



## **CHESSWOOD ANNOUNCES IMPENDING CEASE TRADE ORDER**

TORONTO, August 14, 2024 – Chesswood Group Limited (“**Chesswood**” or the “**Company**”) (TSX: CHW) announces that its principal regulator, the Ontario Securities Commission (“**OSC**”), has advised it will not be granting a management cease trade as previously applied for by the Company under National Policy 12-203 – *Management Cease Trade Orders*.

The OSC has notified the Company that it will be issuing a failure to file cease trade order (“**FFCTO**”) against the Company under National Policy 11-207 – *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (“**NP 11-207**”), as a result of the Company’s expected failure to file its interim financial statements, management’s discussion and analysis and associated certifications (“**Interim Filings**”) for the period ended June 30, 2024 (the “**Q2 Interim Filings**”).

As it previously announced, Chesswood is unable to complete the Q2 Interim Filings when due primarily due to its previously announced determination that it is required to restate and refile its Interim Filings for the period ended March 31, 2024 (the “**Q1 Interim Filings**”).

The requirement to restate the Q1 Interim Filings is as a result of Chesswood becoming aware (as previously announced) that, after properly adjusting for system error, it was in breach of certain covenants under its senior revolving credit facility (the “**Credit Facility**”) – for which Chesswood has obtained waivers (the most recent of which is until September 16, 2024). Chesswood is (as previously announced) also undergoing a review to determine whether a restatement of any of its prior year’s reporting is required.

An FFCTO prohibits the trading by any person of any securities of the Company in each jurisdiction in Canada in which the Company is a reporting issuer, including trades in the Company’s securities made through the Toronto Stock Exchange, for as long as the FFCTO remains in effect. A further press release will be issued upon the Company’s receipt of the FFCTO disclosing any additional terms or conditions of the FFCTO.

Under National Instrument 51-102 – *Continuous Disclosure Obligations*, the Q2 Interim Filings are required to be made no later than August 14, 2024. The Company is continuing to work with its auditors to complete the work necessary in order to be in a position to finalize as soon as possible the restatement of the Q1 Interim Filings (and any other required restatements) and the Q2 Interim Filings, and will provide updates as further information becomes available and as required.

### **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 in the U.S. 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.Rifco.net](http://www.Rifco.net)  
[www.EasyLegal.ca](http://www.EasyLegal.ca)

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

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**FORWARD-LOOKING INFORMATION**

This press release contains forward-looking statements within the meaning of applicable securities laws. Forward-looking statements in this press release may include, but are not limited to, statements relating to the FFCTO, the contents of the FFCTO, the ongoing efforts to complete the work necessary to be in a position to file the Q2 Interim Filings and the restatement of the Q1 Interim Filings, the provision of updates as further information becomes available and as required, and other statements that are not material facts. Forward-looking statements are typically identified by words such as “believe”, “expect”, “anticipate”, “project”, “intend”, “plan”, “will”, “may”, “estimate” and other similar expressions or the negative of these words or variations of them or similar expressions.

Although the Company believes that the forward-looking statements in this press release are based on information and assumptions that are current, reasonable and complete, these statements are by their nature subject to a number of factors, risks and uncertainties, both general and specific in nature, that could cause actual results to differ materially from those expressed or implied by these forward-looking statements, including, without limitation, the risks and uncertainties arising from any continuing delay in making required filings, the possibility that the work required to be undertaken to be in a position to prepare and file the Q2 Interim Filings and the restatement of the Q1 Interim Filings (and any other required restatements) may take longer than expected, and other risks and uncertainties related to the Company’s ongoing strategic review, financial restructuring and Credit Facility action plan. The Company cautions that the foregoing assumptions and factors are not exhaustive and other factors could also adversely affect its results. For more information on the risks, uncertainties and assumptions that could cause the Company’s actual results to differ from current expectations, please refer to the Company’s publicly filed documents, including news releases, the Company’s annual information form and management’s discussion and analysis of financial condition and performance, which are available electronically at [www.sedarplus.ca](http://www.sedarplus.ca).

Unless otherwise noted or the context otherwise indicates, the forward-looking statements contained in this press release describe the Company’s expectations as at the date of this press release and, accordingly are subject to change after such date. Except as may be required by applicable securities laws, the Company does not undertake any obligation to update or revise any forward-looking statements contained in this press release, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements.

**NO STOCK EXCHANGE, SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE INFORMATION CONTAINED HEREIN.**