



## CHESSWOOD REPORTS RECORD SECOND QUARTER OPERATING EARNINGS OF \$9.3 MILLION

TORONTO, August 3, 2017 – Chesswood Group Limited (“Chesswood” or “the Company”) (TSX: CHW), a North American wide commercial equipment finance provider for small and medium-sized businesses, today reported record second quarter operating income of \$9.3 million and record second quarter originations of \$87 million. Chesswood’s gross portfolio exceeded \$620 million at June 30<sup>th</sup>, for an annualized growth rate of 22% from December 31, 2016.

“We increased our originations by more than 35% over the second quarter of last year as we continue to expand our market share and portfolio in both the U.S. and Canada. While competition is increasingly more aggressive, we continue to focus on best in class service to strengthen our relationships with our broker-customers and help drive growth” said Barry Shafran, Chesswood’s President and CEO

Early in the quarter the Company exercised US\$30 million of additional borrowing capacity under its US\$250 million bank credit facility, in support of future growth. In addition, the U.S. prime portfolio of Chesswood’s subsidiary Pawnee Leasing, has achieved sufficient size so that we are advancing our efforts to finance our prime book through a non-recourse asset backed facility. The facility will further diversify our treasury and match our funding structures with our portfolio composition. Chesswood expects to complete this funding before the end of the year.

At June 30, 2017, Chesswood’s North American wide portfolio included approximately 28,500 leases and loans.

### Financial Highlights

(in CDN \$000's, except EPS)

	For the Three Mths Ended		For the Six Mths Ended	
	June 30 2017	June 30 2016	June 30 2017	June 30 2016
<b>Operating Income</b> <sup>(1)(2)</sup>	<b>\$9,290</b>	\$9,016	<b>\$17,339</b>	\$17,111
Adjusted EBITDA <sup>(1)(2)</sup>	\$9,089	\$9,066	\$17,181	\$17,766
Net Income <sup>(2)</sup>	\$3,749 <sup>(3)</sup>	\$3,985 <sup>(3)</sup>	\$8,445	\$14,092 <sup>(4)</sup>
Earnings Per Share - basic	\$0.21	\$0.22	\$0.47	\$0.79 <sup>(4)</sup>

(1) - See "Non-GAAP Measures" below.

(2) - YTD 2016 Operating Income includes \$836K of pre-tax income from Windset compared to \$188K in YTD 2017 while in Q2 of 2016 Operating Income includes \$337K of pre-tax income from Windset compared to \$221K in Q2 2017, as Windset winds down.

(3) - after non-cash mark-to-market losses on swaps, investments and debentures of \$1.9 million (2016 - \$1.4 million).

(4) - 2016 net income includes \$6.7 million gain on the sale of EcoHome Financial.

## Non-GAAP Measures

Adjusted EBITDA and Operating Income are not recognized measures under International Financial Reporting Standards and do not have standard meanings. Accordingly, these measures may not be comparable to similar measures presented by other issuers. Please refer to the Company's Management Discussion and Analysis in Chesswood's 2016 Annual Report and 2017 Second Quarter Report for additional information concerning these measures and a reconciliation of these measures to the Company's consolidated net income.

## About Chesswood

Through two wholly-owned subsidiaries in the U.S. and Canada, Chesswood Group Limited is North America's only publicly-traded commercial equipment finance company focused on small and medium-sized businesses. Our Colorado-based Pawnee Leasing Corporation, founded in 1982, finances a highly diversified portfolio of commercial equipment leases and loans through established relationships with over 600 independent brokers in 48 U.S. states. In Canada, Blue Chip Leasing Corporation has been originating and servicing commercial equipment leases and loans since 1996, and today operates through a nationwide network of more than 50 independent brokers. Based in Toronto, Canada, Chesswood's shares trade on the Toronto Stock Exchange under the symbol CHW (convertible debentures: CHW.DB).

Learn more at [www.chesswoodgroup.com](http://www.chesswoodgroup.com), [www.PawneeLeasing.com](http://www.PawneeLeasing.com) and [www.BlueChipLeasing.com](http://www.BlueChipLeasing.com).

### For more information contact:

Barry Shafran  
Chesswood Group Limited  
416-386-3099  
[bshafran@chesswoodgroup.com](mailto:bshafran@chesswoodgroup.com)

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