Chesswood Group Limited

Interim Condensed Consolidated Financial Statements

(Unaudited)

March 31, 2023

CHESSWOOD GROUP LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in thousands of Canadian dollars, unaudited)

	Note		As at March 31, 2023		As at December 31, 2022
ASSETS					
Cash		**$**	**6,225**	$	8,120
Restricted funds	*8(e)*		**105,300**		95,356
Other assets			**10,733**		8,573
Current tax receivables			**1,350**		2,314
Finance receivables	*5*		**2,315,536**		2,330,258
Deferred tax assets			**7,862**		7,237
Right-of-use assets, net			**3,624**		3,826
Property and equipment, net			**2,734**		2,926
Intangible assets, net	*6*		**30,414**		27,473
Goodwill	*7*		**48,101**		48,113
TOTAL ASSETS		**$**	**2,531,879**	$	2,534,196
LIABILITIES					
Accounts payable and other liabilities		**$**	**46,383**	$	43,871
Current tax payables			**2,699**		1,924
Premise leases payable			**4,466**		4,673
Option liability			**3,639**		3,808
Borrowings	*8*		**2,220,093**		2,221,649
Customer security deposits			**2,225**		2,931
Deferred tax liabilities			**25,781**		26,935
			2,305,286		2,305,791
EQUITY					
Common shares	*11*		**128,047**		125,655
Contributed surplus	*12*		**16,670**		18,413
Accumulated other comprehensive income			**20,986**		21,359
Retained earnings			**44,524**		46,255
Total shareholders' equity			**210,227**		211,682
Non-controlling interest			**16,366**		16,723
			226,593		228,405
TOTAL LIABILITIES AND EQUITY		**$**	**2,531,879**	$	2,534,196

Approved by the Board of Directors

(signed) Edward Sonshine, O. Ont., Q.C.
Chairman, Board of Directors

(signed) Raghunath Davloor
Chairman, Audit and Risk Committee

Please see notes to the interim condensed consolidated financial statements.

CHESSWOOD GROUP LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(in thousands of Canadian dollars, except per share amounts, unaudited)

	Note	March 31, 2023	March 31, 2022
Finance revenue			
Interest revenue on finance leases and loans		**$ 67,449**	$ 49,911
Ancillary finance and other fee income		**13,694**	7,339
		81,143	57,250
Finance expenses			
Interest expense		**30,957**	12,087
Provision for credit losses	*5*	**17,982**	16,666
		48,939	28,753
Net revenue		**32,204**	28,497
Expenses			
Personnel expenses		**16,743**	14,589
General and administrative expenses		**13,030**	10,166
Depreciation		**460**	433
Amortization	*6*	**659**	591
		30,892	25,779
Operating income		**1,312**	2,718
Unrealized gain on foreign exchange		**256**	59
Income before income taxes		**1,568**	2,777
Income tax expense		**611**	1,098
Net income for the period		**$ 957**	$ 1,679
Attributable to:			
Common shareholders		**$ 1,061**	$ 1,752
Non-controlling interest		**$ (104)**	$ (73)
Earnings per share			
Basic (in Canadian dollars)	*14*	**$ 0.06**	$ 0.10
Diluted (in Canadian dollars)	*14*	**$ 0.06**	$ 0.09

Please see notes to the interim condensed consolidated financial statements.

CHESSWOOD GROUP LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(in thousands of Canadian dollars, unaudited)

		March 31, 2023		March 31, 2022
Net income	**$**	**957**	$	1,679
Other comprehensive loss items that may be subsequently reclassified to the interim condensed consolidated statements of income:				
Unrealized loss on translation of foreign operations		**(404)**		(1,811)
Comprehensive income (loss) for the period	**$**	**553**	$	(132)
Comprehensive income (loss) attributable to:				
Common shareholders	**$**	**688**	$	84
Non-controlling interest	**$**	**(135)**	$	(216)

Please see notes to the interim condensed consolidated financial statements.

CHESSWOOD GROUP LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(in thousands of Canadian dollars, unaudited)

	Note	Common shares (# '000s)	Common shares	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total shareholders' equity	Non-controlling interest	2023 Total
Equity - December 31, 2022		17,620	$125,655	$ 18,413	$ 21,359	$ 46,255	$ 211,682	$ 16,723	$228,405
Net income		—	—	—	—	1,061	1,061	(104)	957
Dividends declared	13	—	—	—	—	(2,792)	(2,792)	(222)	(3,014)
Share-based compensation	12	—	—	527	—	—	527	—	527
Exercise of restricted share units	12	52	732	(732)	—	—	—	—	—
Exercise of options	12	12	134	(12)	—	—	122	—	122
Unrealized loss on translation of foreign operations		—	—	—	(373)	—	(373)	(31)	(404)
Special warrants issued on business combination	11	133	1,526	(1,526)	—	—	—	—	—
Equity - March 31, 2023		17,817	$128,047	$ 16,670	$ 20,986	$ 44,524	$ 210,227	$ 16,366	$226,593

	Note	Common shares (#'000s)	Common shares	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total shareholders' equity	Non-controlling interest	2022 Total
Equity - December 31, 2021		16,575	$109,672	$ 23,875	$ 10,961	$ 28,815	$ 173,323	$ 14,659	$187,982
Net income		—	—	—	—	1,752	1,752	(73)	1,679
Dividends declared	13	—	—	—	—	(1,861)	(1,861)	(148)	(2,009)
Share-based compensation	12	—	—	650	—	—	650	—	650
Exercise of restricted share units	12	150	2,141	(2,141)	—	—	—	—	—
Exercise of options	12	4	47	(4)	—	—	43	—	43
Repurchase of common shares under issuer bid	11	(134)	(934)	—	—	(972)	(1,906)	—	(1,906)
Unrealized loss on translation of foreign operations		—	—	—	(1,668)	—	(1,668)	(143)	(1,811)
Special warrants issued on business combination		133	1,613	(1,613)	—	—	—	—	—
Shares issued on business combination		499	7,076	—	—	—	7,076	—	7,076
Equity - March 31, 2022		17,227	$119,615	$ 20,767	$ 9,293	$ 27,734	$ 177,409	$ 14,295	$191,704

Please see notes to the interim condensed consolidated financial statements.

CHESSWOOD GROUP LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(in thousands of Canadian dollars, unaudited)

	Note	March 31, 2023	March 31, 2022
OPERATING ACTIVITIES			
Net income		**$ 957**	$ 1,679
Non-cash items included in net income			
Amortization and depreciation		**1,119**	1,024
Provision for credit losses	*3, 5*	**17,982**	16,666
Amortization of origination costs		**13,037**	11,018
Income tax expense		**611**	1,098
Other non-cash items	*17*	**1,819**	406
		34,568	30,212
Cash from operating activities before change in net operating assets		**35,525**	31,891
Funds advanced on origination of finance receivables		**(347,340)**	(411,534)
Origination costs paid on finance receivables		**(14,210)**	(23,096)
Principal collections of finance receivables and cash collections from sale of assets		**341,645**	178,979
Recoveries of amounts previously charged off	*5*	**3,244**	4,223
Change in other net operating assets	*17*	**(1,296)**	2,525
Cash from (used in) operations		**17,568**	(217,012)
Income taxes paid		**(598)**	(3,821)
Income tax refund		**5**	—
Cash from (used in) operating activities		**16,975**	(220,833)
INVESTING ACTIVITIES			
Purchase of property, equipment and software		**(202)**	(196)
Net cash and restricted funds on business combinations	*19*	**(3,500)**	1,914
Cash from (used in) investing activities		**(3,702)**	1,718
FINANCING ACTIVITIES			
Borrowings, net	*17*	**(2,154)**	249,610
Payment of financing costs	*8*	**(59)**	(2,744)
Payment of lease obligations		**(285)**	(221)
Proceeds from exercise of options	*12*	**122**	43
Repurchase of common shares under issuer bid	*11*	**—**	(1,906)
Cash dividends paid	*13*	**(2,809)**	(1,704)
Cash from (used in) financing activities		**(5,185)**	243,078
Unrealized foreign exchange loss on cash		**(39)**	(1,130)
Net increase in cash and restricted funds		**8,049**	22,833
Cash and restricted funds, beginning of period		**103,476**	98,551
Cash and restricted funds, end of period		**$ 111,525**	$ 121,384

Please see notes to the interim condensed consolidated financial statements.

TABLE OF NOTES

1. NATURE OF BUSINESS

Chesswood Group Limited (the "Company" or "Chesswood") was incorporated under the laws of the Province of Ontario. The Company's head office is located at 1133 Yonge Street, Suite 603, Toronto, ON, M4T 2Y7, and its shares trade on the Toronto Stock Exchange under the symbol CHW.

Through its subsidiaries (ownership interests described in Note 16 - *Subsidiaries)*, the Company operates in the following businesses:

- Pawnee Leasing Corporation ("Pawnee") - micro and small-ticket equipment financing to small and medium-sized businesses in the United States.
- Tandem Finance Inc. ("Tandem") - small-ticket equipment financing originations through equipment vendors and distributors in the United States.
- Vault Credit Corporation ("Vault Credit") - commercial equipment financing and loans to small and medium-sized businesses in Canada.
- Vault Home Credit Corporation ("Vault Home") - home improvement and other consumer financing solutions in Canada.
- Rifco National Auto Finance Corporation ("Rifco") - auto financing for motor vehicle purchasers through dealerships across Canada except for Quebec.
- Waypoint Investment Partners Inc. ("Waypoint"), Chesswood Capital Management USA Inc. ("CCM USA"), and Chesswood Capital Management Inc. ("CCM") - providing private credit alternatives to investors seeking exposure to lease and loan receivables originated by Chesswood subsidiaries.
- 1000390232 Ontario Inc. ("Easy Legal"), providing specialized financing solutions to the Canadian legal industry.

The Company’s unaudited interim condensed consolidated financial statements were authorized for issue on May 9, 2023 by the Board of Directors.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The unaudited interim condensed consolidated financial statements, including comparatives:

- Have been prepared in accordance with IAS 34, *Interim Financial Reporting,* on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the year ended December 31, 2022.
- Have been prepared on the going concern and historical cost bases, except for derivative financial instruments and hybrid financial liabilities designated as at fair value through profit or loss ("FVTPL"), which have been measured at fair value.
- Include the financial statements of the Company and its subsidiaries as noted above.
- Should be read in conjunction with the Company's most recently issued Annual Report, which includes information necessary, or useful, to understanding the Company's business and financial reporting.
- Are unaudited.
- Should not be regarded as necessarily indicative of results that may be expected for the entire year.

The preparation of unaudited interim condensed consolidated financial statements, including the application of accounting policies, requires management to make estimates and assumptions using judgments that affect the reported amounts of assets and liabilities, and income and expenses during the reporting period. Estimates and other judgments are continually evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates. The accounting policies and significant estimates and judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for the year ended December 31, 2022.

The Company has applied appropriate measurement techniques using reasonable judgments and estimates from the perspective of a market participant to reflect current economic conditions. The impact of these techniques has been reflected in these unaudited interim condensed consolidated financial statements. Changes in the inputs used could materially impact the respective carrying values.

Certain prior year amounts have been reclassified on the unaudited interim condensed consolidated statements of cash flows to conform with current year presentation. The current year presentation separately identifies the restricted funds in the opening and ending cash flow balances.

Basis of consolidation

Subsidiaries are consolidated using the acquisition method from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated as long as control is held. The financial statements of all subsidiaries are prepared for the same reporting period as the Company, using uniform accounting policies in accordance with IFRS 10, *Consolidated Financial Statements*. All intra-group balances and items of income and expense resulting from intra-group transactions are eliminated in full. Transaction costs in connection with business combinations are expensed as incurred.

Foreign currency transactions

The financial statements of consolidated entities that are prepared in a foreign currency are translated using the functional currency concept of IAS 21, *The Effects of Changes in Foreign Exchange Rates*. The functional currency of a subsidiary is determined on the basis of the primary economic environment in which it operates and typically corresponds to the local currency.

The reporting currency is the Canadian dollar and the unaudited interim condensed consolidated financial statements are presented in thousands of Canadian dollars, except per share amounts and as otherwise noted. Refer to Note 16 - *Subsidiaries* for additional information on the subsidiaries. Income and expenses of subsidiaries with a different functional currency than the Company's reporting currency are translated in the Company's unaudited interim condensed consolidated financial statements at the average U.S. dollar exchange rate for the reporting period, and assets and liabilities are translated at the closing rate. Exchange differences arising from the translation are recognized in other comprehensive income (loss). Foreign currency payables and receivables in the unaudited interim condensed consolidated statements of financial position are recorded at the transaction date at cost. Exchange gains and losses arising from conversion of monetary assets and liabilities at exchange rates at the end of the reporting period are recognized as income or expense.

New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2022, except for the adoption of new standards effective as of January 1, 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have a significant impact on the unaudited interim condensed consolidated financial statements of the Company.

Amendments to IFRS 7, Financial Instruments: Disclosures

The amendment provides clarification on disclosing material accounting policy information regarding the measurement bases for financial instruments.

Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates, and Errors

The amendment provides a definition of "accounting estimate" and clarifies the difference between accounting policies and accounting estimates.

Amendments to IAS 12, Income Taxes

The amendment provides clarification on how companies account for deferred taxes that arise on single transactions such as leases and decommissioning obligations.

Amendments to IAS 1, Presentation of Financial Statements, and *IFRS Practice Statement 2, Making Materiality Judgments*

The amendment provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Standards issued but not yet effective

Amendments to IAS 1, Presentation of Financial Statements

The amendment provides clarification on the conditions with which an entity must comply within 12 months after the reporting period affecting the classification of a liability as current or non-current. The Company will adopt the amendment when it becomes effective in the Company's December 31, 2024 year.

3. FINANCIAL INSTRUMENTS

Categories and measurement hierarchy

There have been no material changes in the Company's categories and measurement hierarchy. There were no transfers between levels during the current or comparative periods. Refer to Note 4 - *Financial Instruments* of the 2022 audited annual consolidated financial statements for further disclosure.

4. FINANCIAL RISK MANAGEMENT

In the normal course of business, the Company manages risks that arise as a result of its use of financial instruments. These risks include credit, liquidity and market risk. Market risks can include interest rate risk, foreign currency risk and other price risk.

There have been no material changes in the Company's objectives, policies or processes for measuring and managing any of the risks to which it is exposed since the previous year-end, except for the changing market conditions on credit and liquidity risk. Refer to Note 5 - *Financial Risk Management* of the 2022 audited annual consolidated financial statements for further disclosure.

5. FINANCE RECEIVABLES

Substantially all of the lease and loan receivables have been pledged as security for amounts borrowed from lenders under various facilities, as described in Note 8 - *Borrowings*. The lenders have the right to enforce their security interest in the pledged lease and loan receivables if the Company defaults under these facilities. The Company retains significant risks and rewards of ownership, in some cases through consolidated special purpose entities ("SPEs"), and servicing responsibilities of the pledged lease and loan receivables, and therefore continues to recognize them on the unaudited interim condensed consolidated statements of financial position.

($ thousands)	**March 31, 2023**	December 31, 2022
Net investment in leases	**$ 876,973**	$ 899,982
Loan receivables	**1,197,842**	1,200,624
Auto loan receivables	**240,721**	229,652
Finance receivables	**$ 2,315,536**	$ 2,330,258

(a) Net investment in finance receivables includes the following:

($ thousands)	**March 31, 2023**	December 31, 2022
Total minimum finance receivables payments *(b)*	**$ 2,799,660**	$ 2,800,578
Residual values of leased equipment	**39,595**	39,155
	2,839,255	2,839,733
Unearned income, net of initial direct costs	**(467,951)**	(458,795)
Net investment in finance receivables before allowance for expected credit losses ("ECL")	**2,371,304**	2,380,938
Allowance for ECL *(c)*	**(55,768)**	(50,680)
Net investment in finance receivables	**$ 2,315,536**	$ 2,330,258

(b) Minimum scheduled collections

The Company's minimum scheduled collection of finance receivables as at March 31, 2023, are presented in the following table:

($ thousands)	Minimum payments
2023	$ 758,362
2024	771,189
2025	601,118
2026	416,815
2027	199,058
2028 and thereafter	92,713
Total minimum payments	$ 2,839,255

The Company’s experience has shown that the actual contractual payment streams will vary depending on a number of variables including: prepayment rates, charge-offs and modifications. Accordingly, the minimum scheduled collections presented above are not to be regarded as a forecast of future cash collections.

(c) Allowance for expected credit losses

The Company's probability-weighted estimate of expected credit losses ("ECLs") using three scenarios (base, upside and downside) was determined as at March 31, 2023 based on forecasts and other information available at that date. When determining the ECL, the Company considered forward-looking macroeconomic information. The Company disaggregates its portfolio by segment. The following forward-looking factors were examined for each portfolio:

Segment	Macroeconomic factor	**As at March 31, 2023** Base scenario 12-month forecast	**As at December 31, 2022** Base scenario 12-month forecast
Canadian Equipment Financing	Canadian GDP Growth	**0.5%**	**0.5%**
U.S. Equipment Financing	Secured Overnight Financing Rate	**5.2%**	**4.6%**
	U.S. GDP Growth	**0.8%**	**1.1%**
	U.S. Unemployment Rate	**4.0%**	**4.4%**
Canadian Auto Financing	2 Year Note Interest Rate	**3.9%**	**3.9%**
	CAD/USD Foreign Exchange Rate	**1.33**	**1.33**

Historically, an increase in interest rates, an increase in unemployment rates, a decrease in GDP growth, or weakening Canadian dollar have increased charge-offs.

The impact of market uncertainties on the economy, as well as, the timing of recoveries will continue to evolve with the subsequent effect reflected in the measurement of ECLs in future quarters as appropriate. This may add significant volatility to ECL. A 10% increase to the downside scenario from the base scenario across all segments would result in an allowance for ECL of $57.5 million as at March 31, 2023 (an increase of $1.7 million).

The following table shows the net investment in finance receivables before allowance for ECL by credit category:

	As at March 31, 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
($ thousands)	**Performing**	**Under-Performing**	**Non-Performing**	
Prime	**$ 1,596,395**	**$ 20,541**	**$ 6,751**	**$ 1,623,687**
Non-prime	**689,481**	**33,473**	**24,663**	**747,617**
Total	**$ 2,285,876**	**$ 54,014**	**$ 31,414**	**$ 2,371,304**

	As at December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
($ thousands)	Performing	Under-Performing	Non-Performing	
Prime	$ 1,614,638	$ 13,707	$ 5,523	$ 1,633,868
Non-prime	699,568	29,083	18,419	747,070
Total	$ 2,314,206	$ 42,790	$ 23,942	$ 2,380,938

The following tables show reconciliations from the opening to the closing balance of the allowance for ECL:

	Three months ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	
($ thousands)	Performing	Under-Performing	Non-Performing	Total
Balance, January 1, 2023	$ 24,176	$ 10,733	$ 15,771	$ 50,680
Transfer to Performing (Stage 1)	3,360	(2,232)	(1,128)	—
Transfer to Under-Performing (Stage 2)	(562)	1,064	(502)	—
Transfer to Non-Performing (Stage 3)	(738)	(5,433)	6,171	—
Net remeasurement of loss allowance	(10,056)	9,031	15,385	14,360
New receivables originated	3,622	—	—	3,622
Provision for credit losses	(4,374)	2,430	19,926	17,982
Charge-offs	—	—	(16,118)	(16,118)
Recoveries of amounts previously charged off	—	—	3,244	3,244
Net charge-offs	—	—	(12,874)	(12,874)
Foreign exchange translation	(7)	(3)	(10)	(20)
Balance, March 31, 2023	$ 19,795	$ 13,160	$ 22,813	$ 55,768

	Three months ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	
($ thousands)	Performing	Under-Performing	Non-Performing	Total
Balance, January 1, 2022	$ 13,888	$ 4,460	$ 4,045	$ 22,393
Acquisition of Rifco loans	9,306	—	—	9,306
Transfer to Performing (Stage 1)	1,257	(1,126)	(131)	—
Transfer to Under-Performing (Stage 2)	(845)	640	205	—
Transfer to Non-Performing (Stage 3)	(776)	(474)	1,250	—
Net remeasurement of loss allowance	(1,990)	1,933	2,544	2,487
New receivables originated	4,873	—	—	4,873
Provision for credit losses	11,825	973	3,868	16,666
Charge-offs	—	—	(3,816)	(3,816)
Recoveries of amounts previously charged off	—	—	4,223	4,223
Net charge-offs	—	—	407	407
Foreign exchange translation	(153)	(50)	(90)	(293)
Balance, March 31, 2022	$ 25,560	$ 5,383	$ 8,230	$ 39,173

(d) Finance receivables past due

The following aging represents the total carrying amount of the lease and loan receivables and not just the payments that are past due. The balances presented exclude the $2.2 million (December 31, 2022 - $2.9 million) of security deposits received from lessees/borrowers and the collateral held (including potential proceeds from repossessed equipment, and potential recoveries from personal guarantees) that would offset any charge-offs.

The U.S. Equipment Financing Segment charges off leases and loans when they become 154 days contractually past due, unless information indicates that an earlier charge-off is warranted. A high percentage of charge-offs are recognized before the subject lease/loan reaches 154 days contractually past due, due to insolvency or non-responsiveness of the lessee or borrower. Vault Credit charges off leases and loans on an individual basis when there is no realistic prospect of recovery. The Canadian Auto Financing Segment, charges off loans when they become 120 days contractually past due. Loan and lease receivables that are charged off during the period are all subject to continued collection efforts.

											As at March 31, 2023
($ thousands)		**Current**		**1-30 days**		**31-60 days**		**61-90 days**		**Over 90 days**	**Total**
Finance receivables	**$**	**2,246,115**	**$**	**66,816**	**$**	**29,824**	**$**	**14,940**	**$**	**13,609**	**$ 2,371,304**
Credit impaired	**$**	**1,314**	**$**	**1,680**	**$**	**2,408**	**$**	**12,403**	**$**	**13,609**	**$ 31,414**
Past due but not impaired	**$**	**—**	**$**	**65,136**	**$**	**27,416**	**$**	**2,537**	**$**	**—**	**$ 95,089**

											As at December 31, 2022
($ thousands)		Current		1-30 days		31-60 days		61-90 days		Over 90 days	Total
Finance receivables	$	2,261,844	$	73,477	$	23,776	$	8,781	$	13,060	$ 2,380,938
Credit impaired	$	1,032	$	1,860	$	1,590	$	6,492	$	12,968	$ 23,942
Past due but not impaired	$	—	$	71,617	$	22,186	$	2,289	$	92	$ 96,184

(e) Modifications

The net investment in finance receivables that have been modified (in 2023 or prior) and are current as at March 31, 2023 is $66.4 million (December 31, 2022 - $77.8 million). On average, the terms have been modified to extend the contracts by approximately one to three months, depending on the modification. Modified finance receivables as at March 31, 2023 had a total net investment in finance receivable balance of $92.9 million (December 31, 2022 - $95.1 million). The majority of the modifications were related to COVID-19 deferrals.

(f) Collateral

The U.S. Equipment Financing Segment, Canadian Equipment Financing Segment, and Canadian Auto Financing Segment are entitled to repossess financed equipment and automobiles (subject to statutory regulations) if the borrower defaults on their lease or loan contract. When a lease or loan is charged off, the expected resale value of the related equipment or automobile is recorded on the unaudited interim condensed consolidated financial statements so that the total charge-off is net of expected recoveries. Any amounts recovered from the sale of equipment or automobile after a charge-off in excess of the expected resale value, are credited to the provision for credit losses when received. During the three months ended March 31, 2023, the proceeds from the disposal of repossessed equipment and automobile that were charged off totalled $6.1 million (December 31, 2022 - $19.1 million).

(g) Assets sold to third parties

The Company entered into agreements with investment managers and financial institutions for the non-recourse sale of equipment leases and loans in exchange for fees. During the three months ended March 31, 2023, $106.0 million of finance receivables were sold (year ended December 31, 2022 - $270.1 million).

6. INTANGIBLE ASSETS

The Company assessed its intangible assets for indicators of impairment for the three months ended March 31, 2023. No indicators were identified during the period. Refer to Note 19 - *Business Combinations* for more information regarding the acquisitions made in the current period.

	Indefinite useful life		Finite useful life			
($ thousands)	Trade names	Licenses	Relationships	Trade names	Software	Total
Cost:						
December 31, 2021	$ 7,262	$ —	$ 35,217	$ 2,100	$ 37	$ 44,616
Business combinations	—	1,053	727	—	340	2,120
Software	—	—	—	—	382	382
Foreign exchange translation	468	—	—	—	—	468
December 31, 2022	7,730	1,053	35,944	2,100	759	47,586
Business combinations	663	—	723	—	2,114	3,500
Software	—	—	—	—	105	105
Foreign exchange translation	(5)	—	—	—	—	(5)
March 31, 2023	**$ 8,388**	**$ 1,053**	**$ 36,667**	**$ 2,100**	**$ 2,978**	**$ 51,186**
($ thousands)	Trade names	Licenses	Relationships	Trade names	Software	Total
Accumulated amortization:						
December 31, 2021	$ 127	$ —	$ 17,447	$ 93	$ 11	$ 17,678
Amortization	—	—	2,088	140	207	2,435
December 31, 2022	127	—	19,535	233	218	20,113
Amortization	—	—	538	35	86	659
March 31, 2023	**$ 127**	**$ —**	**$ 20,073**	**$ 268**	**$ 304**	**$ 20,772**
($ thousands)	Trade names	Licenses	Relationships	Trade names	Software	Total
Carrying amount:						
December 31, 2022	$ 7,603	$ 1,053	$ 16,409	$ 1,867	$ 541	$ 27,473
March 31, 2023	**$ 8,261**	**$ 1,053**	**$ 16,594**	**$ 1,832**	**$ 2,674**	**$ 30,414**

7. GOODWILL

The Company last performed its annual impairment tests as at December 31, 2022, which identified no impairment.

($ thousands)	U.S. Equipment Financing	Canadian Equipment Financing	Canadian Auto Financing	Asset Management	Total
Cost:					
December 31, 2021	$ 45,984	$ 45,645	$ —	$ —	$ 91,629
Business combinations	—	—	1,895	2,143	4,038
Foreign exchange translation	3,142	—	—	—	3,142
December 31, 2022	49,126	45,645	1,895	2,143	98,809
Foreign exchange translation	(40)	—	—	—	(40)
March 31, 2023	**$ 49,086**	**$ 45,645**	**$ 1,895**	**$ 2,143**	**$ 98,769**

($ thousands)	U.S. Equipment Financing	Canadian Equipment Financing	Canadian Auto Financing	Asset Management	Total
Accumulated impairment:					
December 31, 2021	$ 32,348	$ 16,138	$ —	$ —	$ 48,486
Foreign exchange translation	2,210	—	—	—	2,210
December 31, 2022	34,558	16,138	—	—	50,696
Foreign exchange translation	(28)	—	—	—	(28)
March 31, 2023	**$ 34,530**	**$ 16,138**	**$ —**	**$ —**	**$ 50,668**

($ thousands)	U.S. Equipment Financing	Canadian Equipment Financing	Canadian Auto Financing	Asset Management	Total
Carrying amount:					
December 31, 2022	$ 14,568	$ 29,507	$ 1,895	$ 2,143	$ 48,113
March 31, 2023	**$ 14,556**	**$ 29,507**	**$ 1,895**	**$ 2,143**	**$ 48,101**

8. BORROWINGS

The Company and its subsidiaries were compliant with all covenants attached to the following facilities as at March 31, 2023 and throughout the period then ended.

($ thousands)	Chesswood credit facility *(a)*	Chesswood deferred financing costs	U.S. Equipment Financing Segment credit facilities *(b)*	U.S. Equipment Financing Segment deferred financing costs	Canadian Equipment Financing Segment financing facilities *(c)*	Canadian Auto Financing Segment financing facilities *(d)*	Total
Net as at December 31, 2022	$ 294,048	$ (3,377)	$1,091,324	$ (7,273)	$ 631,177	$ 215,750	$ 2,221,649
Proceeds or draw-downs	**743,730**	**—**	**113,459**	**—**	**74,343**	**40,043**	**971,575**
Repayments	**(738,455)**	**—**	**(113,486)**	**—**	**(91,263)**	**(30,525)**	**(973,729)**
Payment of financing costs	**—**	**—**	**—**	**(48)**	**—**	**(11)**	**(59)**
Amortization of deferred financing costs	**—**	**413**	**—**	**1,167**	**—**	**79**	**1,659**
Foreign exchange translation	**(121)**	**—**	**(891)**	**10**	**—**	**—**	**(1,002)**
Net as at March 31, 2023	**$ 299,202**	**$ (2,964)**	**$1,090,406**	**$ (6,144)**	**$ 614,257**	**$ 225,336**	**$ 2,220,093**

The primary sources of cash for the Company and its subsidiaries have been cash flows from operating activities, and borrowings under its and its various subsidiaries' revolvers, warehouses, asset-backed securitizations and bulk lease financing facilities. The primary uses of cash for the Company and its subsidiaries are to fund originations of equipment leases and loans, auto loans, support working capital, long-term debt principal repayments, share repurchases and dividends.

As at March 31, 2023, the Company had the following facilities:

(a) Chesswood Revolving Credit Facility:

(i) In support of its strategic plan, Chesswood exercised the accordion feature under this revolving credit facility in Q4 2022, which expanded its capacity to US$386.7 million from US$300 million previously. The facility is subject to, among other things, certain percentages of eligible gross finance receivables. This credit facility is secured by substantially all of the Company's (and most of its subsidiaries') assets, contains covenants, including maintaining leverage, interest coverage and delinquency ratios, and expires on January 14, 2025. As at March 31, 2023, the Company was utilizing US$240.3 million (December 31, 2022 - US$236.1 million) of its credit facility and had approximately US$146.4 million in additional borrowings available under the revolving credit facility. Based on average debt levels, the effective interest rate during the three months ended March 31, 2023, was 6.87% (year ended December 31, 2022 - 4.91%).

This revolving credit facility allows Chesswood to internally manage the allocation of capital to its financial services businesses in Canada and the United States. The credit facility supports growth in finance receivables, provides for Chesswood's working capital needs and for general corporate purposes. The facility, available in U.S. dollars or Canadian dollars, also improves the Company's financial flexibility by centralizing treasury management and making the provision of capital to individual businesses more efficient. The financing facilities are not intended to directly fund dividends by the Company. Under the facility, the maximum amount of cash dividends and purchases under its normal course issuer bid in respect of a month is 1/12 of 90% of Free Cash Flow (see dividend policy below) for the most recently completed four financial quarters for which Chesswood has publicly filed its consolidated financial statements (including its annual consolidated financial statements in respect of a fourth quarter). Free Cash Flow is defined as the consolidated Adjusted EBITDA less maintenance capital expenditures and tax expense, plus or minus the tax effect of non-cash change in the allowance for ECL. Please refer to the definitions of Non-GAAP Measures provided in the MD&A.

(b) U.S. Equipment Financing Segment:

(i) The U.S. Equipment Financing Segment has a credit facility, with a US$150 million annual capacity, with a life insurance company to be renewed annually in October. The funder makes approved advances to the segment on a tranche-by-tranche basis, with each tranche collateralized by a specific group of underlying finance receivables and any related security provided thereunder. The facility has recourse only to the assets financed. The cost of each loan advance is fixed at the time of each tranche. The segment maintains certain cash reserves as credit enhancements or provides letters of credit in lieu of cash reserves. The segment retains the servicing of these finance receivables. The balance of this facility as at March 31, 2023 was US$124.0 million (December 31, 2022 - US$112.8 million). Based on average debt levels, the effective interest rate for the three months ended March 31, 2023, was 5.07% (including amortization of origination costs) (year ended December 31, 2022 - 3.91%).

(ii) In October 2019, the U.S. Equipment Financing Segment completed a US$254 million asset-backed securitization that has a fixed term and fixed interest rate and is collateralized by receivables from the U.S. Equipment Financing Segment's portfolio of equipment leases and loans. Proceeds from the securitization were used to pay down the U.S. Equipment Financing Segment's previously existing warehouse line and Chesswood's senior revolving credit facility. The balance of this facility as at March 31, 2023 was US$28.7 million (December 31, 2022 - US$37.2 million). Based on average debt levels, the effective interest rate was 3.68% for the three months ended March 31, 2023 (including amortization of origination costs) (year ended December 31, 2022 - 3.47%).

(iii) On September 30, 2020, the U.S. Equipment Financing Segment completed a US$183.5 million asset-backed securitization that has a fixed term and fixed interest rate and is collateralized by receivables from the U.S. Equipment Financing Segment portfolio of equipment leases and loans. Proceeds from the securitization were used to pay off the U.S. Equipment Financing Segment's previously existing warehouse line, and CapOne facilities, and to pay down Chesswood's senior revolving credit facility. The balance of this facility as at March 31, 2023 was US$38.0 million (December 31, 2022 - US$45.9 million). The effective interest rate was approximately 3.71% for the three months ended March 31, 2023 (including amortization of origination costs) (year ended December 31, 2022 - 3.29%).

(iv) On October 22, 2021, the U.S. Equipment Financing Segment completed a US$356.1 million asset-backed securitization that has a fixed term and a fixed interest rate and is collateralized by receivables from the U.S. Equipment Financing Segment's portfolio of equipment leases and loans. Proceeds from the securitization were used to pay off the U.S. Equipment Financing Segment's warehouse line and to pay down Chesswood's senior revolving credit facility. The balance of this facility as at March 31, 2023, was US$197.8 million (December 31, 2022 - US$222.0 million). The effective interest rate was approximately 2.24% for the three months ended March 31, 2023 (including amortization of origination costs) (year ended December 31, 2022 - 1.90%).

(v) On August 15, 2022, the U.S. Equipment Financing Segment completed a US$346.6 million asset-backed securitization that has a fixed term and a fixed interest rate and is collateralized by receivables from the U.S. Equipment Financing Segment's portfolio of equipment leases and loans. Proceeds from the securitization were used to pay off the U.S. Equipment Financing Segment's warehouse line and to pay down Chesswood's senior revolving credit facility. The balance of this facility as at March 31, 2023, was US$290.3 million (December 31, 2022 - US$313.1 million). The effective interest rate was approximately 5.81% for the three months ended March 31, 2023 since the inception of the facility (including amortization of origination costs) (year ended December 31, 2022 - 5.85%).

(vi) The U.S. Equipment Financing Segment has a US$350 million revolving warehouse loan facility that was established in May 2021 specifically to fund its growing prime and near prime portfolio. The warehouse facility holds the U.S. Equipment Financing Segment's prime receivables before they are securitized and is secured by the U.S. Equipment Financing Segment's assets, and contains covenants, including maintaining leverage, interest coverage, and delinquency ratios. This facility has a revolving period until November 2024 followed by an optional amortizing period for an additional 36 months. As at March 31, 2023, the balance of this facility was US$91.2 million (December 31, 2022 - US$44.8 million). The effective interest rate for the three months ended March 31, 2023 was approximately 7.15% (including amortization of origination costs) (year ended December 31, 2022 - 3.93%).

(vii) The U.S. Equipment Financing Segment entered into arrangements on April 29, 2021 under which an investment fund managed by Waypoint provides loan funding to a special purpose vehicle and thereby receives returns based on the performance of a specific group of finance receivables. The investment fund is structured as a limited partnership with the Company owning the general partnership interest. Waypoint receives fees for managing the investment fund. The facility has recourse only to the assets financed. The cost of each loan advance is fixed at the time of each tranche. The balance of this facility as at March 31, 2023 was US$35.8 million (December 31, 2022 - US$30.0 million). Based on average debt levels, the effective return provided to the private credit investors for the three months ended March 31, 2023 was 13.30% (including amortization of origination costs) (year ended December 31, 2022 - 14.41%).

(viii) As at March 31, 2023, the U.S. Equipment Financing Segment had provided US$4.0 million in outstanding letters of credit through Chesswood's revolving credit facility in lieu of cash reserves (December 31, 2022 - US$4.0 million).

(c) Canadian Equipment Financing Segment:

On October 1, 2022, Blue Chip Leasing Corporation ("Blue Chip") and Vault Credit were amalgamated. The amalgamated corporation, which continues to use the Vault Credit Corporation name, remains a wholly owned subsidiary of the CHW/Vault Holdco Corp. ("Canadian Holdco"), in which, Chesswood owns 51% and exercises control.

As at March 31, 2023, Vault Credit had master purchase and servicing agreements with various financial institutions and life insurance companies (referred to collectively as the “Funders”). The Funders make advances to Vault Credit on a tranche-by-tranche basis, with each tranche collateralized by a specific group of underlying finance receivables and any related security provided thereunder. The facilities have limited recourse to other assets in the event that lessees/borrowers fail to make payments when due. Vault Credit either maintains certain cash reserves as credit enhancements or provides letters of credit in return for release of the cash reserves. As at March 31, 2023, Vault Credit continues to service these finance receivables on behalf of the Funders.

(i) As at March 31, 2023, Vault Credit had access to the following lines of funding:

- (a) $200 million annual limit from a life insurance company.
- (b) $300 million rolling limit line from a financial institution.
- (c) Approved funding from another financial institution with no annual or rolling limit.

As at March 31, 2023, Vault Credit had $610.3 million (December 31, 2022 - $629.2 million) in securitization and bulk lease financing facilities debt outstanding. Vault Credit had access to at least $287.2 million of additional financing from its securitization partners (December 31, 2022 - $363.3 million).

The interest rates on the lines of funding noted above are fixed at the time of each advance and are based on Government of Canada Bond yields with maturities comparable to the term of the underlying leases plus a premium. Based on average debt levels, the effective interest rate during the three months ended March 31, 2023 was 4.86% for Vault Credit (year ended December 31, 2022 - 3.69%).

(ii) The Canadian Equipment Financing Segment entered into arrangements on December 14, 2021 under which Vault Credit Opportunities Fund ("VCOF") provides loan funding to Vault Credit and thereby receives returns based on the performance of a specific group of finance receivables. The Canadian Equipment Financing Segment receives fees for servicing the portfolio. The facility has recourse only to the assets financed. The cost of each loan advance is fixed at the time of each tranche. The balance of this facility as at March 31, 2023 was $2.3 million (December 31, 2022 - $2.0 million). VCOF earns a yield equivalent to the interest on the underlying loans.

(iii) As at March 31, 2023, Vault Credit had provided $14.9 million in outstanding letters of credit through Chesswood's revolving credit facility in lieu of cash reserves (December 31, 2022 - $14.9 million). Vault Credit must meet certain financial covenants, including leverage ratio, interest coverage ratio, and tangible net worth covenants, to support these securitization and bulk lease financing facilities.

(iv) In 2023, Vault Home obtained a line of funding with a $30 million annual limit from a life insurance company. As at March 31, 2023, Vault Home had $1.7 million (December 31, 2022 - n/a) in securitizations and bulk lease financing facilities debt outstanding. Vault Home had access to at least $28.3 million of additional financing from its securitization partner (December 31, 2022 - n/a). Based on average debt levels, the interest rate during the three months ended March 31, 2023 was 6.03% for Vault Home (year ended December 31, 2022 - n/a).

(d) Canadian Auto Financing Segment:

(i) As at March 31, 2023, Rifco had access to the following lines of funding:
- (a) $60 million annual limit from a life insurance company.
- (b) $50 million rolling limit from a financial institution.
- (c) Approved funding from another financial institution with no annual or rolling limit.

As at March 31, 2023, Rifco had $219.5 million outstanding on its securitization facilities (December 31, 2022 - $208.3 million). Based on average debt levels, the effective interest rate during the three months ended March 31, 2023 was 5.08% (December 31, 2022 - 4.48%).

(ii) Unsecured debentures:

Rifco has previously issued unsecured debentures that allow Rifco the right to redeem the debenture in the last year of their terms without penalty. The unsecured debenture holders do not have early retraction rights and have no right to convert into common shares. The unsecured debentures have an asset coverage covenant. Non-compliance with this covenant could result in the debenture holders declaring an event of default and requiring all amounts outstanding to be immediately due and payable. Rifco was compliant for the reporting period. The unsecured debentures are non-retractable and have maturity dates that go out until August 2026.

As at March 31, 2023, Rifco had $5.8 million in unsecured debentures outstanding (December 31, 2022 - $7.5 million). Based on average debt levels, the effective interest rate during the three months ended March 31, 2023 was 8.54% (December 31, 2022 - 8.81%).

(iii) As at March 31, 2023, Rifco had provided $5.1 million in outstanding letters of credit through Chesswood's revolving credit facility in lieu of cash reserves (December 31, 2022 - $5.1 million).

(e) Restricted funds:

($ thousands)	**March 31, 2023**	December 31, 2022
Restricted - cash in collection accounts	**$ 56,440**	$ 49,314
Restricted - cash reserves	**48,860**	46,042
Restricted funds	**$ 105,300**	$ 95,356

9. MINIMUM PAYMENTS

The following are the contractual payments and maturities of financial liabilities and other commitments (including interest) as at March 31, 2023:

($ thousands)		2023	2024	2025	2026	2027	2028+	**Total**
Accounts payable and other liabilities		$ 46,383	$ —	$ —	$ —	$ —	$ —	**$ 46,383**
Premise leases payables	*(i)*	886	1,157	1,172	1,226	501	54	**4,996**
Borrowings	*(ii)*	625,752	643,528	760,954	238,664	95,163	24,052	**2,388,113**
Customer security deposits	*(iii)*	1,179	337	304	352	208	3	**2,383**
		674,200	645,022	762,430	240,242	95,872	24,109	**2,441,875**
Service contracts		2,057	929	860	598	396	396	**5,236**
Total commitments		$676,257	$645,951	$763,290	$240,840	$ 96,268	$ 24,505	**$ 2,447,111**

i. The Company and its subsidiaries are committed to future minimum rental payments under existing leases for premises, excluding occupancy costs and property tax, with expirations up to 2028. The amounts above exclude adjustments for discounting premise leases payable.

ii. Borrowings are described in Note 8 - *Borrowings*, and include fixed payments for the U.S. Equipment Financing Segment, Canadian Equipment Financing Segment, and the Canadian Auto Financing Segment securitization facilities, as well as the Canadian Auto Financing Segment's debentures and Chesswood's corporate revolving credit facility which is a line of credit and, as such, the balance can fluctuate. The amounts above include fixed interest payments on the U.S. Equipment Financing Segment's, Vault Credit's, and the Canadian Auto Financing Segment's credit facilities and estimated interest payments on the Canadian Auto Financing Segment's debentures and Chesswood's corporate credit facility. The latter assuming the interest rate, debt balance and foreign exchange rate as at March 31, 2023 remain the same until the expiry date of January 2025. The amount owing under Chesswood's revolving credit facility and the Canadian Auto Financing Segment's debentures are shown in the year of maturity, and all other expected payments for borrowings are based on the underlying finance receivables supporting the borrowings.

iii. The Company's experience has shown the actual contractual payment streams will vary depending on a number of variables, including prepayment rates, charge-offs, and modifications. Accordingly, the scheduled contractual payments of customer security deposits shown in the table above are not to be regarded as a forecast of future cash payments.

Please see Note 5(b) - *Finance Receivables* of the unaudited interim condensed consolidated financial statements for the minimum expected collections of finance receivables over the same time period. Also see Note 8(e) - *Borrowings*, for the amount of restricted funds in collections accounts that will be applied to debt in the following month.

The Company has no material liabilities that have not been recognized and presented on the unaudited interim condensed consolidated statements of financial position, other than US$18.8 million in letters of credit.

10. CAPITAL MANAGEMENT

The Company's capital consists of borrowings and shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's long-term ability to continue as a going concern and to provide adequate returns for shareholders to meet or exceed the targeted return on equity set by the Board of Directors. The Company's share capital is not subject to external restrictions. There have been no changes since the prior year.

The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk profile of the underlying assets. The Company uses various measures including share repurchases through the normal course issuer bid and the amount of dividends paid to shareholders.

Refer to Note 8 - *Borrowings* for further details on the Company's revolving credit facility.

(in Canadian dollars, except where otherwise indicated, unaudited)

11. COMMON SHARES

As at March 31, 2023, there were 17,817,351 common shares outstanding (excluding the shares issuable in exchange for the Exchangeable Securities) (December 31, 2022 - 17,619,661) with a book value of $128.0 million (December 31, 2022 - $125.7 million).

The Company is authorized to issue an unlimited number of common shares, with no par value. Each common share entitles the holder thereof to receive notice of, to attend, and to one vote at all meetings of the shareholders. The holders of common shares will be entitled to receive any dividends, if, as and when declared by the Company's directors. The shareholders will also be entitled to share equally, share for share, in any distribution of the assets of the Company upon the liquidation, dissolution or winding up of the Company or other distribution of its assets among its shareholders for the purpose of winding up its affairs. Additional information relevant to the common shares, the rights of holders thereof and the operation and conduct of the Company can be found in the Company's Articles and By-Laws, which have been filed under the Company's profile on SEDAR at www.sedar.com.

(a) Normal course issuer bids

In December 2021, the Company's Board of Directors approved the repurchase for cancellation of up to 980,230 of the Company's outstanding common shares for the period commencing January 24, 2022 and ending on January 23, 2023. From January 24, 2022 to December 31, 2022, the Company repurchased 453,612 of its shares under the normal course issuer bid at an average cost of $12.58 per share. The excess of the purchase price over the average stated value of common shares purchased for cancellation was charged to retained earnings. Decisions regarding the timing of purchases are based on market conditions and other factors.

In January 2023, the Company's Board of Directors approved the repurchase for cancellation of up to 1,033,781 of the Company's outstanding common shares for the period commencing January 25, 2023 and ending on January 24, 2024. From January 25, 2023 to March 31, 2023, the Company did not repurchase any shares under the normal course issuer bid.

Additionally, the Company has entered into an automatic share purchase plan with a broker for the purpose of permitting the Company to purchase its common shares under the normal course issuer bid at such times when the Company would not be permitted to trade in its own shares during internal blackout periods, including during regularly scheduled quarterly blackout periods. Such purchases will be determined by the broker in its sole discretion based on parameters the Company has established.

(b) Special warrants

On April 30, 2021, the Company merged its Canadian equipment leasing subsidiary, Blue Chip, with Vault Credit, a provider of equipment lease and commercial loan financing to small and medium-sized businesses across Canada. Chesswood incorporated a new company, Canadian Holdco, that acquired 100% of the shares of Blue Chip and Vault Credit's parent company.

As part of the consideration for the indirect acquisition of Vault Credit, the Company issued a total of 1,466,667 special warrants, each exchangeable for one common share of the Company. The special warrants vest in equal quarterly tranches (which began on December 31, 2021) with the final tranche vesting on June 30, 2024, and are automatically exercised two business days after vesting unless the put or call option on the 49% of interest in Canadian Holdco has been exercised. The special warrants are classified as equity and are measured at fair value under the Black-Scholes Options Pricing Model.

An analysis of the special warrants exercised as at March 31, 2023 is as follows:

	Three months ended	
	March 31, 2023	March 31, 2022
Balance, beginning of period	**933,335**	1,466,667
Exercised	**133,333**	133,333
Balance, end of period	**800,002**	1,333,334

(in Canadian dollars, except where otherwise indicated, unaudited)

During the three months ended March 31, 2023, on exercise, the accumulated balance in contributed surplus related to the special warrants of $1.5 million was transferred to common share capital (March 31, 2022 - $1.6 million). For the special warrants exercised during the three months ended March 31, 2023, the share price at the date of exercise was $11.35 (March 31, 2022 - $14.25).

On April 4, 2023, the sixth tranche of 133,333 special warrants which vested on March 31, 2023 were automatically exercised. On exercise, the accumulated balance in contributed surplus related to the special warrants of $1.5 million was transferred to common share capital. For the sixth tranche of special warrants exercised on April 4, 2023, the share price at the date of exercise was $9.08.

12. COMPENSATION PLANS

Contributed surplus includes the accumulated share-based compensation expensed over the vesting term for options and restricted share units unexercised, as at March 31, 2023. There were 1,883,050 options and 728,427 restricted share units outstanding as at March 31, 2023 (March 31, 2022 - 2,037,039 and 467,000, respectively).

(a) Share options

The options vest 30% at the end of the first year, another 35% at the end of the second year, and the remaining 35% at the end of the third year and expire on the 10th anniversary of the grant date. The options settle in common shares and have an exercise price equal to the fair value of the common shares on the grant date of the options. The cost of options is measured using the Black-Scholes Option Pricing Model and is expensed over the vesting period of each tranche with an increase in contributed surplus.

A summary of changes in the number of options outstanding is as follows:

	Three months ended	
	March 31, 2023	March 31, 2022
Balance, beginning of period	**1,908,050**	2,041,439
Granted	**—**	—
Exercised	**(12,500)**	(4,400)
Forfeited	**(12,500)**	—
Balance, end of period	**1,883,050**	2,037,039

During the three months ended March 31, 2023, the personnel expenses and contributed surplus relating to option expense was insignificant (March 31, 2022 - insignificant). As at March 31, 2023, unrecognized non-cash compensation expense related to the outstanding options was insignificant (March 31, 2022 - $0.1 million), which is expected to be recognized over the remaining vesting period.

During the three months ended March 31, 2023, 12,500 options were exercised (March 31, 2022 - 4,400) for total cash consideration of $0.1 million (March 31, 2022 - insignificant). On exercise, the accumulated amount in contributed surplus related to these exercised options was transferred to common share capital (common share capital was also increased by the cash consideration received upon exercise). For the options exercised during the three months ended March 31, 2023, the weighted average share price at the date of exercise was $11.24 (March 31, 2022 - $14.87) and the weighted average exercise price was $9.68 (March 31, 2022 - $9.61).

As at March 31, 2023, for all options outstanding, the weighted average exercise price is $11.28 (March 31, 2022 - $11.04) and the weighted average remaining contractual life is 2.89 years (March 31, 2022 - 3.7 years). The 1,821,800 options exercisable as at March 31, 2023 have a weighted average exercise price of $11.39 (March 31, 2022 - 1,839,174 options at $11.34).

(in Canadian dollars, except where otherwise indicated, unaudited)

An analysis of the options outstanding as at March 31, 2023 is as follows:

Range of exercise prices	Weighted average remaining life (in years)	Vested #	Total #
$ 8.01–$ 8.95	6.18	300,240	361,490
$10.17–$10.96	2.90	599,060	599,060
$12.15 –$12.53	1.94	657,500	657,500
$14.12	0.76	265,000	265,000
	2.89	1,821,800	1,883,050

(b) Restricted share units

Restricted share units ("RSUs") are to be settled by the issue of common shares and expire in 10 years. The vesting period for the remaining unvested RSUs are typically one year from the date of issue or evenly during the three years from the issue date. RSUs granted are in respect of future services and are expensed over the vesting period with an increase in contributed surplus. Compensation cost is measured based on the fair value of the common shares on the grant date of the RSUs. Holders of RSUs are not entitled to dividends before the RSUs are exercised.

A summary of changes in the number of RSUs outstanding is as follows:

	Three months ended	
	March 31, 2023	March 31, 2022
Balance, beginning of period	**479,400**	479,000
Granted	**302,550**	138,000
Exercised	**(51,857)**	(150,000)
Forfeited	**(1,666)**	—
Balance, end of period	**728,427**	467,000

During the three months ended March 31, 2023, personnel expenses and contributed surplus included $0.5 million (March 31, 2022 - $0.6 million) relating to RSUs.

As at March 31, 2023, unrecognized non-cash compensation expense related to non-vested RSUs was $4.1 million (March 31, 2022 - $4.4 million). The weighted average remaining contractual life for all RSUs outstanding is 9.2 years (March 31, 2022 - 9.5 years).

During the three months ended March 31, 2023, 51,857 RSUs were exercised (March 31, 2022 - 150,000). On exercise, the accumulated balance in contributed surplus related to the RSUs of $0.7 million (March 31, 2022 - $2.1 million) was transferred to common share capital. For the RSUs exercised during the three months March 31, 2023, the weighted average share price at the date of exercise was $11.32 (March 31, 2022 - $14.37).

An analysis of the RSUs outstanding as at March 31, 2023, is as follows:

Grant date	Number of RSUs outstanding	Vested	Expiry date	Value on grant date
November 30, 2020	50,000	50,000	June 29, 2030	$ 8.01
August 5, 2021	84,228	41,604	August 5, 2031	$ 11.69
November 5, 2021	96,649	—	November 5, 2031	$ 14.27
March 21, 2022	138,000	81,057	March 21, 2032	$ 14.40
June 28, 2022	57,000	—	June 28, 2032	$ 12.25
March 29, 2023	302,550	—	March 29, 2023	$ 9.00
	728,427	172,661		

13. DIVIDENDS

Under the Chesswood revolving credit facility (see Note 8(a) - *Borrowings*), the maximum amount of cash dividends (and/or cost of any repurchases under normal course issuer bids) that the Company can pay in respect of a month is 1/12 of 90% of Free Cash Flow for the most recently completed four financial quarters in which Chesswood has publicly filed its consolidated financial statements (including its annual consolidated financial statements in respect of a fourth quarter). Free Cash Flow is a Non-GAAP measure, which is defined in the MD&A.

The following dividends were declared during the three months ended March 31, 2023 and March 31, 2022:

($ thousands)	Three months ended **March 31, 2023**	March 31, 2022
Dividends declared to common shareholders and exchangeable securities holders	**$ 2,894**	$ 1,876
Dividends declared to warrant holders	**120**	133
	$ 3,014	$ 2,009

On November 7, 2022, the Company announced an increase to its dividend per share to $0.05 per month (or $0.60 per year), effective January 31, 2023. The following dividends were paid to common shareholders and exchangeable securities holders (included as non-controlling interest ("NCI")) during the three months ended March 31, 2023:

Record date	**Payment date**	**Cash dividend per share ($)**	**Total dividend amount** *($ thousands)*
December 30, 2022	January 16, 2023	**$ 0.04**	$ 764
January 31, 2023	February 15, 2023	**0.05**	964
February 28, 2023	March 15, 2023	**0.05**	965
		$ 0.14	$ 2,693

During the three months ended March 31, 2023, dividends of $1.1 million (March 31, 2022 - $0.4 million) were also paid to the NCI of Canadian Holdco. The dividend was recognized through net income on the unaudited interim condensed consolidated statements of income. Special warrants issued to the NCI for the merger of Vault Credit are entitled to a dividend equivalent prior to the special warrants becoming exercisable, paid on the date of exercise. As at March 31, 2023, dividends payable of $0.7 million has been accrued on the special warrants (March 31, 2022 - $0.5 million). During the three months ended March 31, 2023, $0.1 million in dividends were paid out on the special warrants (March 31, 2022 - insignificant).

The following dividends were paid to common shareholders and exchangeable securities holders (included as NCI) during the three months ended March 31, 2022:

Record date	Payment date	Cash dividend per share ($)	Total dividend amount *($ thousands)*
December 31, 2021	January 17, 2022	**$ 0.03**	$ 542
January 31, 2022	February 15, 2022	**0.03**	564
February 28, 2022	March 15, 2022	**0.03**	563
		$ 0.09	$ 1,669

14. EARNINGS PER SHARE

	Three months ended	
	March 31, 2023	March 31, 2022
Weighted average number of common shares outstanding	**17,802,451**	17,208,584
Dilutive effect of options	**102,365**	459,212
Dilutive effect of restricted share units	**437,482**	351,000
Dilutive effect of special warrants	**804,446**	1,340,741
Weighted average number of common shares outstanding for diluted earnings per share	**19,146,744**	19,359,537
Options and RSUs excluded from calculation of diluted shares for the period due to their anti-dilutive effect	**1,257,500**	—

15. RELATED PARTY TRANSACTIONS

(a) The Company has no parent or other ultimate controlling party.

(b) The Company’s key management consists of the President & Chief Executive Officer, Chief Financial Officer and the Board of Directors.

Key management compensation is as follows:

	Three months ended	
($ thousands)	**March 31, 2023**	March 31, 2022
Salaries, fees and other employee benefits	**$ 1,838**	$ 2,335
Share-based compensation	**403**	283
Compensation expense of key management	**$ 2,241**	$ 2,618

(c) Daniel Wittlin ("Wittlin"), the Chief Executive Officer of Vault Credit and a Company director indirectly owns 64% of the NCI in Canadian Holdco. Rob Trager ("Trager"), the President of Vault Credit, controls an intermediary entity which owns the remaining 36% of the NCI. Through the entity, Trager indirectly owns 5% of the NCI shares.

The NCI owns the special warrants related to the Vault Credit acquisition. Refer to Note 11 - *Common Shares* for further information.

(d) Vault Credit engaged in the following transactions with related parties in the periods subsequent to the Vault Credit business combination:

- Vault Credit signed a sublease commencing on April 30, 2021 for an eight-year term with a company controlled by Wittlin and Trager. The sublease mirrors all the terms of the head lease, which was entered into with an arm's length party, and requires Vault Credit to pay an allocation of the head lease rent based on head count. The sublease is therefore considered to be on fair market value terms. The right-of-use asset and premise lease liability initially recognized on the date of commencement is $0.8 million. In 2022, there were additional modifications and terminations to the lease resulting in net additions of $0.1 million to the premise lease liability. Lease payments paid during the three months ended March 31, 2023 was insignificant (March 31, 2022 - insignificant).
- Wittlin has significant influence over certain brokers within Vault Credit's origination network. The leases obtained from related party brokers comprise 49% (March 31, 2022 - 37%) of total finance receivables of the Canadian Equipment Financing Segment as at March 31, 2023. The total related party broker commissions capitalized during the three months ended March 31, 2023 was $1.6 million (March 31, 2022 - $2.0 million). These transactions were conducted at fair market value terms.
- Prior to the merger with Vault Credit, the Canadian Equipment Financing Segment had provided leases to entities over which Wittlin has significant influence. The total capital cost of the leases is $0.5 million (March 31, 2022 - $0.6 million) with a net book value which was insignificant as at March 31, 2023 (March 31, 2022 - $0.1 million). These transactions were conducted at fair market value terms.
- Vault Credit and Vault Home license proprietary leasing software from an entity controlled by Wittlin. Vault Credit and Vault Home pay for the costs of improving and maintaining the software. The total costs expensed by Vault Credit and Vault Home during the three months ended March 31, 2023 is $1.6 million (March 31, 2022 - $1.1 million). These transactions were conducted at fair market value terms.
- Wittlin and Trager indirectly control the general partner of VCOF. VCOF is a limited partnership that entered into a securitization arrangement with Vault Credit on December 14, 2021. Total interest expense for the three months ended March 31, 2023 was $0.1 million and servicing fee revenue was insignificant (March 31, 2022 - insignificant). See Note 8 - *Borrowings*.
- Wittlin controls VCOF SPV I Inc. During the three months ended March 31, 2023, Vault Credit sold $39.1 million (March 31, 2022 - n/a) of finance receivables to VCOF SPV I Inc. Total fees earned by Vault Credit were $0.6 million.

(e) Wittlin owns 38.3% of the NCI in Vault Home.

(f) Wittlin has significant influence over Vault Credit Inc., which has begun developing Tandem's vendor system. For the three months ended March 31, 2023, Tandem paid Vault Credit Inc. $0.3 million (March 31, 2022 - $0.2 million) for software development services. This transaction was conducted at fair market value terms.

(g) During the three months ended March 31, 2023, related parties were holders of unsecured debentures in Rifco. The terms offered to related parties for the unsecured debentures are identical to those offered to non-related party unsecured debenture holders. As at March 31, 2023, the total unsecured debentures held by related parties was $0.7 million (March 31, 2022 - $0.7 million). Total interest paid during the period was insignificant (March 31, 2022 - insignificant).

(h) An indirect subsidiary of Chesswood is the general partner of the newly launched Chesswood Canadian Asset Backed Credit Fund ("CABCF"), a limited partnership. For the three months ended March 31, 2023, Chesswood's operating entities sold $8.4 million of assets to CABCF and earned fee revenue of $0.3 million.

(in Canadian dollars, except where otherwise indicated, unaudited)

16. SUBSIDIARIES

The following table contains a list of the Company's consolidated subsidiaries:

Entity's name	Principal place of business	Ownership as at March 31, 2023	Operating segment	Functional currency
Chesswood Holdings Ltd.	Ontario	100%	Corporate - Canada	CAD
Lease-Win Limited	Ontario	100%	Corporate - Canada	CAD
Case Funding Inc.	Delaware	100%	Corporate - Canada	USD
Chesswood Capital Management Inc.	Ontario	100%	Asset Management	CAD
Chesswood Capital Management USA Inc.	Colorado(1)	100%	Asset Management	USD
Waypoint Investment Partners Inc.	Ontario	100%	Asset Management	CAD
Waypoint Private Credit GP Inc.	Ontario	100%	Asset Management	CAD
Waypoint Private Credit Fund LP	Ontario	General partner	Asset Management	CAD
Chesswood Canadian ABS GP Inc.	Ontario	100%	Asset Management	CAD
CHW/Vault Holdco Corp.	Ontario	51%	Canadian Equipment Financing	CAD
Vault Credit Corporation(3)	Ontario	51%	Canadian Equipment Financing	CAD
Vault Home Credit Corporation	Ontario	51%	Canadian Equipment Financing	CAD
1000390232 Ontario Inc. (Easy Legal)(4)	Ontario	100%	Canadian Equipment Financing	CAD
Chesswood U.S. Acquisition Co Ltd.	Delaware	100%(2)	U.S. Equipment Financing	USD
Pawnee Leasing Corporation(5)	Colorado	100%	U.S. Equipment Financing	USD
Tandem Finance Inc.	Colorado	100%	U.S. Equipment Financing	USD
Windset Capital Corporation	Delaware	100%	U.S. Equipment Financing	CAD
Rifco Inc.	Alberta	100%	Canadian Auto Financing	CAD
Rifco National Auto Finance Corporation	Alberta	100%	Canadian Auto Financing	CAD

On October 1, 2022, Blue Chip and Vault Credit were amalgamated. Prior to amalgamation, Blue Chip was a wholly owned subsidiary of the Company. The amalgamated corporation, which continues to use the Vault Credit Corporation name, remains a wholly owned subsidiary of Canadian Holdco (in which, as noted above, Chesswood owns 51% and exercises control).

(1) Chesswood Capital Management USA Inc. was incorporated in the State of Delaware, however, its principal place of business is Colorado.
(2) 100% ownership of voting shares.
(3) Vault Credit holds, through a consolidated, wholly owned Special Purpose Entity ("SPE"), a portfolio of leases and loans that are financed through an arm's length financial institution. See Note 5 - *Finance Receivables* and Note 8(a) -*Borrowings*.
(4) Easy Legal holds a consolidated wholly owned SPE.
(5) Pawnee holds, through consolidated, wholly owned SPEs, a portfolio of leases and loans that are financed through arm's length financial institutions. See Note 5 - *Finance Receivables* and Note 8(b) - *Borrowings*.

17. CASH FLOW SUPPLEMENTARY DISCLOSURE

		Three months ended	
($ thousands)	*Note*	**March 31, 2023**	March 31, 2022
Non-cash transactions			
Common shares issued for business combinations		**$ —**	$ 7,076
Common shares issued on exercise of RSUs	*12*	**732**	2,141
		$ 732	$ 9,217
Interest paid		**$ 28,637**	$ 11,808

		Three months ended	
($ thousands)	*Note*	**March 31, 2023**	March 31, 2022
Other non-cash items included in net income			
Share-based compensation expense	*12*	**$ 527**	$ 650
Amortization of deferred financing costs and debt restructuring	*8*	**1,659**	1,346
Non-cash interest expense on premise leases payable and revaluation of option liability		**(111)**	(1,531)
Unrealized gain on foreign exchange		**(256)**	(59)
		$ 1,819	$ 406
Changes in other net operating assets			
Other assets		**(2,301)**	629
Accounts payable and other liabilities		**1,709**	2,311
Customer security deposits		**(704)**	(415)
		$ (1,296)	$ 2,525

		Three months ended	
($ thousands)	*Note*	**March 31, 2023**	March 31, 2022
Borrowings			
Draw-downs or proceeds from borrowings	*8*	**$ 971,575**	$ 774,583
Payments - borrowings	*8*	**(973,729)**	(524,973)
		$ (2,154)	$ 249,610

18. SEGMENT INFORMATION

Segments are identified on the same basis that is used internally to manage and to report on performance, taking into account materiality and the products and services of each segment and the organizational structure of the Company. The Company's operations consist of the following reportable segments: U.S. Equipment Financing, Canadian Equipment Financing, Canadian Auto Financing, and Asset Management.

Segment information is prepared in conformity with the accounting policies adopted for the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2023. The role of the "chief operating decision maker" with respect to resource allocation and performance assessment is embodied in the position of Chief Executive Officer. The performance of the segments is measured on the basis of income before income taxes. Net assets, which are defined as total segment assets less total segment liabilities, are used as the basis of assessing the allocation of resources. When compared with the last annual consolidated financial statements, there are no differences in the basis of segmentation or in the basis of measuring segment results.

Selected information by segment and geographically is as follows:

	Three months ended March 31, 2023					
($ thousands)	**U.S. Equipment Financing**	**Canadian Equipment Financing**	**Canadian Auto Financing**	**Asset Management**	**Corporate - Canada**	**Total**
Interest revenue on finance leases and loans	$ 35,380	$ 20,983	$ 10,902	$ —	$ 184	$ 67,449
Ancillary finance and other fee income	5,925	4,571	743	2,455	—	13,694
Interest income (expense)	(17,620)	(10,452)	(3,140)	86	169	(30,957)
Provision for credit losses	(12,626)	(1,604)	(3,752)	—	—	(17,982)
Net revenue	**11,059**	**13,498**	**4,753**	**2,541**	**353**	**32,204**
Personnel expenses	5,995	6,323	2,285	749	864	16,216
Share-based compensation expense	65	7	51	—	404	527
General and administrative expenses	5,166	4,715	1,284	293	1,572	13,030
Depreciation	276	107	76	1	—	460
Amortization	—	590	46	23	—	659
Operating income (loss)	**(443)**	**1,756**	**1,011**	**1,475**	**(2,487)**	**1,312**
Unrealized gain (loss) on foreign exchange	—	66	—	(43)	233	256
Income (loss) before income taxes	**(443)**	**1,822**	**1,011**	**1,432**	**(2,254)**	**1,568**
Income tax expense (recovery)	267	49	590	801	(1,096)	611
Net income (loss)	**$ (710)**	**$ 1,773**	**$ 421**	**$ 631**	**$ (1,158)**	**$ 957**
Total assets	$ 1,410,055	$ 843,127	$ 256,799	$ 8,652	$ 13,246	$ 2,531,879
Total liabilities	$ 1,132,325	$ 631,730	$ 234,292	$ 3,055	$ 303,884	$ 2,305,286
Finance receivables	$ 1,302,691	$ 766,124	$ 240,721	$ —	$ 6,000	$ 2,315,536
Goodwill and intangible assets	$ 21,863	$ 50,570	$ 2,235	$ 3,847	$ —	$ 78,515
Property and equipment expenditures	$ —	$ (135)	$ (67)	$ —	$ —	$ (202)

	Three months ended March 31, 2022					
($ thousands)	U.S. Equipment Financing	Canadian Equipment Financing	Canadian Auto Financing	Asset Management	Corporate - Canada	Total
Interest revenue on finance leases and loans	$ 30,614	$ 11,015	$ 8,282	$ —	$ —	$ 49,911
Ancillary finance and other fee income	3,575	3,384	314	66	—	7,339
Interest income (expense)	(8,285)	(3,354)	(2,002)	(18)	1,572	(12,087)
Provision for credit losses	(2,906)	(1,741)	(12,019)	—	—	(16,666)
Net revenue	**22,998**	**9,304**	**(5,425)**	**48**	**1,572**	28,497
Personnel expenses	5,618	4,524	1,593	265	1,939	13,939
Share-based compensation expense	323	13	—	—	314	650
General and administrative expenses	5,135	2,634	1,084	431	882	10,166
Depreciation	222	124	87	—	—	433
Amortization	—	549	42	—	—	591
Operating income (loss)	**11,700**	**1,460**	**(8,231)**	**(648)**	**(1,563)**	2,718
Unrealized gain (loss) on foreign exchange	—	136	—	—	(77)	59
Income (loss) before income taxes	**11,700**	**1,596**	**(8,231)**	**(648)**	**(1,640)**	2,777
Income tax expense (recovery)	3,285	507	(1,790)	(225)	(679)	1,098
Net income (loss)	**$ 8,415**	**$ 1,089**	**$ (6,441)**	**$ (423)**	**$ (961)**	**$ 1,679**
Total assets	$ 1,258,357	$ 557,944	$ 228,916	$ 259	$ 2,752	$ 2,048,228
Total liabilities	$ 962,394	$ 385,508	$ 205,693	$ 93	$ 302,836	$ 1,856,524
Finance receivables	$ 1,163,557	$ 466,213	$ 204,769	$ —	$ —	$ 1,834,539
Goodwill and intangible assets	$ 20,188	$ 49,051	$ 368	$ —	$ —	$ 69,607
Property and equipment expenditures	$ (13)	$ (94)	$ (89)	$ —	$ —	$ (196)

19. BUSINESS COMBINATIONS

Easy Legal

On February 13, 2023, 1000390232 Ontario Inc. ("Easy Legal"), a subsidiary of the Company, acquired the operating business of Easy Legal Finance Inc., a specialty lender focused on providing credit solutions to the legal sector.

The acquisition of Easy Legal Finance Inc.'s operating business was accounted for using the acquisition method whereby the cost of acquisition is measured as the aggregate of the acquisition-date fair value of consideration transferred. Costs related to the acquisition are expensed as incurred. The acquisition of the operating business allows the Company to enter the legal finance industry and expand into a new line of business. Easy Legal is included in the Canadian Equipment Financing Segment.

The measurement period is left open to enable the asset valuation to be finalized, in particular intangibles and goodwill.

The Company paid $3.5 million in cash to purchase the operating business. The fair value of the assets and liabilities, including intangible assets that arose on acquisition, were as follows:

($ thousands)		**February 13, 2023**
Assets		
Customer relationships	**$**	**723**
Trade names		**663**
Software		**2,114**
Net assets acquired	**$**	**3,500**

For the period from February 13, 2023 to March 31, 2023, Easy Legal contributed a loss of $0.2 million to the consolidated net income of the Company.

Chesswood Group Limited

DIRECTORS, OFFICERS AND OTHER INFORMATION

Directors

Edward Sonshine, O.Ont., Q.C.
Director*, Chairman, Chesswood Group Limited and Chairman, Nominating and ESG Committee*

Catherine Barbaro
Director

Raghunath Davloor
Director
Chairman, Audit and Risk Committee

Robert Day
Director
Former Chairman, Pawnee Leasing Corporation

Jeff Fields
Director

Ryan Marr
Director
President & C.E.O., Chesswood Group Limited

Annie Ropar
Director

Frederick W. Steiner
Director
Chairman, Compensation Committee

Daniel Wittlin
Director
Founder and C.E.O., Vault Credit Corpoation

Executive Team

Ryan Marr
President & C.E.O.

Tobias Rajchel
Chief Financial Officer

Other Information

Auditors
Ernst & Young LLP

Transfer Agent
TSX Trust Company

Corporate Counsel
McCarthy Tétrault LLP

Toronto Stock Exchange Symbol
CHW

Chesswood Group Limited
1133 Yonge Street, Suite 603
Toronto, Ontario, Canada M4T 2Y7
Tel. 416.386.3099
e-mail: investorrelations@chesswoodgroup.com
www.chesswoodgroup.com

Chesswood Group Limited

TSX: CHW
Executive Office:
Chesswood Group Limited
1133 Yonge Street, Suite 603
Toronto, Ontario, Canada M4T 2Y7
Tel. 416.386.3099
e-mail: investorrelations@chesswoodgroup.com
www.chesswoodgroup.com