

Callidus Capital Reports First Quarter 2019 Results

All amounts in Canadian dollars unless otherwise indicated.

TORONTO, May 15, 2019 /CNW/ - Callidus Capital Corporation (TSX:CBL) (the "Company" or "Callidus") today announced its financial and operating results for the first quarter (unaudited) ended March 31, 2019.

Highlights

- In January 2019, the Company successfully closed the previously announced sale of the commodity division of C&C Resources Inc. for all-cash consideration of approximately \$100 million. A significant portion of the proceeds from the sale were used to pay down the senior debt and collateralized loan obligation.
- In March 2019, the Company entered into an agreement with certain Catalyst Limited Partner Funds ("Catalyst Funds") managed by The Catalyst Capital Group Inc. ("CCGI"), related to the extension and modification of certain credit facilities. As a result of this agreement, in March 2019, the Company recognized a fair value adjustment of \$41.0 million in the statement of changes in equity related to the modification of the subordinated bridge facility. In addition, in March 2019, Company converted \$25.5 million of the subordinated bridge facility into \$25.5 million of 9.5% cumulative, redeemable, non-voting preference shares to maintain a minimum shareholders' equity of \$20 million.
- The leverage ratio decreased from 39.0% at December 31, 2018 to 32.2% at March 31, 2019 due to the reduction of the subordinated bridge facility, the substantial repayment of the senior debt and partial repayment of the collateralized loan obligation.
- Provision for loan losses for the quarter of \$1.8 million was recorded in the statements of income compared to \$15.0 million in the same period last year.
- The Company recorded a net loss of \$24.7 million for the quarter compared to a loss of \$7.0 million in the same period last year.
- Loss per share for the quarter of \$0.43 compared to a loss of \$0.13 in the same period last year.
- The Company and The Catalyst Capital Group Inc. have recently undertaken further discussions with Braslyn Ltd. regarding the specific terms of a privatization transaction. The Company and Braslyn Ltd. intend to undertake further discussions regarding terms and price of such a potential transaction, and accordingly, there can be no assurance that the terms of a transaction will be agreed, or if agreed, of the price at which such a transaction would be undertaken.

For more information, please refer to the Company's unaudited condensed consolidated interim financial statements and management discussion and analysis for the period ended March 31, 2019 filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

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.

SOURCE Callidus Capital Corporation

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<http://www.calliduscapital.ca/2019-05-15-Callidus-Capital-Reports-First-Quarter-2019-Results>