



CHESSWOOD ANNOUNCES RESULTS FOR THE THIRD QUARTER 2019

TORONTO, November 12, 2019 – Chesswood Group Limited (“Chesswood” or the “Company”) (TSX: CHW) is pleased to announce its results for the third quarter and nine-months ended September 30, 2019. The third quarter was an exceptionally busy time for Chesswood’s treasury activities, culminating in October with the renewal of the Company’s US\$250 million revolving borrowing facility, the renewal of subsidiary Pawnee Leasing’s US\$250 million warehouse facility and completion of Pawnee Leasing’s first marketed securitization transaction in the U.S. for US\$254 million of receivables.

Free Cash Flow for the quarter continued to be strong, even after being reduced by Tandem Finance’s net expenses from its start-up this year, and higher charge-offs. As well, while the quarter’s originations of \$100 million increased modestly over the third quarter of last year, October’s originations at Pawnee Leasing reached another all-time high while Tandem Finance continues to grow, setting the table for a potentially strong fourth quarter of originations.

“In our opinion, our Free Cash Flow, a measure which eliminates the impact of non-cash charges and recoveries, results in a clearer view of our operational performance, and is consistent with measurements used by management” said Barry Shafran, Chesswood’s President and CEO. “Chesswood continues to remain focused on maintaining the strategic approach and disciplines we believe will position us to maintain, and even strengthen, our competitive position through what we believe are the later stages of a cycle for our industry. Our markets continue to experience aggressive approaches to credit and pricing decisions by many competitors,” added Shafran.

Financial Highlights (in CDN \$000's, except EPS)	For the Three Months		For the Nine Months	
	Ended Sep 30		Ended Sep 30	
	2019	2018	2019	2018
Adjusted Operating Income before Change in Allowance and Tandem Net Expenses⁽¹⁾	\$7,284	\$9,006	\$23,092	\$25,742
Increase (decrease) in Allowance	1,601	(409)	4,042	(58)
Tandem Net Expenses	593	0	1,600	0
Adjusted Operating Income⁽¹⁾	5,090	9,415	17,450	25,800
Mark-to-market Swaps Loss/(Gain)	82	(256)	1,211	(1,575)
Other Non-cash Items	469	391	1,189	1,447
Income before Taxes	\$4,539	\$9,280	\$15,050	\$25,928
Net income	\$2,977	\$6,092	\$9,942	\$17,608
Free Cash Flow⁽¹⁾	\$5,140	\$6,259	\$16,375	\$18,491
Earnings Per Share - basic	\$0.17	\$0.34	\$0.56	\$0.98

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

Non-GAAP Measures

Adjusted Operating Income, Adjusted Operating Income before Change in Allowance and Tandem Net Expenses and Free Cash Flow are not recognized measures under International Financial Reporting Standards and do not have a standard meaning. 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 2018 Annual Report and the 2019 Third Quarter Report for additional information concerning these measures and a reconciliation of these measures to the Company’s consolidated income before taxes.

About Chesswood

Through three 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 relationships with over 600 independent brokers in the U.S. 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. Located in Houston, Texas, Tandem Finance Inc. provides equipment financing to small and medium-sized businesses in the U.S. through the equipment vendor channel. 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 www.BlueChipLeasing.com and www.TandemFinance.com

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