd. ("Braslyn") that Braslyn submitted a non-binding proposal ("Proposal") to the Special Committee to acquire all the outstanding publicly traded Common Shares of the Company not already owned by Braslyn and Catalyst Capital Group Inc. ("CCGI") or funds managed by it for \$2.00 per share in cash by way of a board supported plan of arrangement.

The Special Committee consists of David Sutin (Chair), Bradley Ashley and Tibor Donath, each of whom is an independent director and is not a representative of CCGI. The Special Committee has been in the process of reviewing, discussing and negotiating the Proposal with Braslyn since receiving it on November 28, 2018. The Special Committee was established in connection with the previously announced process of soliciting privatization proposals for the Company. The Special Committee intends to continue to pursue discussion of the Proposal with Braslyn as well as all available alternatives to achieve a transaction that is in Callidus' best interest and maximizes value for its shareholders.

The Proposal is not a binding agreement. The Proposal is for a board supported plan of arrangement, which would require that Callidus enter into an agreement respecting the proposed transaction with Braslyn. The Special Committee will have oversight of the negotiation of the terms of the transaction and any such agreement. The Proposal is subject to conditions, including, among other things, the negotiation and execution of rollover and support agreements with CCGI. There can be no assurance that any binding agreement will be entered into by Callidus with Braslyn or, if entered into, that any conditions in favour of Braslyn will be satisfied or that Braslyn will complete any transaction.

To the Company's knowledge, investment funds managed and controlled by CCGI and its affiliates beneficially own 41,255,776 or approximately 72% of the outstanding Common Shares (such funds, CCGI and its affiliates collectively referred to as "Catalyst").

Any plan of arrangement or similar transaction entered into by Callidus with Braslyn would require approval by the affirmative vote of (a) at least 66  $\frac{2}{3}$ % of the votes cast by the holders of Common Shares, present in person or represented by proxy at a meeting of shareholders and (b) pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), a majority of the votes cast by holders of Common Shares present in person or represented by proxy at such meeting, other than (i) interested parties, (ii) any related party of an interested party and (iii) any person that is a "joint actor" (as defined in MI 61-101) with any of the foregoing (referred to as a "minority approval"). The votes attaching to Common Shares held by Braslyn and Catalyst and their respective affiliated entities, and the directors and senior officers of any such entities, would be excluded from such a minority approval.

If an agreement to undertake a plan of arrangement or similar transaction is entered into by Callidus with Braslyn a formal valuation of the Common Shares is required to be prepared by an "independent valuator" as defined in MI 61-101. The Special Committee engaged Blair Franklin Capital Partners Inc. on July 23, 2018 for the purpose of preparing a formal valuation if required.

Shareholders will be notified of any binding agreement entered into by Callidus with Braslyn through a news release in accordance with applicable securities laws.

### **Cautionary Statement Regarding Forward Looking Information**

Certain of the statements made and information contained herein, other than statements of historical fact and historical information, is "forward-looking information" within the meaning of applicable securities laws. Implicit in that information are assumptions and expectations which, although considered reasonable by us, may prove to be incorrect. Actual future outcomes and results, including whether a binding agreement is reached with Braslyn or any other party, whether a transaction and the definitive documentation relating thereto are agreed to by the parties and whether the conditions relating to such transaction are satisfied, are subject to a number of risks and uncertainties, including the risk that the terms of a transaction and related agreements cannot be achieved; the risk that conditions of any transaction agreement, including obtaining minority approval of the transaction and the absence of any material adverse change, are not satisfied; risks related to the state of the economy and the capital markets; and other risks and uncertainties referred to in the Annual Information Form of the Company dated April 2, 2018 filed on SEDAR. Accordingly, actual future outcomes and results could differ materially from what is currently proposed or planned as described herein. Readers should not place undue reliance on forward-looking statements. Callidus disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

### **About Callidus Capital Corporation**

Established in 2003, Callidus Capital Corporation is a Canadian company that specializes in innovative and creative financing solutions for companies that are unable to obtain adequate financing from conventional lending institutions. Unlike conventional lending institutions who demand a long list of covenants and make credit decisions based on cash flow and projections, Callidus credit facilities have few, if any, covenants and are based on the value of the borrower's assets, its enterprise value and borrowing needs. Further information is available on our website, [www.calliduscapital.ca](http://www.calliduscapital.ca).

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For further information: Investor Relations | (416) 945-3240 | [investor@calliduscapital.ca](mailto:investor@calliduscapital.ca)

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<http://www.calliduscapital.ca/2018-12-06-Callidus-Capital-Special-Committee-Responds-to-Braslyns-Announcement-of-a-Non-Binding-Proposal-to-Acquire-Callidus-Shares>