



TIMBERCREEK
FINANCIAL

Q2 2024 FINANCIAL RESULTS

AUGUST 1, 2024

FORWARD-LOOKING STATEMENTS

CERTAIN STATEMENTS IN THIS PRESENTATION ABOUT TIMBERCREEK FINANCIAL CORPORATION AND ITS RESPECTIVE BUSINESS, OPERATIONS, INVESTMENTS AND STRATEGIES, AND FINANCIAL PERFORMANCE AND CONDITION MAY CONSTITUTE FORWARD-LOOKING INFORMATION, FUTURE-ORIENTED FINANCIAL INFORMATION, OR FINANCIAL OUTLOOKS (COLLECTIVELY, “FORWARD-LOOKING STATEMENTS”). THE FORWARD-LOOKING STATEMENTS ARE STATED AS OF THE DATE OF THIS PRESENTATION AND ARE BASED ON ESTIMATES AND ASSUMPTIONS MADE BY TIMBERCREEK CAPITAL (“TIMBERCREEK”) IN LIGHT OF ITS EXPERIENCE AND PERCEPTION OF HISTORICAL TRENDS, CURRENT CONDITIONS AND EXPECTED FUTURE DEVELOPMENTS, AS WELL AS OTHER FACTORS THAT TIMBERCREEK BELIEVES ARE APPROPRIATE AND REASONABLE IN THE CIRCUMSTANCES. EXAMPLES OF SUCH FORWARD-LOOKING STATEMENTS INCLUDE BUT ARE NOT LIMITED TO STATEMENTS UNDER THE HEADING “TIMBERCREEK FINANCIAL”, “SHAREHOLDER BENEFITS”, “ENHANCED CAPITAL MARKET PROFILE”, “BOOK VALUE & EPS ACCRETION”, “ENHANCED ACCESS TO CREDIT”, “SUPERIOR DIVERSIFIED PORTFOLIO AND STRONG RISK-ADJUSTED YIELD”. THERE CAN BE NO ASSURANCE THAT SUCH FORWARD-LOOKING STATEMENTS WILL PROVE TO BE ACCURATE, AS ACTUAL RESULTS, PERFORMANCE AND FUTURE EVENTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN SUCH STATEMENTS. PAST PERFORMANCE IS NOT AN INDICATION OF FUTURE RETURNS, AND THERE CAN BE NO GUARANTEE THAT TARGETED RETURNS OR YIELDS CAN BE ACHIEVED. TIMBERCREEK REFERS YOU TO THE CORPORATION’S PUBLIC DISCLOSURE FOR INFORMATION REGARDING THESE FORWARD-LOOKING STATEMENTS, INCLUDING THE ASSUMPTIONS MADE IN PREPARING FORWARD-LOOKING STATEMENTS AND MANAGEMENT’S EXPECTATIONS, AND THE RISK FACTORS THAT COULD CAUSE THE CORPORATION’S ACTUAL RESULTS, YIELDS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS OR FUTURE EVENTS OR DEVELOPMENTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS. SUCH PUBLIC DISCLOSURE IS AVAILABLE ON SEDAR AND AT THE REQUEST OF TIMBERCREEK. THIS PRESENTATION DOES NOT REPRESENT AN OFFER OR SOLICITATION TO SELL SECURITIES OF THE CORPORATION.

NUMEROUS RISKS AND UNCERTAINTIES COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE ESTIMATES, BELIEFS AND ASSUMPTIONS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS, INCLUDING, BUT NOT LIMITED TO: ECONOMIC AND MARKET FACTORS SPECIFIC TO THE MORTGAGE INDUSTRY; GENERAL ECONOMIC AND MARKET FACTORS; LOCAL REAL ESTATE AND MORTGAGE FINANCING CONDITIONS; INTEREST RATES; EFFICIENCIES AND OPERATING COSTS; TAX RELATED MATTERS; THE CORPORATION’S FUTURE STABILITY AND GROWTH PROSPECTS; AND THE CORPORATION’S FUTURE PROFITABILITY AND CAPITAL NEEDS.

ALL FIGURES IN CANADIAN DOLLARS UNLESS OTHERWISE SPECIFIED.



SPEAKERS



BLAIR TAMBLYN



SCOTT ROWLAND



TRACY JOHNSTON



GEOFF MCTAIT

Q2 2024 SUMMARY

\$26.4M

NET INVESTMENT INCOME

\$15.4M

NET INCOME

\$0.20*

DISTRIBUTABLE INCOME PER SHARE

\$8.42

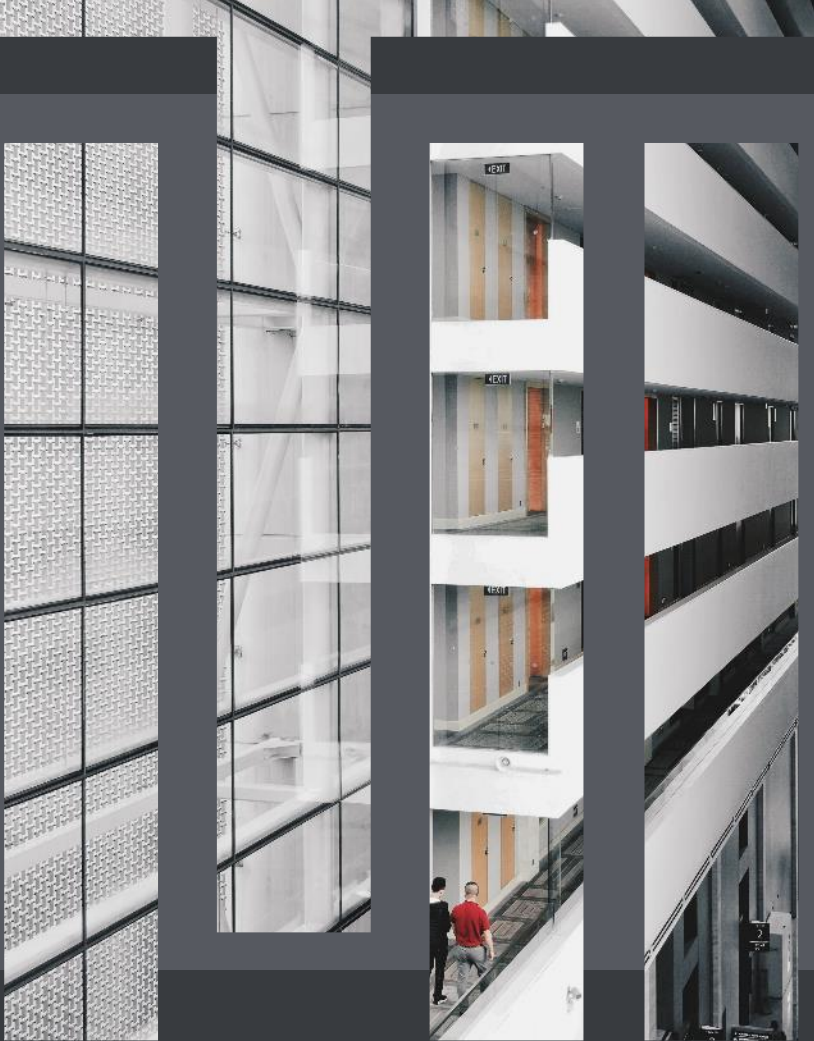
BBOK VALUE PER SHARE

- PORTFOLIO PERFORMED WELL OVERALL
- CONTINUED SUCCESS REDEPLOYING CAPITAL; FURTHER GROWTH EXPECTED IN H2 2024
- IMPROVING MARKET CONDITIONS
- CONTINUED PROGRESS ON STAGE 2 AND STAGE 3 LOANS

*Non-IFRS measure. Refer to reconciliations in the Appendix to this presentation or the Company's Management's Discussion and Analysis for the period ended June 30, 2024.



PORTFOLIO REVIEW



PORTFOLIO STRATEGY: STABLE & SECURE RETURNS

83.4%

INCOME-PRODUCING
PROPERTIES

~52%

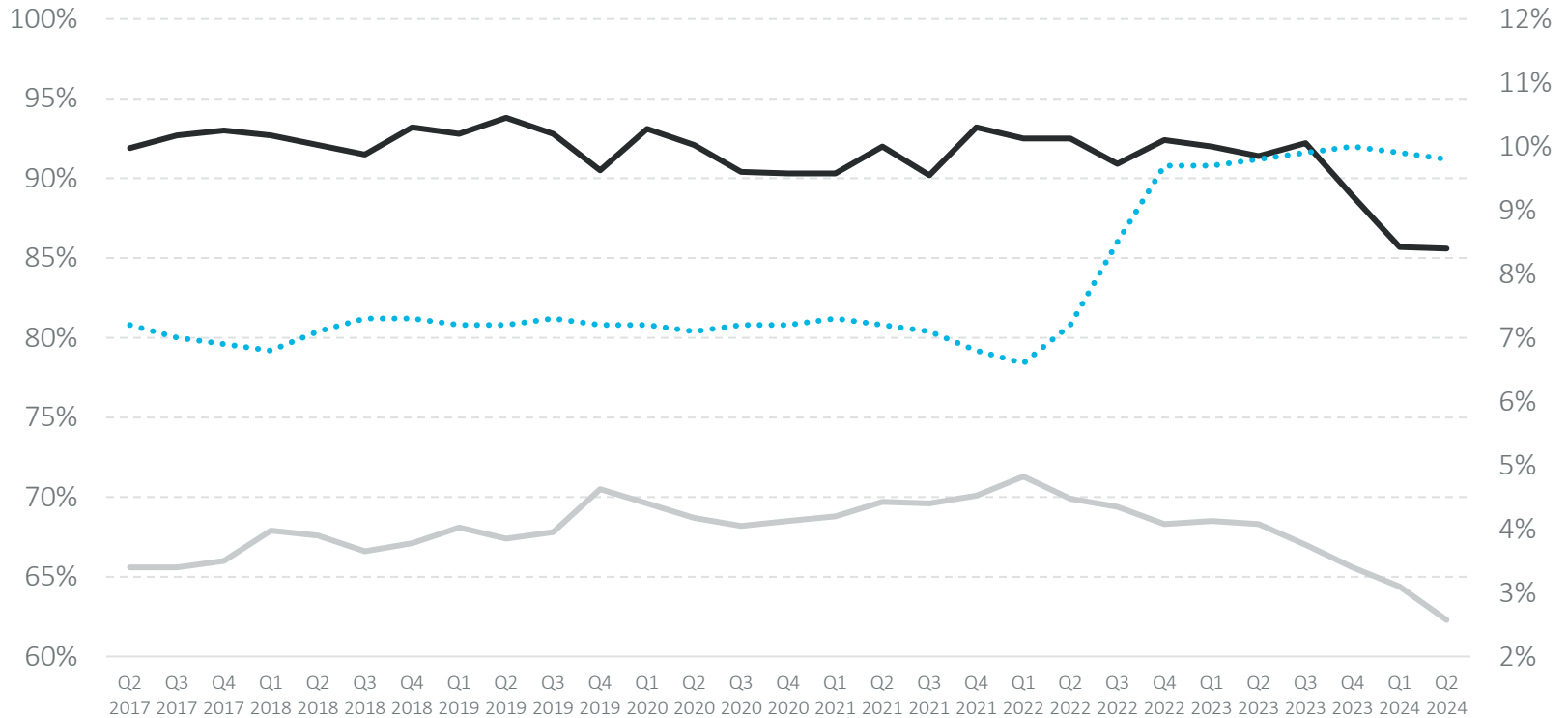
MULTI-FAMILY
RESIDENTIAL ASSETS

96.7%

INVESTED IN URBAN
MARKETS



PORTFOLIO STRATEGY: COMPELLING INCOME WITH REDUCED RISK



— % of first mortgages (left axis) — Weighted Average LTV (left axis) Weighted Average Interest Rate (right axis)

WAIR WELL PROTECTED – FLOATING RATE LOANS ~87% OF PORTFOLIO

WELL-DIVERSIFIED PORTFOLIO*

94

MORTGAGE INVESTMENTS

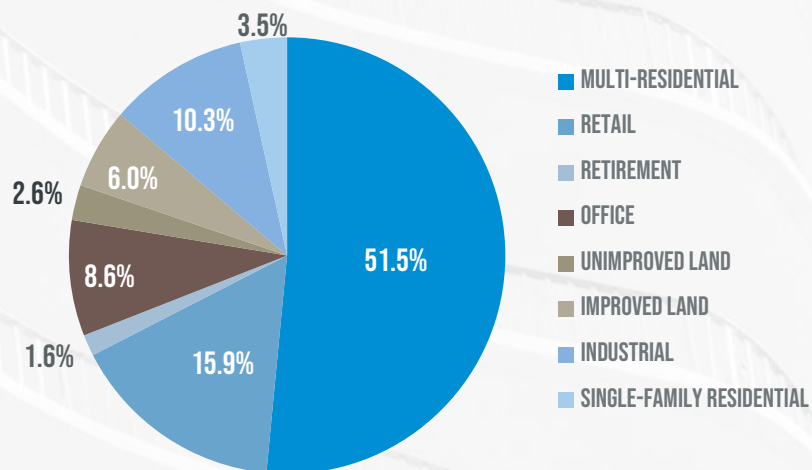
\$15.7M

AVERAGE MORTGAGE INVESTMENT SIZE

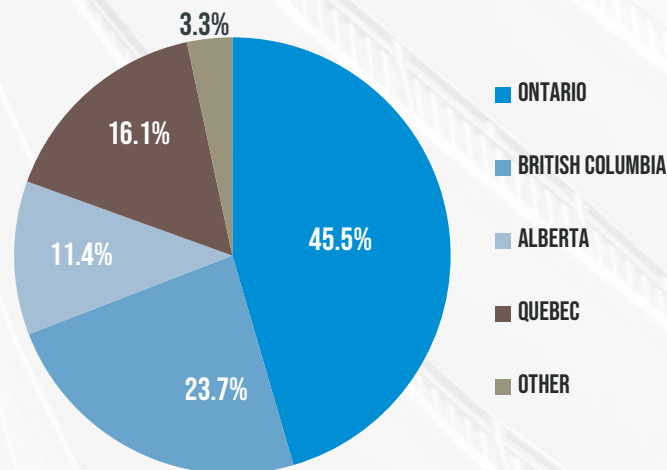
~2/3

OF BUSINESS FROM REPEAT BORROWERS

BY ASSET**



BY REGION

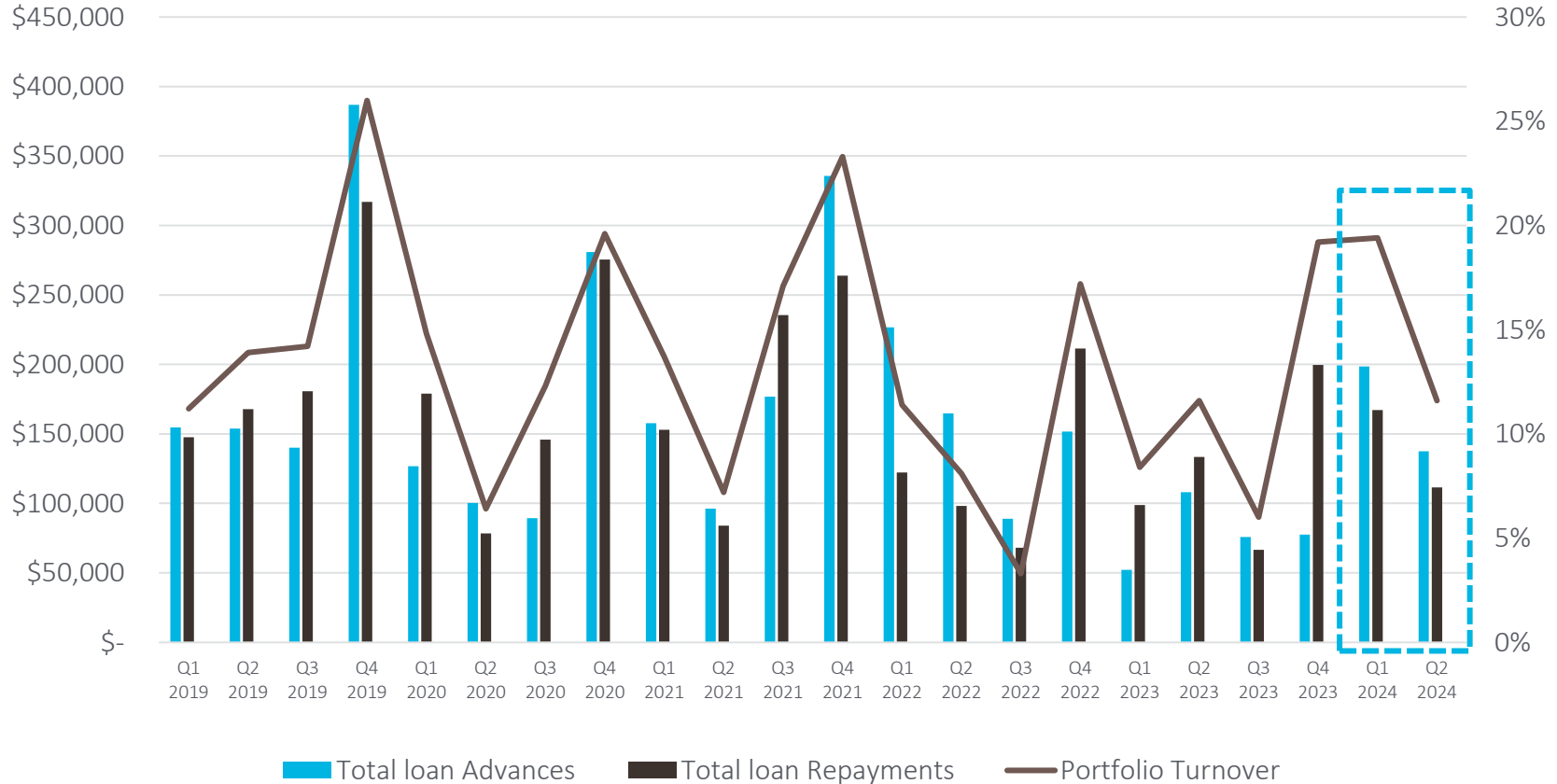


* As at June 30, 2024 - net of mortgage syndications

** Does not include Net Mortgage Investments measured at FVTPL (\$5.5M at June 30, 2024)

PORTFOLIO ACTIVITY: PICKING UP AS MARKET STABILIZES

(in 000's)



SOLID QUARTER FOR NEW INVESTMENTS; POSITIVE MACRO BACKDROP



RECENT TRANSACTION: MULTI-RESIDENTIAL



THE SITUATION:

An experienced borrower required a flexible capital solution to refinance prior debt and advance the remaining portions of a repositioning program on a portfolio of 95 multi-family units in midtown Toronto.

TIMBERCREEK'S SOLUTION:

- Amount: Up to \$43M
- Position: First
- Term: 36 months
- Interest Rate: Prime + 1.7%

FINANCIAL HIGHLIGHTS



INCOME STATEMENT HIGHLIGHTS

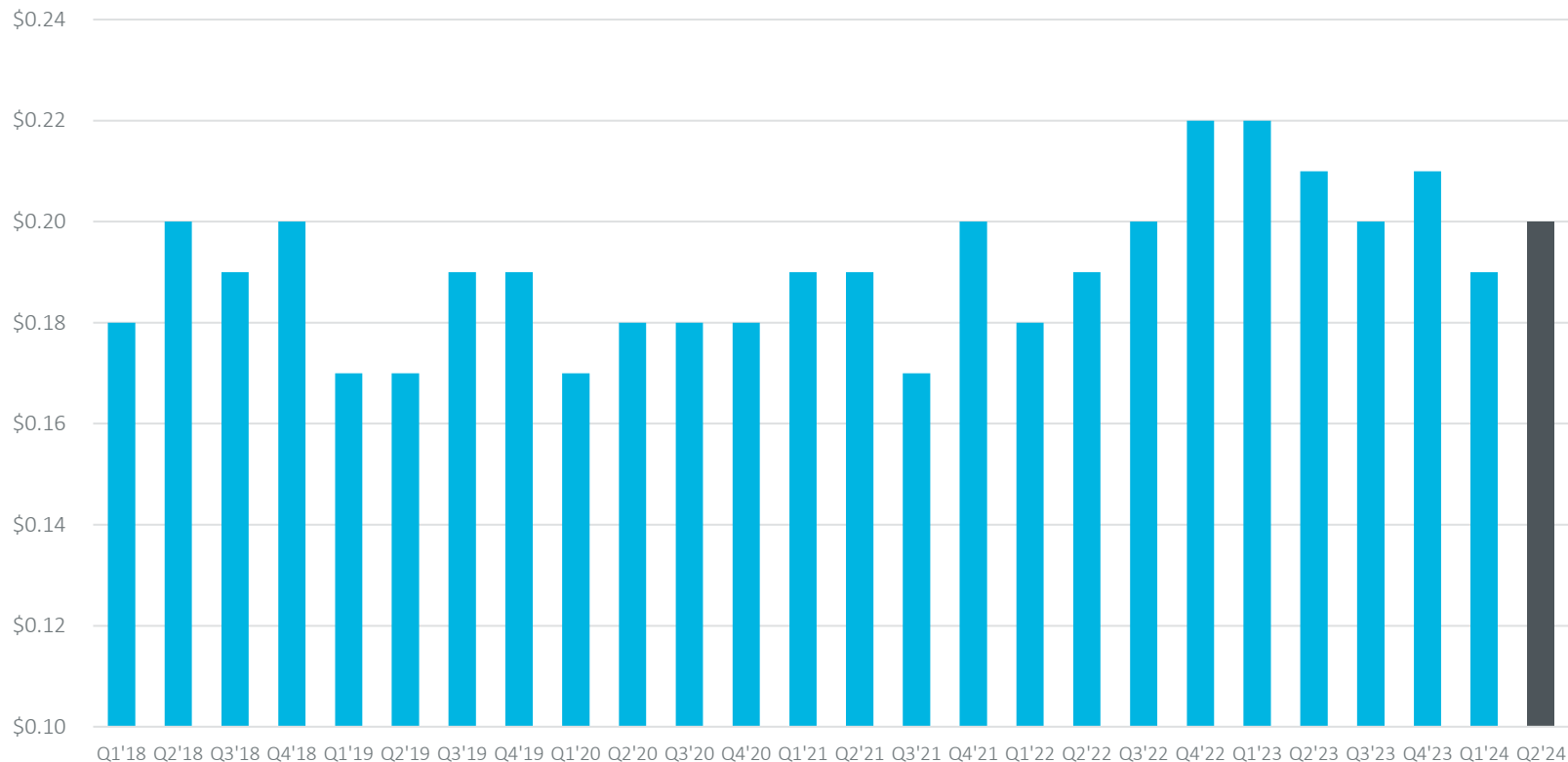
	FOR THE THREE MONTHS ENDED		
	JUNE 30, 2024	MARCH 31, 2024	JUNE 30, 2023
NET INVESTMENT INCOME ON FINANCIAL ASSETS MEASURED AT AMORTIZED COST	\$26,441	\$24,590	\$31,471
INCOME FROM OPERATIONS	\$23,466	\$20,903	\$26,345
NET INCOME & COMPREHENSIVE INCOME	\$15,360	\$14,368	\$16,888
EARNINGS PER SHARE (BASIC AND DILUTED)	\$0.19 / \$0.18	\$0.17	\$0.20



DISTRIBUTABLE INCOME*



Quarterly Distributable Income (per share)



*Non-IFRS measure. Refer to reconciliations in the Appendix to this presentation or the Company's Management's Discussion and Analysis for the period ended June 30, 2024.

PAYOUT RATIO OF 87.8% ON DI FOR Q2 2024

BALANCE SHEET HIGHLIGHTS



STATEMENTS OF FINANCIAL POSITION (IN 000'S)	JUNE 30, 2024	DECEMBER 31, 2023
MORTGAGE INVESTMENTS (INCLUDING MORTGAGE SYNDICATIONS OF \$480M AT JUNE 30, 2024)*	\$1,476,302	\$1,545,112
OTHER INVESTMENTS	\$62,002	\$62,658
CASH	\$735	\$4,802
REAL ESTATE HELD FOR SALE	\$130,987	\$130,987
REAL ESTATE LAND INVENTORY	\$30,561	\$30,577
OTHER ASSETS	\$8,141	\$11,821
TOTAL ASSETS	\$1,708,728	\$1,785,957
CONVERTIBLE DEBENTURES	\$138,716	\$140,845
CREDIT FACILITY	\$305,597	\$259,704
OTHER LIABILITIES	\$565,602	\$684,269
TOTAL LIABILITIES	\$1,009,915	\$1,084,818
SHAREHOLDERS' EQUITY	\$698,813	\$701,139
TOTAL LIABILITIES AND EQUITY	\$1,708,728	\$1,785,957

WELL CAPITALIZED: DRY POWDER TO FACILITATE GROWTH

*Non-IFRS measure. Refer to reconciliations in the Appendix to this presentation or the Company's Management's Discussion and Analysis for the period ended June 30, 2024.

SUMMARY & OUTLOOK

- **SOLID Q2 AND STRONG H1 2024 ORIGINATIONS**
- **IMPROVING MARKET FUNDAMENTALS PROVIDE ENVIRONMENT TO REGROW PORTFOLIO TO HISTORICAL LEVELS – WITH RESET ASSET VALUATIONS**
- **INTEREST RATE STABILITY SHOULD DRIVE HIGHER TRANSACTION LEVELS**
- **CONTINUED ACTIVE MANAGEMENT OF STAGED LOANS; BROADER PORTFOLIO HAS BEEN RESILIENT**





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THANK YOU

The playback of the conference call will
be available on
www.timbercreekfinancial.com



RECONCILIATIONS



Net Mortgage Investments	June 30, 2024	December 31, 2023
Mortgage investments, excluding mortgage syndications	\$ 996,025	\$ 943,488
Mortgage syndications	480,277	601,624
Mortgage investments, including mortgage syndications	1,476,302	1,545,112
Mortgage syndication liabilities	(480,277)	(601,624)
	996,025	943,488
Interest receivable	(11,106)	(14,585)
Unamortized lender fees	5,408	5,226
Expected credit loss	13,093	12,093
Net mortgage investments	\$ 1,003,420	\$ 946,222

As at	June 30, 2024	December 31, 2023
Other loan investments, net of expected credit loss	\$ 48,422	\$ 47,033
Finance lease receivable, measured at amortized cost	6,020	6,020
Investment in participating debentures, measured at FVTPL	2,334	4,380
Investment in equity instrument, measured at FVTPL	3,000	3,000
Joint venture investment in indirect real estate development	2,225	2,225
Total Enhanced Return Portfolio	\$ 62,001	\$ 62,658

¹ Refer to non-IFRS measures section of the Company's MD&A for the period ended June 30, 2024

RECONCILIATIONS

	Three months ended		Six months ended		Year ended
		June 30,		June 30,	December 31,
NET INCOME AND COMPREHENSIVE INCOME	2024	2023	2024	2023	2023
Net investment income on financial assets measured at amortized cost	\$ 26,441	\$ 31,471	\$ 51,031	\$ 64,180	\$ 124,205
Fair value gain and other income on financial assets measured at FVTPL	235	306	572	588	1,282
Net rental income (loss)	389	(293)	863	(652)	(595)
Fair value gain on real estate properties	—	—	—	63	63
Expenses	(3,599)	(5,139)	(8,097)	(9,582)	(19,140)
Income from operations	\$ 23,466	\$ 26,345	\$ 44,369	\$ 54,597	\$ 105,815
Financing costs:					
Financing cost on credit facility	(5,571)	(7,208)	(9,856)	(15,106)	(30,396)
Financing cost on convertible debentures	(2,535)	(2,249)	(4,785)	(4,499)	(8,998)
Net income and comprehensive income	\$ 15,360	\$ 16,888	\$ 29,728	\$ 34,992	\$ 66,421
Payout ratio on earnings per share	93.2 %	85.5 %	96.3 %	82.5 %	86.7 %
ADJUSTED NET INCOME AND COMPREHENSIVE INCOME					
Net income and comprehensive income	15,360	16,888	29,728	34,992	66,421
Add: Net unrealized gain (loss) on financial assets measured at FVTPL	357	68	191	11	(342)
Adjusted net income and comprehensive income¹	\$ 15,717	\$ 16,956	\$ 29,919	\$ 35,003	\$ 66,078
Payout ratio on adjusted earnings per share ¹	91.1 %	85.1 %	95.7 %	82.5 %	87.2 %

¹ Refer to non-IFRS measures section of the Company's MD&A for the period ended June 30, 2024



RECONCILIATIONS



DISTRIBUTABLE INCOME					
Adjusted net income and comprehensive income ¹	\$ 15,717	\$ 16,956	\$ 29,919	\$ 35,003	\$ 66,078
Less: Amortization of lender fees	(1,678)	(2,181)	(3,083)	(4,646)	(8,279)
Add: Lender fees received and receivable	1,828	1,672	3,007	3,381	6,597
Add: Amortization of financing costs, credit facility	200	172	616	425	953
Add: Amortization of financing costs, convertible debentures	285	242	528	486	972
Add: Accretion expense, convertible debentures	136	114	249	227	454
Add: Unrealized fair value (gain) loss on DSU	(88)	(48)	65	27	(67)
Add: Expected credit (recovery) loss	(97)	875	815	1,175	3,649
Distributable income¹	\$ 16,303	\$ 17,802	\$ 32,116	\$ 36,078	\$ 70,357
Payout ratio on distributable income and adjusted distributable income ^{1,2}	87.8 %	81.1 %	89.2 %	80.1 %	81.9 %
PER SHARE INFORMATION					
Dividends declared to shareholders	\$ 14,319	\$ 14,434	\$ 28,638	\$ 28,885	\$ 57,603
Weighted average common shares (in thousands)	83,010	83,737	83,010	83,760	83,509
Dividends per share	\$ 0.17	\$ 0.17	\$ 0.35	\$ 0.35	\$ 0.69
Earnings per share (basic)	\$ 0.19	\$ 0.20	\$ 0.36	\$ 0.42	\$ 0.80
Earnings per share (diluted)	\$ 0.18	\$ 0.20	\$ 0.36	\$ 0.41	\$ 0.78
Adjusted earnings per share (basic) ¹	\$ 0.19	\$ 0.20	\$ 0.36	\$ 0.42	\$ 0.79
Adjusted earnings per share (diluted) ¹	\$ 0.19	\$ 0.20	\$ 0.36	\$ 0.41	\$ 0.78
Distributable income per share ¹	\$ 0.20	\$ 0.21	\$ 0.39	\$ 0.43	\$ 0.84

¹ Refer to non-IFRS measures section of the Company's MD&A for the period ended June 30, 2024