

## **Castlelake and Chesswood Announce Forward Flow Purchase Agreement for Equipment Loan and Lease Receivables**

**Minneapolis and Toronto – March 16, 2022** – Castlelake L.P. (“Castlelake”), a global alternative investment manager with 17 years of experience investing in asset-rich opportunities, and Chesswood Group Limited (TSX: CHW), a specialty finance company with 40 years of experience in the commercial equipment finance market, today announced an agreement for the forward purchase of diversified equipment loan and lease receivables originated by Chesswood subsidiaries Pawnee Leasing Corporation and Tandem Finance Inc.

Through the agreement, vehicles managed by Castlelake will acquire up to \$400 million of small ticket equipment loan and lease receivables. The funds from the forward flow agreement are expected to enable Chesswood’s subsidiaries to continue growing originations alongside market demand by providing off-balance sheet funding for loan originations.

“We are pleased to partner with the management of Chesswood, Pawnee and Tandem as they continue to expand their well-established equipment financing footprint with small and medium-sized business across the U.S.,” said Armin Rothausen, Partner, Lending at Castlelake. “We believe this agreement enables us to help meet the need for capital in a growing market, support the continued growth of an experienced market participant and provide interesting exposure to our investors.”

“The industry consolidation that has taken place over the past decade in U.S. small and mid-size equipment finance has created a unique growth opportunity for both Pawnee Leasing and Tandem Finance,” said Jeff Fields, Chief Executive Officer of Chesswood Capital Management. “Castlelake’s expertise in equipment finance and focus on asset-rich, cash-flowing opportunities make them an ideal partner for the Chesswood Group of Companies.”

“We are excited to announce this transaction as we continue to grow our equipment finance volumes in the United States. This agreement expands on our strategic initiatives which seek to diversify revenue and earnings streams for Chesswood Group,” said Ryan Marr President & CEO of Chesswood Group.

Castlelake’s specialty finance experience spans more than \$3 billion of investments across more than 3,500 commercial and industrial loans and over 5 million consumer receivable accounts. The Chesswood team has originated and serviced equipment loan and lease contracts across the credit spectrum through multiple credit cycles, including the global financial crisis and the COVID-19 pandemic.

### **About Castlelake, L.P.**

Castlelake, L.P. is a global alternative investment manager focused on investments in real assets, specialty finance and aviation. Founded in 2005, Castlelake manages approximately \$21 billion of assets. The Castlelake team comprises more than 200 experienced professionals, including 89 investment professionals, across six offices in North America, Europe and Asia. For more information, please visit [www.castlelake.com](http://www.castlelake.com).

### **About Chesswood Group Limited**

Through three wholly-owned subsidiaries in the United States and five subsidiaries in Canada, Chesswood Group Limited is a North American specialty finance company publicly traded on the Toronto Stock Exchange. 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 commercial equipment financing in the U.S. through the equipment vendor channel.

Based in Toronto, Canada, Chesswood Group Limited's shares trade on the TSX under the symbol CHW. For more information, please visit [www.chesswoodgroup.com](http://www.chesswoodgroup.com)

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