



## **CHESSWOOD ANNOUNCES REVIEW OF STRATEGIC ALTERNATIVES**

TORONTO, January 22, 2024 – Chesswood Group Limited (“**Chesswood**”) (TSX: CHW), a publicly traded North American specialty finance company providing commercial equipment leases and loans, automotive loans, home improvement financing, legal financing, and asset management, announces that it has initiated a review of strategic alternatives to maximize shareholder value.

Chesswood’s business strategy has focused on diversifying and meaningfully growing its origination capabilities in specialty commercial and consumer lending. As a result, Chesswood has built a diverse portfolio of receivables exceeding \$2 billion, with substantial embedded profit potential. In addition, Chesswood has established several off-balance sheet funding relationships to facilitate non-dilutive growth for shareholders.

In the past twelve months, the combination of rapidly rising interest rates and regional bank failures in the United States negatively impacted public market perception of financial services companies generally. In contrast, private credit interest in commercial and consumer origination platforms remains robust. Chesswood has not been immune to these challenges and has adjusted operations to respond to current market realities.

In response to these conditions, Chesswood, through a special committee of its directors, will evaluate a range of alternatives to determine the best path forward to maximize value for shareholders. Alternatives may include the sale of certain assets, a wind down of portfolios as well as other strategic options. The special committee will retain external financial advisors to assist in this process.

This review process may not result in any significant strategic change, but the intention is to complete the review by March 31, 2024. Chesswood does not plan to provide updates on the status of the review until material developments emerge.

While conducting this review, dividends to shareholders will be suspended. Reinstatement will be dependent on the outcome of the strategic review.

“Chesswood has been a public company for 18 years, originally as an income trust, and has been focused on shareholder dividends. In recent years, Chesswood’s management team has built considerable value through growth and diversification of its receivables portfolios that has been under appreciated by public markets. Management and the board will review options for the business aimed to unlock value given that the unearned income of existing receivables alone exceeds Chesswood’s current market value,” said Ryan Marr, Chesswood’s President and CEO.

### **ABOUT CHESSWOOD GROUP LIMITED**

Chesswood Group Limited is a Toronto, Canada based holding company whose subsidiaries engage in the business of specialty finance (including equipment finance throughout North America and vehicle finance and legal sector finance in Canada), as well as the origination and management of private credit alternatives for North American investors. Our shares trade on the Toronto Stock Exchange (under the symbol CHW).

#### **For information on Chesswood Group Limited and its operating subsidiaries:**

[www.ChesswoodGroup.com](http://www.ChesswoodGroup.com)

[www.PawneeLeasing.com](http://www.PawneeLeasing.com)

[www.VaultPay.ca](http://www.VaultPay.ca)

[www.Rifco.net](http://www.Rifco.net)

[www.EasyLegal.ca](http://www.EasyLegal.ca)

[www.TandemFinance.com](http://www.TandemFinance.com)

[www.VaultCredit.com](http://www.VaultCredit.com)

[www.WaypointInvestmentPartners.com](http://www.WaypointInvestmentPartners.com)

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