



CHESSWOOD ANNOUNCES FINANCIAL RESULTS FOR 2017
Seventh Consecutive Year of Record Operating Income and Portfolio Size
Strong 4th Quarter Results

TORONTO, March 12, 2018 – Chesswood Group Limited (“Chesswood” or “the Company”) (TSX: CHW), a North American commercial equipment finance provider for small and medium-sized businesses, today reported its results for the fourth quarter and year ended December 31, 2017.

The Company generated operating earnings of \$8.0 million in the quarter and \$32.1 million for the year, compared to \$6.0 million and \$30.3 million respectively, last year. The results for the prior year included \$1.1 million of greater operating earnings from Windset Capital, which has been wound down in 2017.

“Chesswood once again enjoyed a record year by most financial measures including originations, total portfolio size, finance margin and operating income,” said Barry Shafran, Chesswood’s President and CEO. “Our gross finance receivables reached almost \$700 million at year-end, and while our net income was also a record at \$25.4 million. Our fourth quarter operating earnings of \$8.0 million were \$2.0 million over last year’s fourth quarter results and were helped significantly by our very effective collections efforts. Our fourth quarter and annual net income benefited from a \$9.4 million one-time recovery of deferred taxes as a result of the reduction in the U.S. corporate income tax rates from the Tax Cuts and Jobs Act,” added Shafran.

Chesswood will benefit directly from the new lower U.S. corporate income tax rates in 2018 as our largest subsidiary, Pawnee Leasing Corporation, is a U.S. taxpayer. The Company estimates that based on 2017 taxable income, the 13% lower U.S. corporate tax rate would have generated an increase in net income of approximately \$3.0 million.

Financial Highlights (in CDN \$000's, except EPS)	For the Three Months Ended		For the Years Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Operating Income ⁽¹⁾⁽²⁾	\$8,018	\$5,979	\$32,075	\$30,310
Net Income ⁽²⁾	\$13,798 ⁽³⁾	\$5,103 ⁽²⁾	\$25,431 ⁽³⁾	\$24,278 ⁽²⁾⁽⁴⁾
Adjusted EBITDA ⁽¹⁾⁽²⁾	\$8,010	\$6,097	\$31,860	\$31,031
Earnings Per Share - basic	\$0.76 ⁽³⁾	\$0.28	\$1.41 ⁽³⁾	\$1.36 ⁽⁴⁾

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

(2) - 2016 operating income includes \$1.6 million of pre-tax income from Windset compared to \$514K in 2017; while in Q4 of 2016, operating income includes \$96K of pre-tax income from Windset compared to \$193K in Q4 2017, as Windset winds down

(3) - 2017 net income includes tax recovery of \$9.4 million as a result of the revaluation of our U.S. subsidiaries' net deferred tax liabilities due to the Tax Cuts and Jobs Act passed in December 2017

(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 2017 Annual 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.

Learn more at www.chesswoodgroup.com, www.PawneeLeasing.com and www.BlueChipLeasing.com.

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