

Chesswood Group Limited Closes Strategic Acquisition of Rifco Inc. and Announces the Renewal and Repricing of its Corporate Revolving Facility

Toronto, ON & Red Deer, AB - January 14, 2022 – Chesswood Group Limited (TSX:CHW) ("**Chesswood**"), North America's only publicly traded commercial equipment finance company focused on small and medium-sized businesses, and Rifco Inc. (TSXV:RFC) ("**Rifco**"), a leading Canadian alternative auto finance company, are pleased to announce the successful completion of Chesswood's strategic acquisition of Rifco pursuant to the previously announced statutory plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Arrangement**").

The Arrangement was approved by 98.90% of the votes cast by Rifco shareholders at the special meeting of Rifco shareholders held on December 17, 2021. After obtaining the requisite Rifco shareholder approval, the Court of Queen's Bench of Alberta approved the Arrangement on January 10, 2022.

Under the terms of the Arrangement, Rifco shareholders were entitled to elect to receive \$1.28 for each Rifco common share (a "**Rifco Share**") held in the form of: (i) cash (the "**Cash Consideration**"); (ii) common shares of Chesswood ("**Chesswood Shares**") at a deemed price of \$14.05 per Chesswood Share (the "**Share Consideration**"); or (iii) a combination of Cash Consideration and Share Consideration. Of the aggregate consideration of approximately \$28 million, Chesswood paid \$21,019,623.68 in cash and issued 498,605 Chesswood Shares. Further details of the Arrangement are set out in Rifco's management information circular dated November 25, 2021 (the "**Circular**"). If a registered Rifco shareholder did not make a valid consideration election by December 10, 2021 ("**Non-Electing Shareholders**"), that Rifco shareholder has been deemed to have elected to receive Share Consideration in exchange for their Rifco Shares. Non-Electing Shareholders should send their completed letters of transmittal and election forms and certificates representing their Rifco Shares to the depositary for the Arrangement, TSX Trust Company, in accordance with the instructions contained in the letter of transmittal and election form in order to receive the Share Consideration to which they are entitled pursuant to the Arrangement. A copy of the Circular and letter of transmittal and election form can be found under Rifco's profile at www.sedar.com.

"We are excited to work with Rifco's management and staff to strengthen Rifco's market position by leveraging off of Chesswood's strengths and are so glad to have them join the Chesswood family," said Ryan Marr, Chesswood's President and CEO.

The Chesswood Shares issued as Share Consideration were listed for trading on the Toronto Stock Exchange (the "**TSX**") upon closing of the Arrangement. The Rifco Shares were delisted from the TSX Venture Exchange (the "**TSXV**") at the close of trading on the date hereof.

Corporate Revolver Renewal

Chesswood is also pleased to announce it has completed the renewal of its corporate revolver. This facility is provided by a syndicate of banks, including leading Canadian and U.S. banks active in our industry, and is co-led by RBC Capital Markets and TD Securities.

"Our revolving credit facility allows us tremendous opportunity to fund our current and future growth. We are excited to announce we are expanding the base commitment to US\$300 million and the



accordion feature to US\$100 million, for a total potential facility amount of US\$400 million” said Marr. “This renewal provides greater financial and operational flexibility for the company as it pursues its strategic plan, including a welcomed reduction in our cost of funds. This renewal reflects the strong commitment Chesswood continues to receive from its lenders. We’re very grateful for the support of our lenders in Canada and the United States” added Marr.

The term of the senior revolving facility now extends to January 2025 and provides the Company with a strong capital base from which to support future growth.

About Chesswood Group Limited

Through two wholly-owned subsidiaries in the United States and three subsidiaries in Canada, Chesswood Group Limited is North America’s only publicly traded commercial equipment finance company focused on small and medium-sized businesses. Colorado-based Pawnee Leasing Corporation, founded in 1982, finances a highly diversified portfolio of commercial equipment leases and loans through relationships with over 600 brokers in the United States. Tandem Finance Inc. provides financing in the U.S. through the equipment vendor channel. 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 brokers. Vault Credit Corporation specializes in equipment leases and commercial loans across Canada, allowing for customizable financing solutions while catering to a wide spectrum of credit tiers, equipment types and sectors by offering industry-leading service levels, experienced underwriters and account administrators. Vault Home was launched in September 2021 and focuses on providing home improvement and other consumer financing solutions in Canada.

Based in Toronto, Canada, the Chesswood Shares trade on the TSX under the symbol CHW.

To learn more about Chesswood Group Limited, visit www.Chesswoodgroup.com.

The websites of Chesswood's operating subsidiaries (other than Rifco) are:

www.PawneeLeasing.com www.BlueChipLeasing.com
www.TandemFinance.com www.VaultCredit.com
www.VaultPay.ca

About Rifco Inc.

Rifco is focused on being the best alternative auto finance company through its wholly owned subsidiary Rifco National Auto Finance Corporation. Its mission is to help deserving Canadians own automobiles.

Rifco seeks to create sustainable long-term competitive advantages through personalized partnerships with dealers, innovative products, the use of industry-leading data and analytics, and leading collections practices. Rifco's corporate culture fosters employees that are highly engaged, innovative and performance driven.

The website of Rifco is www.rifco.net



Caution Regarding Forward-Looking Information

This news release includes "forward-looking information" within the meaning of applicable securities laws relating to, among other things, the successful integration of Rifco and the accreted use and continuing availability of credit facilities. Forward-looking information may in some cases be identified by words such as "will", "anticipates", "expects", "intends" and similar expressions suggesting future events or future performance. Chesswood cautions that all forward-looking information is inherently subject to change and uncertainty and that actual results may differ materially from those expressed or implied by the forward-looking information. A number of risks, uncertainties and other factors could cause actual results and events to differ materially from those expressed or implied in the forward-looking information or could cause Chesswood's current objectives, strategies and intentions to change. Accordingly, Chesswood warns readers to exercise caution when considering statements containing forward-looking information and that it would be unreasonable to rely on such statements as creating legal rights regarding Chesswood's future results or plans. Chesswood cannot guarantee that any forward-looking information will materialize and readers are cautioned not to place undue reliance on this forward-looking information. Any forward-looking information contained in this news release represents expectations as of the date of this news release and are subject to change after such date. However, Chesswood is under no obligation (and Chesswood expressly disclaims any such obligation) to update or alter any statements containing forward-looking information, the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law. All of the forward-looking information in this news release is qualified by the cautionary statements herein.

Forward-looking information is provided herein for the purpose of giving information about the matters referred to above. Readers are cautioned that such information may not be appropriate for other purposes. A comprehensive discussion of other risks that impact Rifco can also be found in its public reports and filings which are available under its profile on SEDAR at www.sedar.com.

None of TSXV, TSX or their respective Regulation Services Providers (as that term is defined in the policies of the relevant exchange) accepts responsibility for the adequacy or accuracy of this release.

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