



CHESSWOOD GROUP LIMITED TO FILE RESTATED FINANCIAL STATEMENTS AND MD&A AS A RESULT OF PREVIOUSLY DISCLOSED ERRORS IN BORROWING BASE CALCULATIONS

TORONTO, July 22, 2024 – Chesswood Group Limited (“**Chesswood**”) (TSX: CHW) has determined that it will have to prepare and file restated financial statements and management’s discussion and analysis (“**MD&A**”) for the three months ended March 31, 2024 as a result of its previously disclosed errors in calculating its borrowing base for purposes of its senior secured revolving credit facility, and the resulting breach of the credit facility, suspension of borrowing capacity and suspension of originations by Pawnee Leasing and Rifco.

Management and members of Chesswood’s Audit & Risk Committee are working with Chesswood’s auditors to determine the ultimate restatements to be made, but it is expected that the restatements will include (i) the write down of certain (and perhaps all) intangibles, including goodwill, (ii) the write down of long lived assets and certain deferred tax assets and liabilities, (iii) correcting disclosure related to compliance with, and available borrowings under, the credit facility and (iv) revised going concern and controls and procedures disclosure.

Chesswood’s management is also engaged in review of the prior year borrowing base calculations and prior year financial statements and MD&A to determine whether restatement is 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 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

For further information:

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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 further extension to the 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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