

Initial Public Offering

April 15, 2014

CALLIDUS
CAPITAL

A final prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the final prospectus, and any amendment, is required to be delivered with this document. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Disclaimers

Prospective purchasers should rely only on the information contained in the final prospectus dated April 15, 2014 (the “final prospectus”). This presentation is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in the final prospectus. Neither the Company nor any of the Underwriters has authorized anyone to provide prospective purchasers with different or additional information. If anyone provides prospective purchasers with additional or different or inconsistent information, including information or statements in media articles about the Company, prospective purchasers should not rely on it. Prospective purchasers should not assume that the information contained in this document is accurate as of any date other than the date of the final prospectus, or where information is stated to be as of a date other than the date of the final prospectus, such other applicable date. No securities regulatory authority has expressed an opinion about the securities described herein and it is an offence to claim otherwise. **An investment in the securities described herein is speculative and involves a high degree of risk. An investment in the securities described herein is also subject to a number of risks that should be considered by a prospective purchaser. Prospective purchasers should carefully consider the risk factors described under “Risk Factors” in the final prospectus and other information included in the final prospectus before purchasing the securities described herein.**

The Company is not offering, or soliciting offers to acquire, the securities described herein in any jurisdiction in which such offer or solicitation is not permitted. For prospective purchasers outside Canada, neither the Company nor the Underwriters have done anything that would permit the offering or distribution of this document together with the final prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Prospective purchasers are required to inform themselves about and to observe any restrictions relating to the offering and the distribution of this document and of the final prospectus. In this presentation, all amounts are in Canadian dollars, unless otherwise indicated. Terms undefined herein have the meanings ascribed to them in the final prospectus.

Forward-Looking Information

This document contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Such forward-looking information includes, forward-looking statements regarding Callidus and the industries in which it operates, including statements about, among other things, expectations, beliefs, plans, future loans and origination, business and acquisition strategies, opportunities, objectives, prospects, assumptions, including those related to trends and prospects and future events and performance. Sentences and phrases containing or modified by words such as “anticipate”, “plan”, “continue”, “estimate”, “intend”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targets”, “projects”, “is designed to”, “strategy”, “should”, “believe”, “contemplate” and similar expressions, and the negative of such expressions, are not historical facts and are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. Forward-looking statements are based on information available at the time and/or management’s expectations with respect to future events that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements.

Specific forward-looking statements contained in this document include, among others, statements, management’s beliefs, expectations or intentions regarding the following: the completion of the Pre-Closing Transactions; the completion and closing of the Offering and the timing thereof; the use of proceeds of the Offering; Callidus’ expected growth, including organic growth in the Canadian market; through acquisitions; expansion of the ‘Callidus Lite’ loan product; through expansion into the United States; and the purchase of Loan Assets from the Catalyst Funds; the targeted Gross Yields of the Callidus and ‘Callidus Lite’ loans; the expected number of Grants to be offered pursuant to the Incentive Plan; funding pursuant to the Participation Agreement; funding pursuant to the Second Credit Agreement; the relationships between Callidus, CCGI and the Catalyst Funds, including in respect of the Debenture Repayment Agreement, the Participation Agreement and the Management Services Agreement; and the amount of dividends expected to be paid, or ability to pay any dividends.

In making the forward-looking statements in the final prospectus, the Corporation has made assumptions regarding: general economic conditions, reliance on debt financing, funding pursuant to the Participation Agreement, interest rates, continued lack of ABL regulation, continued operation of key systems, debt service, the expectation that the number of industry competitors in Callidus’ marketplace will continue to decline, bank lending to mid-market companies will continue to be constrained for at least several years, future capital needs, retention of key employees, adequate management of conflicts of interests, continued performance of the Loan Portfolio and solvency of borrowers, limited loan prepayment, effective use of leverage, and such other risks or factors described in this prospectus and from time to time in public disclosure documents of Callidus that are filed with securities regulatory authorities.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indicators of whether such events, performance or results will be achieved. Forward-looking statements are based on information available at the time and/or management’s expectations with respect to future events that involve a number of risks and uncertainties. Any forward-looking information concerning prospective results of operations, financial position, expectations of cash flows and future cash flows is based upon assumptions about future results, economic conditions and courses of action and is presented for the purpose of providing prospective purchasers with a more complete perspective on Callidus’ present and planned future operations. Such information may not be appropriate for other purposes and actual results may differ materially from those anticipated in such forward-looking statements.

Non-IFRS Measures

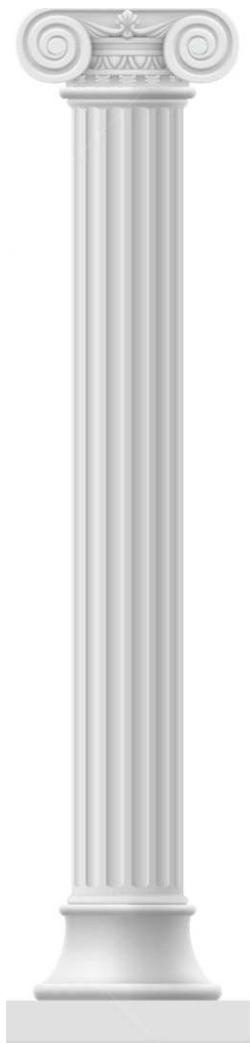
This document contains references to certain non-IFRS measures. Gross yield (“Gross Yield”), average loan portfolio outstanding (“Average Loan Portfolio Outstanding”), net income before interest expense & fees, income tax expense, and foreign exchange gain/loss (“EBITDA”), EBITDA adjusted for non-cash expenses (“Adjusted EBITDA”) and gross loans receivable (“Gross Loans Receivable”) (collectively, the “Non-IFRS Measures”), each of which is not a generally accepted accounting measure under IFRS and therefore may differ from definitions of such terms used by other entities. Management believes that the Non-IFRS Measures are useful supplemental measures as more particularly described on slide 31. Please see slide 31 for the description, definition and reconciliation of Non-IFRS Measures used in this presentation.

The Non-IFRS Measures should not be considered as the sole measure of the Corporation’s performance and should not be considered in isolation from, or as a substitute for, analysis of the Corporation’s financial statements. Please refer to the sections entitled “Selected Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the final prospectus for further information.

The final prospectus constitutes a public offering of securities only in those jurisdictions where such securities may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered thereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws and, subject to certain exceptions, may not be offered or sold in the United States.

In connection with the Offering, the Underwriters may, subject to applicable law, over-allot or effect transactions that stabilize or maintain the market price of Common Shares at levels other than those which otherwise might prevail on the open market. The Underwriters may offer Offered Shares at a price lower than the Offering Price. Any such reduction in price will not affect the proceeds received by the Callidus. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution” in the final prospectus for further information.

Agenda



- I. Introduction**
- II. Competitive Strengths**
- III. Attractive Growth Opportunities**
- IV. IPO Terms**
- V. Conclusion**

Presenters

Newton Glassman

CEO of Callidus Capital, Founder & Managing Partner of Catalyst Capital

- Over 22 years experience in private equity, distressed, ABL and under-valued situations in Canada
- Former Managing Director at Cerberus, which owned Ableco Finance
- Previously held operational, strategic, and financial roles at several firms
- M.B.A. from Wharton School of Business; undergraduate and law degrees from University of Toronto

David Reese

COO of Callidus Capital

- 30 years experience in building and managing teams focused on providing structured debt solutions
- Worked in corporate and investment banking with several Canadian and international financial institutions, including a structured credit boutique that he co-founded
- M.B.A., Richard Ivey School of Business; B.A., Queen's University



I. Introduction

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Company Snapshot

Specialty Asset-Based Lender

- Focus on Canadian and select U.S. companies
- Target borrowers unable to obtain traditional debt
- Gross Loans Receivables of \$471 million^{1,2}

Value-Based Lending

- First lien, senior secured, fully collateralized
- Actively monitor loans and collateral

Flexible & Innovative Loan Structuring

- Cash and collateral controls resulting in limited or no covenants
- Tailored to borrowers' needs

Strong Track Record

- Gross Yields of ~20%^{2,3}
- 57% CAGR in Loan Portfolio⁴
- No Realized Losses⁵

High Degree of Expertise

- In-house team and proprietary systems
- Ongoing, hands-on approach
- Highly stream-lined credit approval process

1. On a consolidated basis, as of April 10, 2014. Please see slide 31 for further detail
2. Non-IFRS measure. Please see slide 31 for further detail
3. Since 2010

4. Since 2011
5. Since 2011; on principal after consideration of liquidated collateral and costs to settle

Diversified Portfolio

Key Facts & Figures¹

\$471MM
Gross Loans
Receivable^{2,3,4}

57% CAGR
In Loan Portfolio
Since 2011

19
Loans

\$75MM
Largest Loan
Commitment

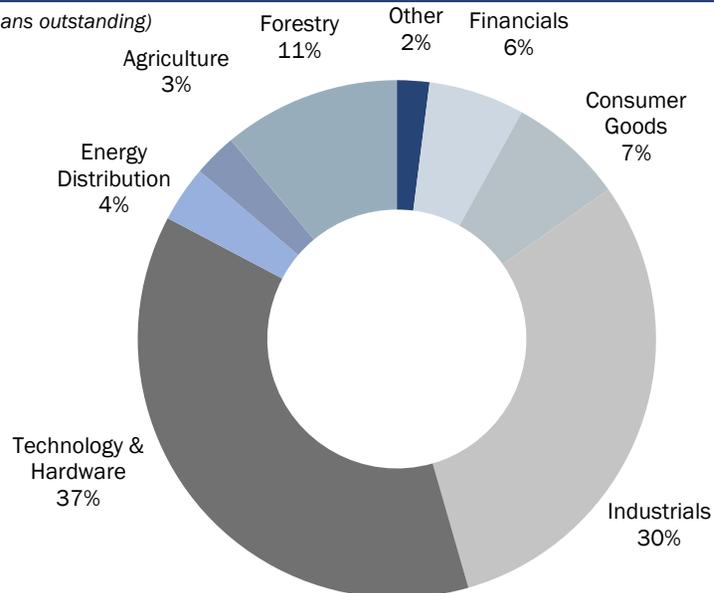
\$4MM
Smallest Loan
Commitment

\$20MM
Average
Loan Funded

5
Identified Areas
of Growth

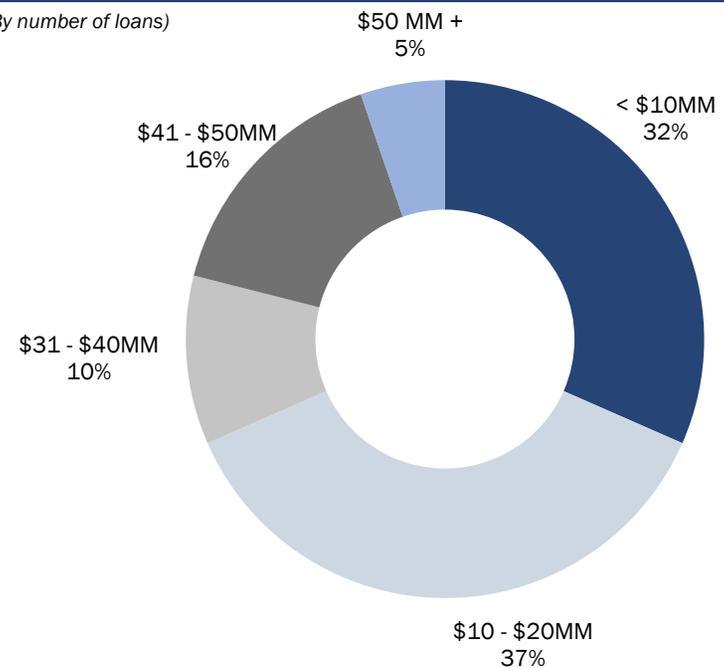
Gross Loans Receivable by Borrower Sector¹

(By C\$ loans outstanding)



Loan Portfolio by Amount Funded¹

(By number of loans)



1. As at December 31, 2013; except \$471MM of Gross Loans Receivable which is as at April 10, 2014
2. Net loans receivables, plus (i) discounted facilities (ii) provisions for loan losses and (iii) assets held for sale
3. Non-IFRS measure. Please see slide 31 for further detail
4. Amount expected at closing on a consolidated basis please see slide 31 for further detail

Support from Catalyst Capital Group

***Catalyst and Callidus are aligned;
Catalyst Funds have provided all equity funding to date - however
outside capital is needed to continue and accelerate growth***

Alignment of Interests

1) Catalyst Funds

- Majority ownership post IPO
- Current and future alignment as a result of structure for participation in current and future loans
- Principal Protection on acquired loans assured via guarantee by Catalyst Funds¹

2) Non-compete of at least 5 years

- Catalyst Capital Group Inc. (“CCGI”) and current and future Catalyst Funds

3) CCGI

- CCGI converting its carry in CCGI managed funds to shares
- Subject to a lock-up of a minimum of 2 years

4) Involvement of CCGI Executives

- Newton Glassman (Founder & Managing Partner of Catalyst)
- Jim Riley (COO of Catalyst)

The Catalyst Capital Group Inc.

Toronto-based private equity firm

\$3.0+ billion AUM

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1. Catalyst will guarantee the principal portion of any loans existing at IPO, or the pro rata share of loans acquired from Catalyst by Callidus post IPO, where proceedings are in progress or are initiated prior to renewal.



II. Competitive Strengths

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Competitive Strengths

1.

Unique and Differentiated Business Model

2.

Market Opportunity

3.

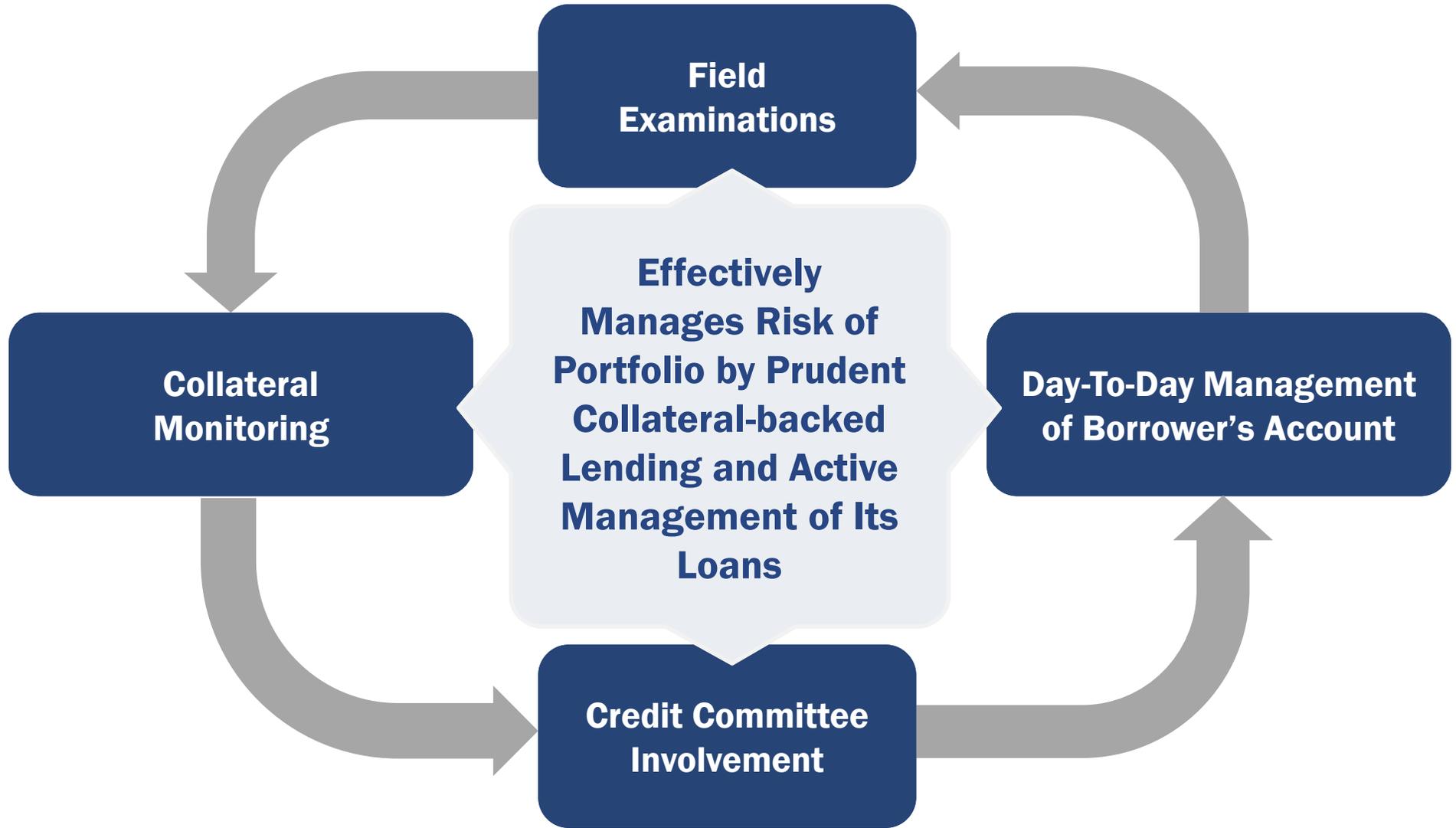
Strong Track Record with Significant Returns

4.

Experienced Management Team

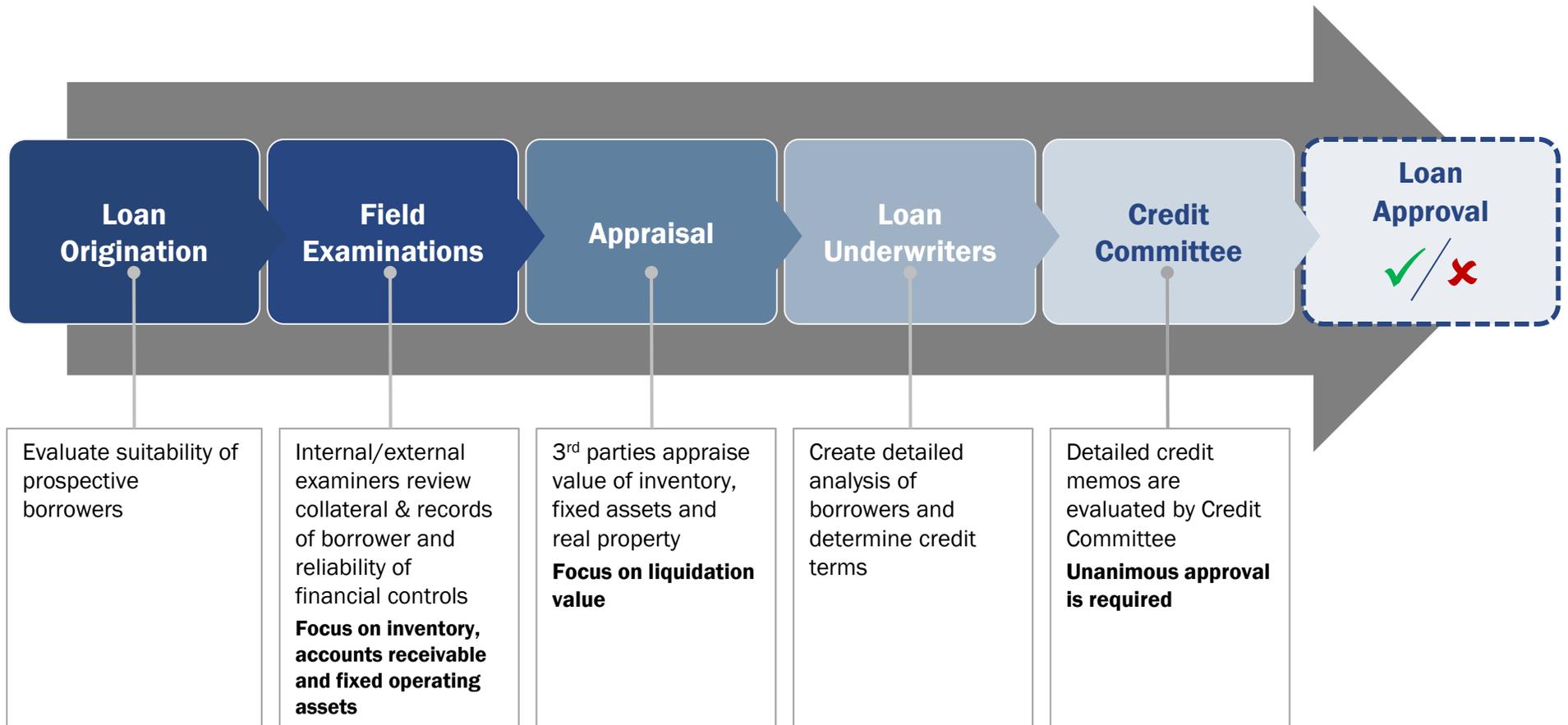
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1. Differentiated Business Model – Active Management



1. Differentiated Business Model – Lending Review

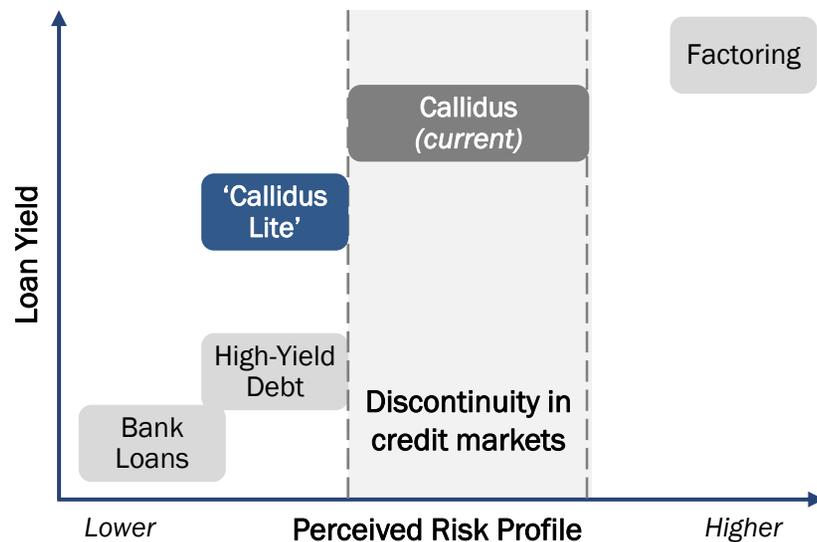
Comprehensive due diligence executed efficiently



2. Market Opportunity – Unique Positioning

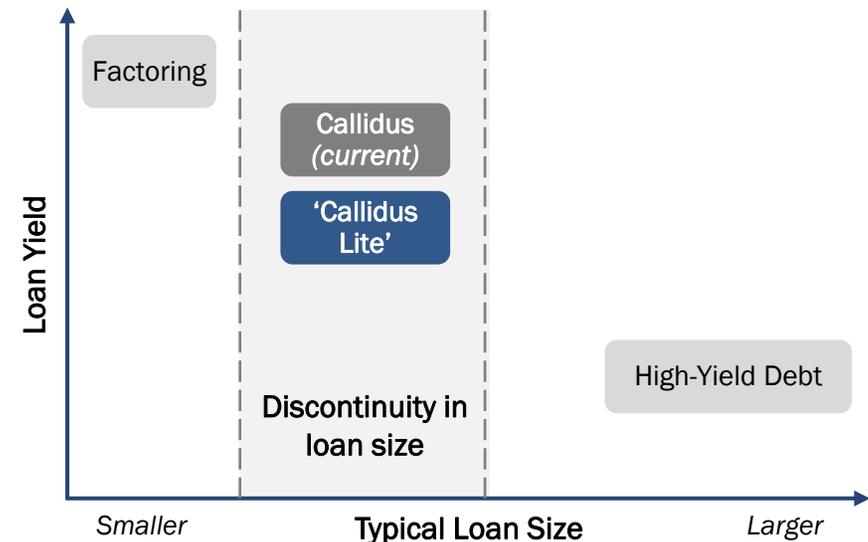
- Market niche, underserved by existing financial institutions
- Few competitors
- Requires in-house expertise, systems and access to capital

Credit Market Positioning



Callidus generates a higher return relative to perceived risk of its loans

Typical Loan Size



Mid-cap companies have fewer credit options

2. Market Opportunity – ABL Landscape

	Interest Rate	Covenants	Deal Size	Scope of Canadian Market
ABL Groups of Large FIs	L + 3% - 6%	Performance covenants	\$5MM to \$100MM+	~10 active participants
Current Callidus Offering	~20%	Demand loans, covenant light	\$5MM to \$50MM; up to \$100MM	4 known competitors ~\$1B market opportunity
'Callidus Lite'	~14%	Demand loans, covenant light	\$5MM to \$50MM; up to \$100MM	1 known competitor Incremental market opportunity
Factoring Companies	Over 20% with "Purchase discount"	na	\$1MM to \$5MM; up to \$10MM	Fragmented industry

Callidus delivers a unique product with few competing alternatives

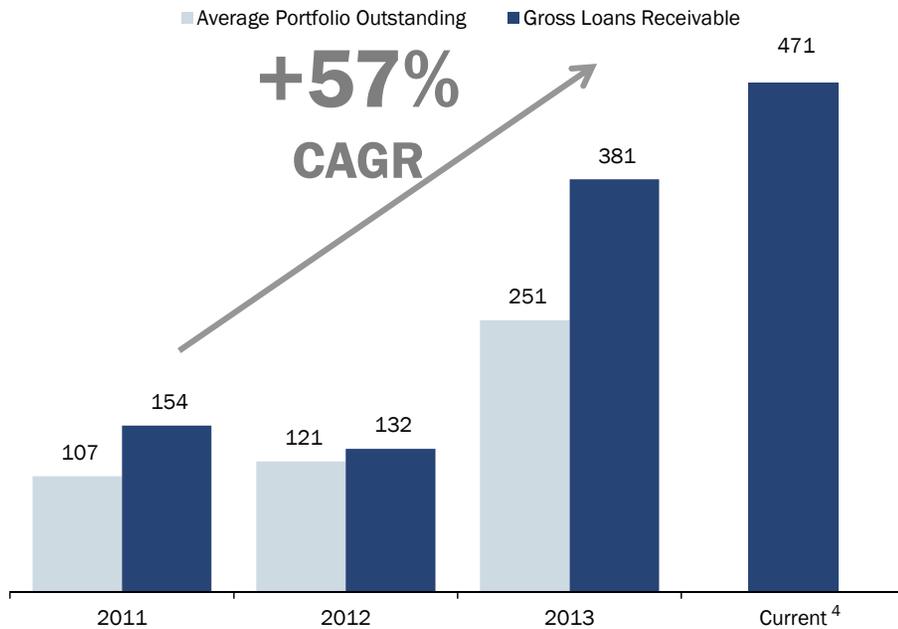
Source: Based on management's current understanding and knowledge of the ABL industry

3. Strong Track Record – Loan Growth and Gross Yield

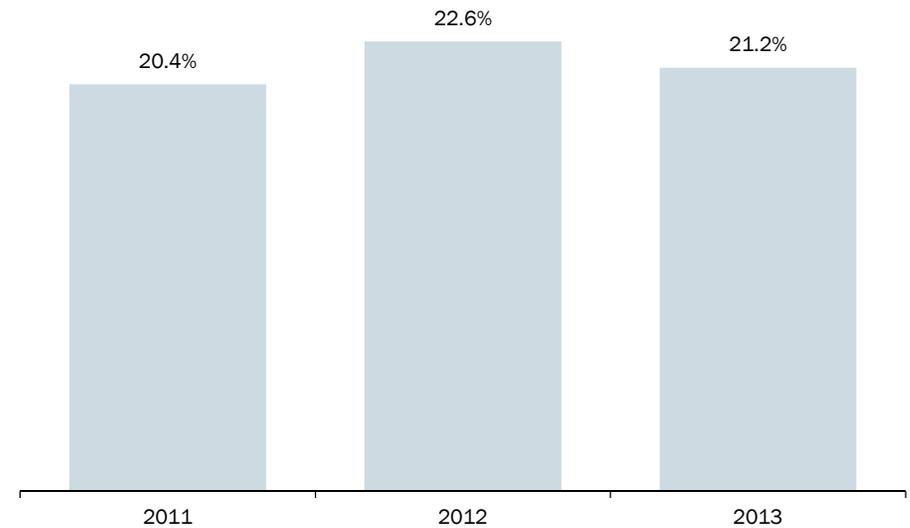
**Consistently generated ~20% gross yield^{1,2} historically;
no realized losses since 2011³**

Loan Assets

(C\$ millions – FYE Dec. 31)



Historical Gross Yield²



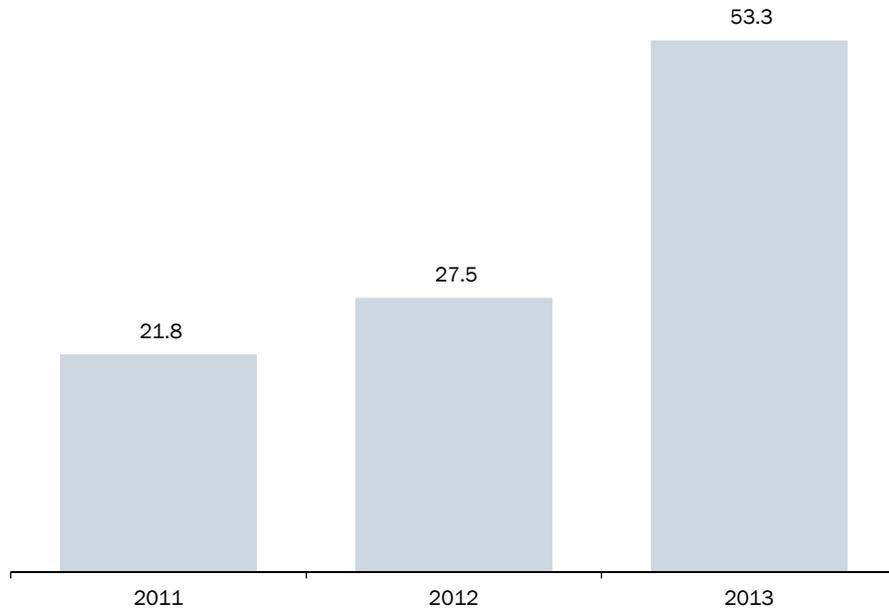
1. On funds advanced since 2010
2. Non-IFRS measure. Please see slide 31 for further detail
3. On principal after consideration of liquidated collateral and costs to settle from 2011 until 2013
4. As at April 10, 2014. Please see slide 31 for further detail

3. Strong Track Record – Growing Revenue & EBITDA

Stable and growing EBITDA margin

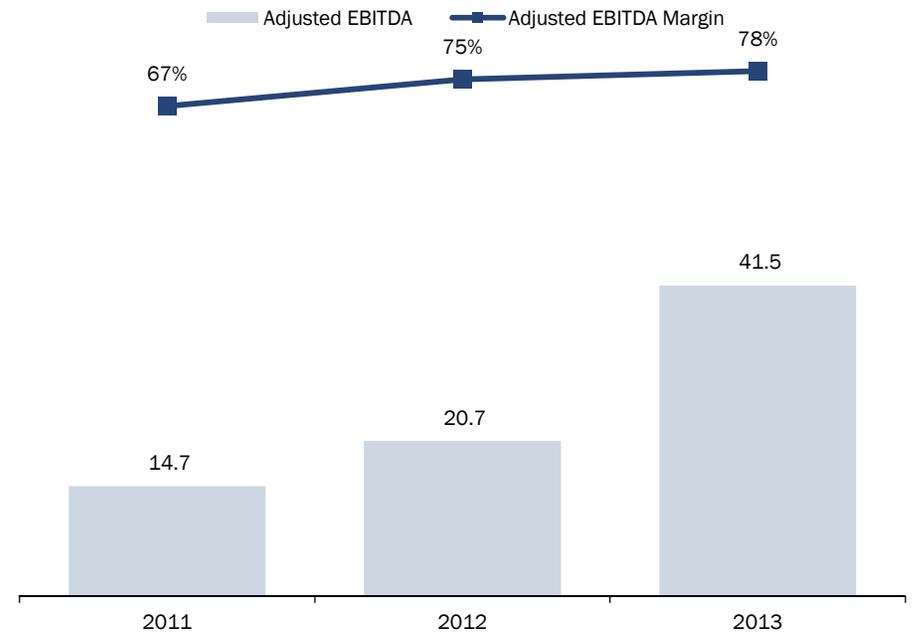
Revenue

(C\$ millions – FYE Dec. 31)



Adjusted EBITDA¹ & Adjusted EBITDA Margin¹

(C\$ millions – FYE Dec. 31)



1. Non-IFRS measure. Please see slide 31 for further detail

4. Experienced Management Team

Management	Profile
Newton Glassman <i>Executive Chairman & Chief Executive Officer</i>	<ul style="list-style-type: none"> Over 22 years experience in private equity, distressed, ABL and under-valued situations in Canada Former Managing Director at Cerberus, which owned Ableco Finance Previously held operational, strategic, and financial roles at several firms
David Reese <i>Chief Operating Officer</i>	<ul style="list-style-type: none"> 30 years experience in building and managing teams focused on providing structured debt solutions Worked in corporate and investment banking with several Canadian and international financial institutions, including a structured credit boutique that he co-founded
Jim Riley <i>Secretary</i>	<ul style="list-style-type: none"> Managing Director and COO of CCGI, joined in 2011 Former partner and co-chair of Banking and Finance Law Group at Goodmans LLP Prior to Goodmans, was a founding partner of Toronto office of Ogilvy Renault (now Norton Rose Fulbright)
Dan Nohdomi <i>Chief Financial Officer</i>	<ul style="list-style-type: none"> Former CFO of Greypoint Capital, a private debt fund based in Toronto, which he assisted in founding Former Corporate Treasurer of Western Forest Products (publicly traded Brookfield Asset Management portfolio company)
Craig Boyer <i>VP, Portfolio Management</i>	<ul style="list-style-type: none"> Extensive experience at the senior management level in both banking and industry Former Vice President, Underwriting at a Canadian chartered bank's ABL group
Jim Hall <i>VP, Portfolio Management</i>	<ul style="list-style-type: none"> Significant experience, knowledge and expertise in portfolio and investment management, high-risk banking, and challenging business operations and organizational situations Currently a director of Indigo Books & Music Inc., Immunovaccine Inc. and Atomic Energy of Canada Limited
Mark Wilk <i>VP, Origination</i>	<ul style="list-style-type: none"> Over 20 years of experience in providing financing solutions to companies in the U.S. and Canada Director of Association for Corporate Growth (Toronto Chapter) and member of Turnaround Management Association
Duane Morrison <i>VP, Origination</i>	<ul style="list-style-type: none"> Previously spent 10 years at Roynat Capital (merchant banking arm of a Canadian chartered bank), most recently as leader of Southwestern Ontario team in originating, underwriting and monitoring transactions



III. Attractive Growth Opportunities

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Attractive Growth Opportunities

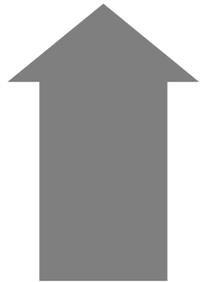
Access to capital unlocks several actionable growth opportunities; #1-#3 part of our current operations; #4 beta tested successfully and can be pursued more broadly; #5 contractually in place with IPO

	Initiative	Opportunity
1	Substantial organic growth in Canada	Estimated \$1 billion market opportunity ¹
2	New products and markets <i>Product extension for lower perceived risk borrowers</i>	Incremental Market Opportunity
3	Target U.S. growth <i>Callidus & Catalyst both have investment experience in the U.S.</i>	Expand on previous success and benefit from regulatory and other dynamics
4	Acquisition of loan portfolios <i>Public company status may increase Callidus' profile</i>	Access to capital to execute on opportunities
5	Right to acquire interest in loan assets from Catalyst Funds <i>Exclusive legal right to acquire loans at par</i>	Acquisition of additional interest; \$50 million initially available after IPO

1. Based on management's current understanding and knowledge of the ABL industry

1. Substantial Organic Growth in Canada

Today: **\$300 million** pipeline of potential new loans



Originators

Loan Officers

Loan Size

- **Now:** 2 originators in Toronto
- **Plan:** hire additional originators with at least separate representation in western Canada and Quebec
- Targeted \$50 - \$150 million of net new loan growth per year, per originator
- \$100 million of net new loan growth = ~\$11 million in incremental net income¹
- Expand geographic reach
- Continued increase in average loan funded

Callidus' Geographic Expansion



Source: Based on management's current understanding and knowledge of the ABL industry

1. Non-IFRS measure, some of the information contained on this slide may be considered to be a financial outlook within the meaning of Canadian securities laws, but is not a forecast or projection of future results. Please see slide 31 or further detail.

2. New Products and Markets

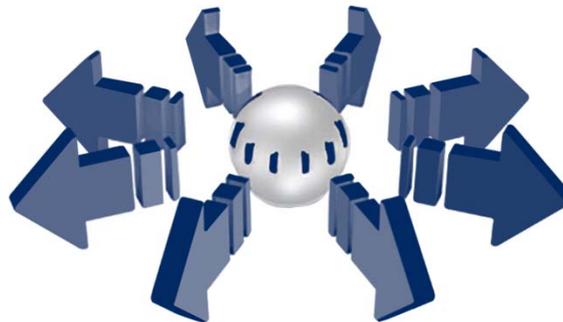
Callidus Lite

Product extension for lower perceived risk borrowers

*Lower Cost for
Lower Risk Borrowers*



*Expands Addressable
Market*



*Extends Duration
of Portfolio*



3. Target U.S. Growth

Experience in U.S.

- ✓ originating
- ✓ managing
- ✓ underwriting

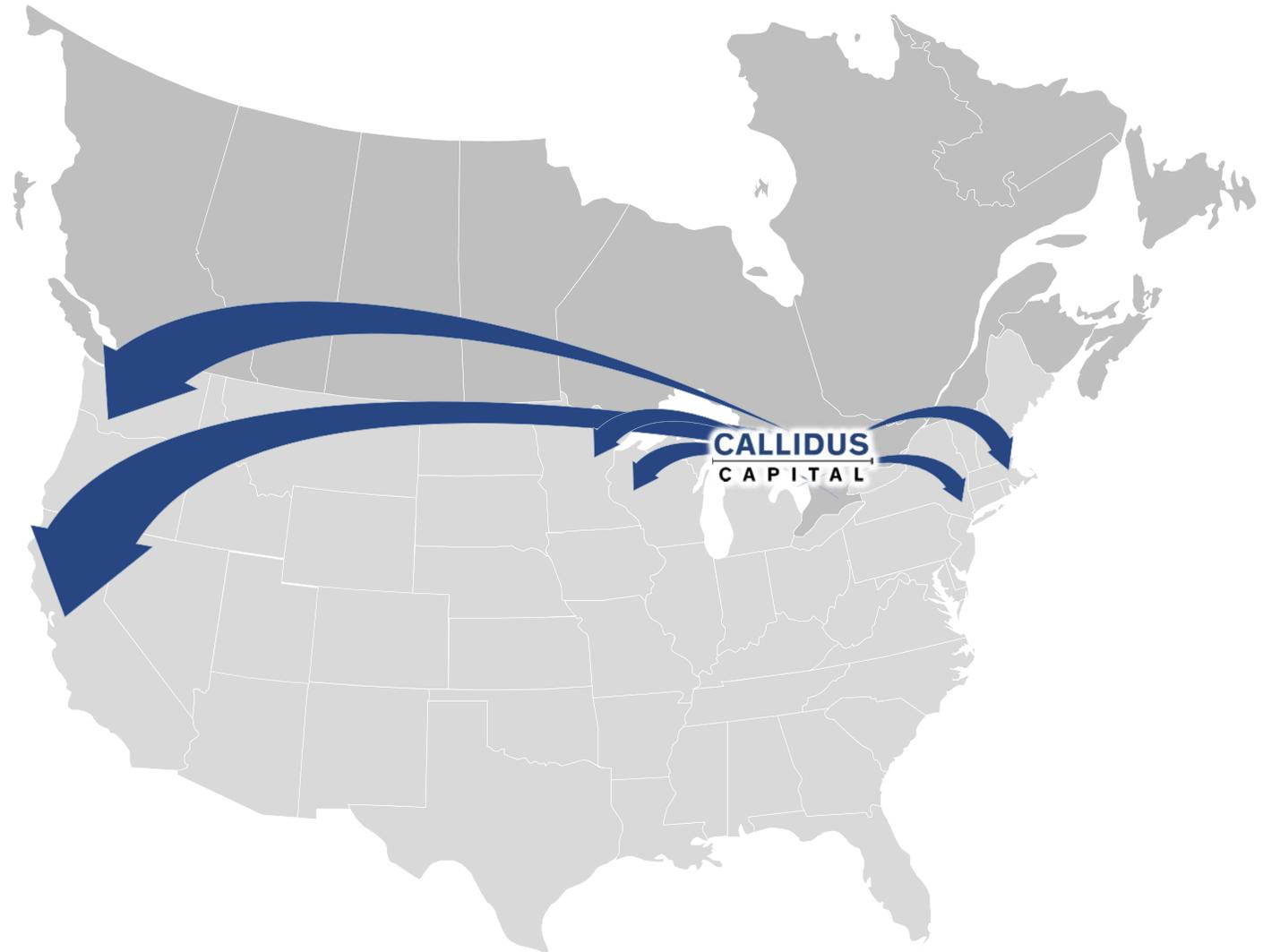


6

Transactions in U.S.
since 2011



Natural coverage
of key identified U.S.
regions through existing
and new originators



4. Acquisition of Loan Portfolios

Callidus provides solutions for lenders with challenging loans

Structural Changes For Traditional Lenders

- Changes to regulatory capital and reserve requirements for impaired loans
- Decreased in-house expertise
- Move from pure lending to diversified fee-based operations

Callidus Opportunity



Positioned to Capitalize

Prior Success



Access to Capital



Relationship Building

5. Acquire Interest in Loan Assets from Catalyst Funds

***Exclusive right to acquire loans at par;
\$50 million initially available after IPO***

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- Future Callidus loans funded based on available capital
 - ✓ Diversifies funding sources
 - ✓ Future pipeline of growth
- Funding from future Catalyst Funds represents warehoused growth that can be acquired by Callidus at par
- Principal protection for certain losses on acquired loans¹

**The Catalyst
Capital Group Inc.**

**Right to acquire current and future Catalyst Funds' interests at par
is accretive to Callidus shareholders**

1. Catalyst will guarantee the principal portion of any loans existing at IPO, or the pro rata share of loans acquired from Catalyst by Callidus post IPO, where proceedings are in progress or are initiated prior to renewal



IV. IPO Terms

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Summary of the Offering



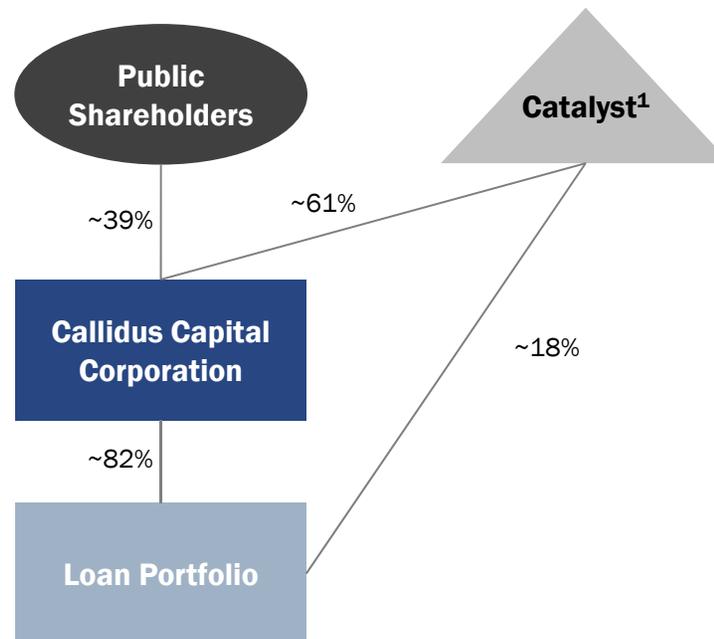
Offering Price:	\$14.00 per common share
Offering Size:	\$252 million
Over-Allotment Option:	Up to 15%
Use of Net Proceeds:	<ul style="list-style-type: none"> ■ \$125 million – Purchase of interest in existing loan portfolio ■ \$110 million – Growth capital to support new loan assets ■ The over-allotment will be used for additional growth capital to support new loan assets
Retained Interest:	~61% (before exercise of overallotment option)
Funding by Catalyst Funds and Alignment with CCGI	<ul style="list-style-type: none"> ■ Catalyst Funds are entitled to a participation interest in the Loan Portfolio and will bear their pro rate share of the debt service costs and all other expenses ■ Principal protection for certain losses on acquired loans; if proceedings are initiated at Closing or after purchase by Callidus but before renewal, Catalyst will pay to Callidus the amount advanced by Callidus to the borrower less any amount realized or repaid ■ At IPO, CCGI's carried interest in the Catalyst Funds' performance will result in an entitlement to shares, which shares will be subject to at least a two-year lock-up
Targeted Initial Leverage	40% debt to Gross Loans Receivables ¹ , expects to maintain ratio of less than 50%
Listing:	The TSX has conditionally approved the listing of the Common Shares, subject to Callidus fulfilling all of the requirements of the TSX on or before July 8, 2014

1. Non-IFRS measure. Please see slide 31 for further detail

Structure Overview

- Public investors will own ~39% of Callidus following the IPO
 - \$110 million of net proceeds to finance growth in loan assets
- Catalyst Funds will be entitled to a participation interest in the Loan Portfolio

Illustrative Post-IPO Structure



1. Catalyst includes Catalyst Funds, The Catalyst Capital Group Inc., Callidus management and a former founding shareholder of Callidus

Superior Positioning Relative to Comparable Companies

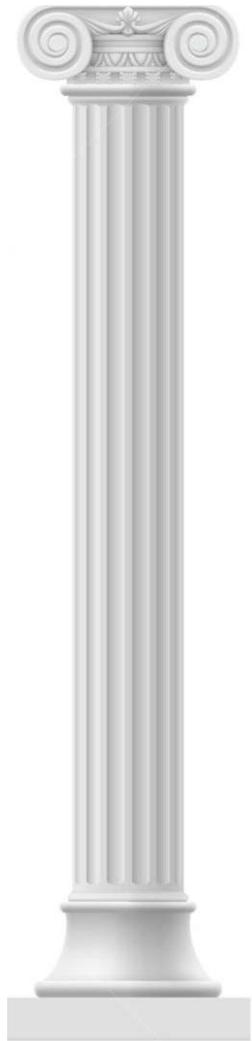
In accordance with Section 13.8(4) of National Instrument 41-101 – *General Prospectus Requirements*, all the information relating to Callidus’ comparables and any disclosure relating to the comparables, which is contained in the presentation to be provided to potential investors, has been removed from this template version for purposes of its filing on the System for Electronic Document Analysis and Retrieval (SEDAR).



V. Conclusion

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Conclusion



✓ **Compelling investment opportunity**

- Unique and differentiated business model
- Solid fundamentals (growth, margins, pipeline)
- Strong track record of significant returns
- Competitive advantage through proprietary systems that originates, underwrites and manages loan assets

✓ **Multiple potential growth areas**

- Growth in existing areas has been constrained by access to capital
- Although new areas of growth have been beta tested, they have also been constrained by access to capital

✓ **Support from Catalyst Capital Group Inc.**

✓ **Well capitalized**

- Low leverage provides flexibility to grow
- Catalyst Funds will continue to fund loan assets – provides alignment and capital commitment

Description of Non-IFRS Measures

Description of Non-IFRS Measures

Callidus' audited consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and accounting policies adopted by Callidus in accordance with IFRS. The audited consolidated financial statements, in the opinion of management, present fairly Callidus' financial position as at December 31, 2013, 2012 and 2011 and the changes in equity, comprehensive income and cash flows for the years ended December 31, 2013, 2012 and 2011.

Management uses both IFRS and Non-IFRS Measures to monitor and assess the operating performance of Callidus' operations. Throughout this presentation, management uses the following terms and ratios which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other organizations:

"Gross Yield" is defined as total revenues divided by Average Loan Portfolio Outstanding. These percentages are presented over a three year period. While Gross Yield is sensitive to non-recurring fees earned (for example, as a result of early repayment), Callidus has included this information as it believes the information to be instructive and enables readers to see at a glance, trends in the yield of the Loan Portfolio.

"Gross Loans Receivable" is defined as loans receivable, plus (i) loan loss allowance, (ii) assets held for sale, and (iii) discounts on loan acquisitions

Gross Loans Receivable Reconciliation to Balance Sheet

	2013	2012	2011
Gross Loans Receivable	381,302	132,485	154,010
Less: Discounted facilities	(9,774)	(2,200)	—
Less: Provisions for loan losses	(10,176)	(4,200)	(2,500)
Less: Assets held for sale	(11,360)	(11,690)	(12,601)
Net loans receivable	349,992	114,395	138,909

"Average Loan Portfolio Outstanding" is calculated for the annual periods using daily loan balances outstanding. The Average Loan Portfolio Outstanding grosses up the loans receivable and assets held for sale for the provision for loan losses and discounted facilities similar to Gross Loan Receivables. This information is presented over a three year period and will enable readers to see at a glance, trends in the size of the Loan Portfolio.

"Adjusted EBITDA" is defined as EBITDA adjusted for non-cash expenses. For 2013, non-cash expenses consisted of employee option expense. Callidus has adjusted for employee option expense as management believes that the initial award is not reflective of ongoing cash compensation costs of the business.

"EBITDA" is defined as net income before depreciation, amortization, interest expense and fees, income tax expense, and foreign exchange gain/loss.

Callidus has included the measure of Gross Yield as it believes the information to be instructive and enables potential purchasers to see, at a glance, trends in the yield of the Loan Portfolio. Average Loan Portfolio Outstanding measures the average amounts outstanding of the Loan Portfolio, to allow potential purchasers to see, at a glance, trends in the amounts of capital outstanding over a certain period of time, the most directly comparable IFRS measure being Loans Receivable. EBITDA measures operational profitability and is intended to assist potential purchasers to assess the performance of Callidus in comparison with peer companies; while Adjusted EBITDA adjusts EBITDA for expenses that are not representative of cash costs of the operations.

Outlook

To the extent any forward-looking information in this presentation constitutes future-oriented financial information or

financial outlook within the meaning of Canadian securities laws, such information has been prepared by Callidus for the purpose of providing a reasonable estimate of the potential earnings of the current Loan Portfolio. Such information is not a forecast or projection of future results and is subject to (among other things) the assumptions and risks discussed in the final prospectus. Readers are cautioned that this information should not be relied upon for any purpose other than the one described in this paragraph.

Callidus believes such information has been prepared on a reasonable basis, reflecting management's best estimates and judgment. Future-oriented financial information and financial outlook, including management's estimate of net income on slide 28 of this presentation, are, without limitation, based on the assumptions and subject to the risks set out on page 46 and 47 of the final prospectus and the risks set out under "Risk Factors" of the final prospectus.

As of April 10, 2014, Callidus had \$471 million in Gross Loan Receivables on a consolidated basis. Management estimates that on Closing, Callidus will have approximately \$471 million in Gross Loans Receivable on a consolidated basis (with approximately \$387 million after derecognition for the 18% participation interest of the Catalyst Funds in the Loan Portfolio ("Derecognition")).

Over the fiscal years ended December 31, 2011, 2012 and 2013, Callidus' loan assets generated a Gross Yield of greater than 20% and, over this same period, Callidus experienced an increase in Adjusted EBITDA margin from 67.3% to 77.9%, reflecting an increase in the Loan Portfolio and the related benefits of operating scale.

In addition, as described under the headings "Pre-Closing Transactions" and "Funding Arrangements" in the final prospectus, there will be a new capital structure in place on Closing, including the existence of New Senior Debt. On Closing, management expects Callidus to have the following leverage:

- approximately \$50 million of Term Loan on a consolidated basis at an interest rate of approximately 8.4%; and
- approximately \$139 million of New Senior Debt on a consolidated basis at an anticipated effective rate of LIBOR plus 333 basis points (indicative rate of 3.58%).

Management also estimates that Callidus will incur approximately \$1 million in public company costs on an ongoing basis, including, but not limited to, expenses associated with ongoing financial reporting and disclosure, public company listing fees, increased directors' fees and related directors' and officers' insurance costs, investor relations and annual shareholders' meetings.

Callidus does not have any fixed-asset depreciation. In 2013, Callidus recorded amortization of debt issuance costs of approximately \$0.1 million (as of December 31, 2013, no New Senior Debt was in place).

Callidus also expects to have an effective tax rate substantially similar to the statutory tax rate, which is currently 26.5%.

Based on the foregoing estimates, expectations and assumptions, taken together, management estimates net income of approximately \$38 million after Derecognition, had the consolidated weighted average Gross Loans Receivable of approximately \$471 million been outstanding for a full year, such figure having been adjusted by the Gross Yield of approximately 20.25%, an adjusted EBITDA margin of approximately 78% and certain costs including in respect of interest, financing fees and taxes. In addition, based on the foregoing analysis, for every \$100 million of additional consolidated Gross Loans Receivable, management estimates additional consolidated net income of approximately \$11 million. These estimates of implied annualized net income and are also impacted by certain key assumptions, including: (i) the loan commitments to borrowers being drawn at a percentage similar to historical levels; (ii) the Gross Yield on the Loan Portfolio remaining consistent with historical levels, on both a base interest rate and fee revenue basis; (iii) limited incremental overhead relating to the addition of new loan assets to the Loan Portfolio; (iv) LIBOR rates similar to those as at Closing, being the base rate for interest on the New Senior Debt; (v) loan loss provisions similar to historical amounts, as a percentage of Gross Loans Receivable; (vi) the continued effectiveness of both Callidus' exchange rate hedging strategy and the ability to draw funds in both Canadian and U.S. dollars under the New Senior Debt facility; and (vii) the ability of borrowers, in aggregate, to continue to meet interest and fee commitments to Callidus at levels consistent with historical levels on the Loan Portfolio, as a whole. Any variation in the foregoing factors could cause the actual net income generated by a portfolio of approximately \$471 million (or \$11 million for every \$100 million of additional consolidated Gross Loans Receivables) to differ materially from the amount estimated herein and in the final prospectus. See the sections entitled "Forward-Looking Statements" and "Risk Factors" in the final prospectus for further details.