

Difference Capital Reports Third Quarter 2018 Results

TORONTO, Nov. 14, 2018 -- **Difference Capital Financial Inc. ("DCF" or the "Company") (TSX:DCF)**, today reported its financial results for third quarter ended September 30, 2018.

Q3 2018 Highlights

- The portfolio produced a gross gain of \$0.1 million during the quarter, primarily due to the marked-to-market gains of publicly listed investments of \$0.3 million, offset in part by unrealized loss on foreign exchange of \$0.3 million.
- On July 31, 2018 the Company repaid the remaining \$14.2 million of its outstanding principal amount its 8% convertible unsecured debentures, plus the final semi-annual coupon payment of \$0.6 million.
- Net asset value¹ per share as at September 30, 2018 decreased to \$6.58, compared to \$6.72 at June 30, 2018, and \$7.04 at September 30, 2017.
- Net loss for the quarter was \$0.8 million or \$0.15 per share, compared to a net loss of \$1.9 million or \$0.33 per share for the second quarter of 2018 and a loss of \$4.1 million or \$0.70 per share for the third quarter of 2017.

<i>(figures are in \$000 except per share amounts and shares outstanding)</i>	Q3 2018	Q2 2018	Q3 2017
Net gain (loss) on investments and marketable securities	108	(812)	(2,902)
Other income	22	280	366
Total Portfolio Contribution	130	(532)	1,102
Total expenses	(963)	(1,393)	(2,536)
Net income (loss)	(833)	(1,925)	(4,088)
Earnings (loss) per share	(0.15)	(0.33)	(0.70)
Total assets	59,024	67,641	69,864
Total liabilities	20,736	28,524	28,881
Net asset value	38,288	39,117	40,983
Shares outstanding	5,815	5,817	5,819
Net asset value⁽¹⁾ per share	6.58	6.72	7.04
Share price	2.75	3.10	3.30

Third Quarter Financial Results

Net loss for the quarter ended September 30, 2018 was \$0.8 million, or \$0.15 per share compared to a net loss of \$4.1 million, or \$0.70 per share for the quarter ended September 30, 2017 and a net loss of \$1.9 million, or \$0.33 per share for the quarter ended June 30, 2018.

During the three months ended September 30, 2018, the Company recorded a total portfolio gain of \$0.1 million. The portfolio gain was primarily due to the marked-to-market gains of publicly listed investments, including Mogo Finance Technology ("Mogo") of \$0.3 million, offset in part by unrealized loss on foreign exchange of \$0.3 million.

Total expenses for the quarter ended June 30, 2018 were \$1.0 million, compared to \$1.6 million for the same quarter in 2017 and \$1.4 million in the previous quarter.

Because DCF accounts for its investments as fair value through profit or loss, it does not consolidate its subsidiaries into its statement of financial position. As a consequence, DCF's liabilities of \$20.7 million include inter-company debt of \$13.8 million, and actual third-party liabilities amount to \$6.9 million.

Corporate Update

Subsequent to September 30, 2018, the Company and Tom Astle came to a mutual agreement that his employment would end as at March 31, 2019. Mr. Astle will continue to work on the investment portfolio with the balance of the team and will remain Acting Chief Financial Officer until his departure. Tom Liston, Managing Partner, assumes the role of Chief Investment Officer of Difference Capital.

Effective November 7, 2018, the Company's auditors have been transitioned from Ernst & Young LLP to MNP LLP.

Net investable assets have declined significantly since June 15, 2018, primarily due to the \$29.2 million repayment of the Company's Convertible Debentures that was primarily funded through the successful monetization of several investments. With

the decline in asset base, the Company has sought to reduce its expenses in general and particularly its compensation expense.

Please refer to the section regarding forward-looking statements which form an integral part of this release. These results, along with the audited financial statements and the Company's MD&A, are available on the Company's website at www.differencecapital.com and on SEDAR at www.sedar.com.

About Difference Capital Financial Inc.

Difference Capital Financial Inc. invests in and advises growth companies. We leverage our capital market expertise to help unlock value in technology, media and healthcare companies as they approach important milestones in their business lifecycle.

Caution Regarding Forward-Looking Statements

Certain statements contained in this press release may be deemed "forward-looking statements." Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential," "scheduled," "will seek," and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur. Although DCF believes that the expectations reflected in those forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release. DCF undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

¹ Net asset value ("NAV") is a non-IFRS financial measure and is calculated by subtracting the aggregate fair value of the liabilities of the Company from the aggregate fair value of its assets. Net asset value per share is calculated by dividing NAV by the number of common shares outstanding as at the measurement date. The term net asset value per share does not have any standardized meaning according to IFRS and therefore may not be comparable to similar measures presented by other companies.

Contact Information

Henry Kneis
Chief Executive Officer
416 649 5090
www.differencecapital.com