



CHESSWOOD PROVIDES UPDATE ON STRATEGIC REVIEW AND CREDIT FACILITY ACTION PLAN AND ANNOUNCES SENIOR MANAGEMENT CHANGES

TORONTO, July 8, 2024 – Chesswood Group Limited (“**Chesswood**” or the “**Company**”) (TSX: CHW) is providing a further update on its previously announced evaluation of the strategic direction of the Company being supervised by a special committee of its board of directors (the “**Committee**”) and on its plan to remedy its previously announced non-compliance with its minimum borrowing base covenants under its U.S. \$300,000,000 syndicated revolving credit facility (the “**Credit Facility**”).

Strategic Review

The Committee, with the assistance and participation of its financial advisor, has continued to engage in discussions and negotiations for potential sales of key operating subsidiaries and considerations for how best to maximize value of the Company’s large portfolios of lease and loan receivables for the Company’s shareholders while also seeking to ensure that the interests of other key Company stakeholders are served.

A number of potential opportunities and strategies are being evaluated. While there can be no assurance as to the timing of finalizing negotiations or entering into definitive transaction documents, or that any such transactions will ultimately be agreed to, the Committee is working to complete its evaluations and settle definitive documents in the coming weeks – in conjunction with formalizing, and receiving any required lender approvals for, the Company’s action plan to remedy the existing breach of the Credit Facility (described below).

Credit Facility Action Plan

After receiving the initial waiver in respect of the Credit Facility breach on June 14, 2024, the Company has been pursuing near-term funding that can allow it to reduce the amounts outstanding under the Credit Facility. The initial waiver provided by the lending syndicate under the Credit Facility expires on July 15, 2024, and the Company is focused on arrangements that will allow it to provide sufficient progress towards remedying the existing non-compliance such that an extension of the waiver may become available from the lending syndicate under the Credit Facility in order to complete the negotiation and settlement of definitive arrangements and documents for its Credit Facility action plan.

As a result of Chesswood’s capital constraints, the Company’s subsidiaries Pawnee Leasing Corporation and Rifco National Auto Finance suspended originations other than those that had been previously committed.

The Company continues to engage in co-operative discussions with the lending syndicate under the Credit Facility.

There can be no assurance that any extensions to the waiver will be obtained or further advances under the Credit Agreement will be made. Further, there can be no assurance as to the timing for completion of any capital raise or sale transaction for the Company or one or more of its business units. As such, no undue reliance should be placed on any expectations as to the occurrence of any of the foregoing and any impact on the Company or shareholder value arising therefrom.

Management Changes

The Company also announces that Ryan Marr has resigned as the president and chief executive officer, and as a director, of the Company.

Tobias Rajchel, who has been the Company's chief financial officer, has been appointed as the Company's president and chief executive officer. Aiwei (Ivy) Sun, who has been the Company's controller, has been appointed as the Company's chief financial officer.

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
www.PawneeLeasing.com
www.VaultPay.ca
www.Rifco.net
www.EasyLegal.ca

www.TandemFinance.com
www.VaultCredit.com
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 Committee's strategic review process including the ongoing pursuit of selling one or more of the Company's business units or the Company itself or any resulting winddown and evaluation of value enhancement opportunities, the Company's pursuit of arrangements to remedy, or in furtherance of an extension to the temporary waiver of, the Company's breach under the Credit Facility, if any, 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 possibility that a waiver in relation to the Credit Facility covenant breach may not be obtained and the availability, timing or completion of any other capital raise or sale transaction for all or part of the Company's business. 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 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.

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.

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