

Callidus Statement Regarding Allegations in The Wall Street Journal

TORONTO, Aug. 9, 2017 /CNW/ - Callidus Capital Corporation (the "Company" or "Callidus") today provided the statement below in response to media reports containing allegations regarding the Company and its majority shareholder, The Catalyst Capital Group Inc. ("Catalyst").

The Wall Street Journal today published allegations about Callidus and Catalyst that are completely false. Callidus is particularly concerned that the Wall Street Journal chose to publish these allegations after a comprehensive briefing held with them on August 8, 2017. For example, as part of that meeting it was made clear that the treatment of the Catalyst guarantee for Callidus loans made to Xchange Technology Group was in accordance with all applicable accounting requirements. As well, full disclosure was contained in both Catalyst's financial reports to its limited partners and through Callidus public disclosures on an ongoing basis. The accounting treatment and disclosure were entirely appropriate and there is no basis for allegations to the contrary, facts the Wall Street Journal chose to ignore.

These allegations presented are primarily based on anonymous sources and are believed to have been initiated by individuals against whom Callidus has current litigation relating to the enforcement of guaranties. Those individuals have already had the opportunity to present their allegations in court without success. That is because the allegations are false. The Company also knows that those individuals have been peddling the same false allegations to at least one other media outlet, without result.

As a dynamic alternative lender, Callidus takes on risks that most Canadian lenders shy away from. Callidus has helped over one hundred companies with access to capital – capital that would otherwise not have been available and that they needed to keep their businesses in operation. The Company's success in supporting companies facing significant challenges year after year speaks for itself.

Not surprisingly, the nature of Callidus' loan portfolio may involve litigation. Importantly, there has never been a judgment or finding by any court in North America questioning the standards and ethics by which Callidus underwrites or enforces its loans.

The Company knows of no legitimate basis for any whistleblower complaint. It is extraordinary that the press has been given copies of confidential whistleblower reports that neither Callidus nor Catalyst has ever seen. This is an effort by short sellers and others who are attempting to manipulate the market by making false allegations. Once made aware of these reports by the media, the Company proactively met with various authorities to discuss these matters in detail.

Callidus believes that those individuals, having failed in court, are filing deliberately misleading whistleblower reports with the OSC so that they can then leak them to the press in the hope that the press will publish the allegations. As a result, the media and public markets are misled and the legitimate OSC 'whistleblower' process is exploited for personal advantage, and to do damage to the market value of Callidus, and to the reputation, operations and investments of its majority shareholder, Catalyst.

Any abuse of the 'whistleblower' process is a very serious matter that has significant consequences. For that reason, Callidus believes that it is the actions of those individuals that warrants investigation.

Forward-Looking Statements

Certain statements made herein contain forward-looking information. Although Callidus believes these statements to be reasonable, the assumptions upon which they are based may prove to be incorrect. Furthermore, the forward-looking statements contained in this press release are made as at the date of this press release and Callidus does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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. Callidus employs a proprietary system of monitoring collateral and exercising control over the cash inflows and outflows of each borrower, enabling Callidus to very effectively manage risk of loss. Further information is available on our website, www.calliduscapital.ca.

SOURCE Callidus Capital Corporation

For further information: David Reese | (416) 945-3016 | dreese@calliduscapital.ca

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