



TIMBERCREEK
FINANCIAL

Q3 2024 FINANCIAL RESULTS

OCTOBER 31, 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

Q3 2024 SUMMARY

\$25.4M

NET INVESTMENT INCOME

\$14.1M

NET INCOME

\$0.18*

DISTRIBUTABLE INCOME PER SHARE

\$8.42

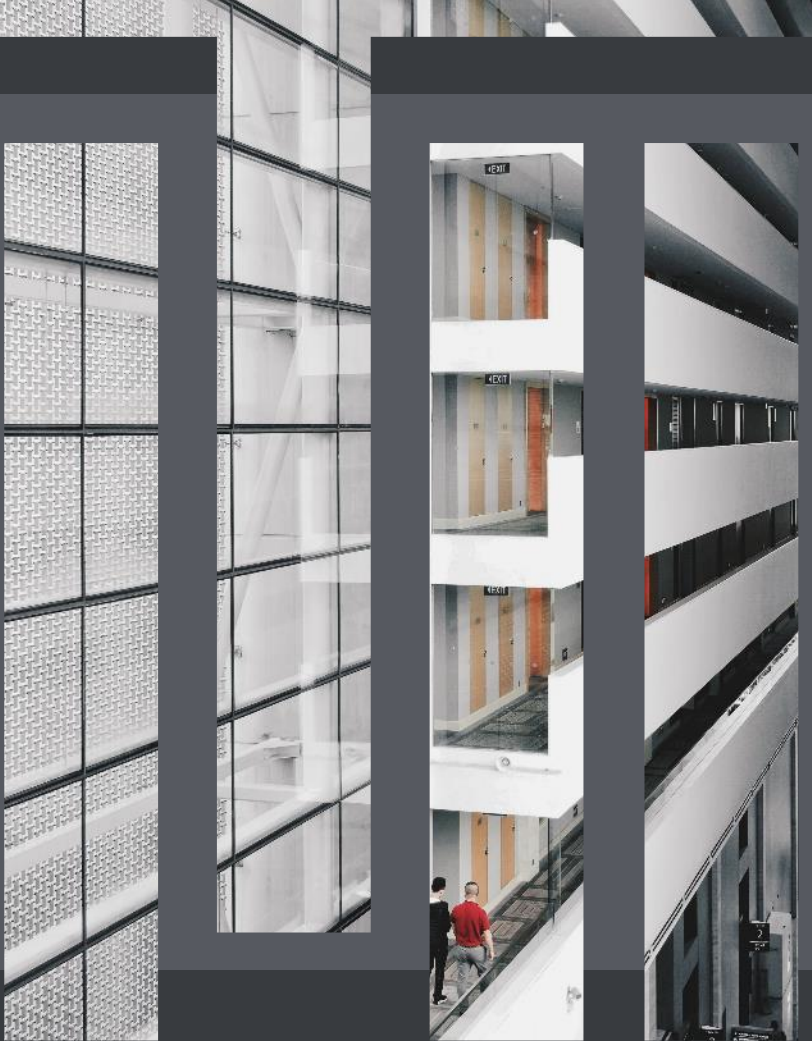
BBOK VALUE PER SHARE

- STABLE CASH FLOW AND DIVIDENDS DESPITE MARKET VOLATILITY
- IMPROVING MARKET CONDITIONS
- CONTINUED SUCCESS REDEPLOYING CAPITAL; FURTHER GROWTH EXPECTED IN Q4 2024 & 2025
- 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 September 30, 2024.



PORTFOLIO REVIEW



PORTFOLIO STRATEGY: STABLE & SECURE RETURNS

83.2%

INCOME-PRODUCING
PROPERTIES

~60%

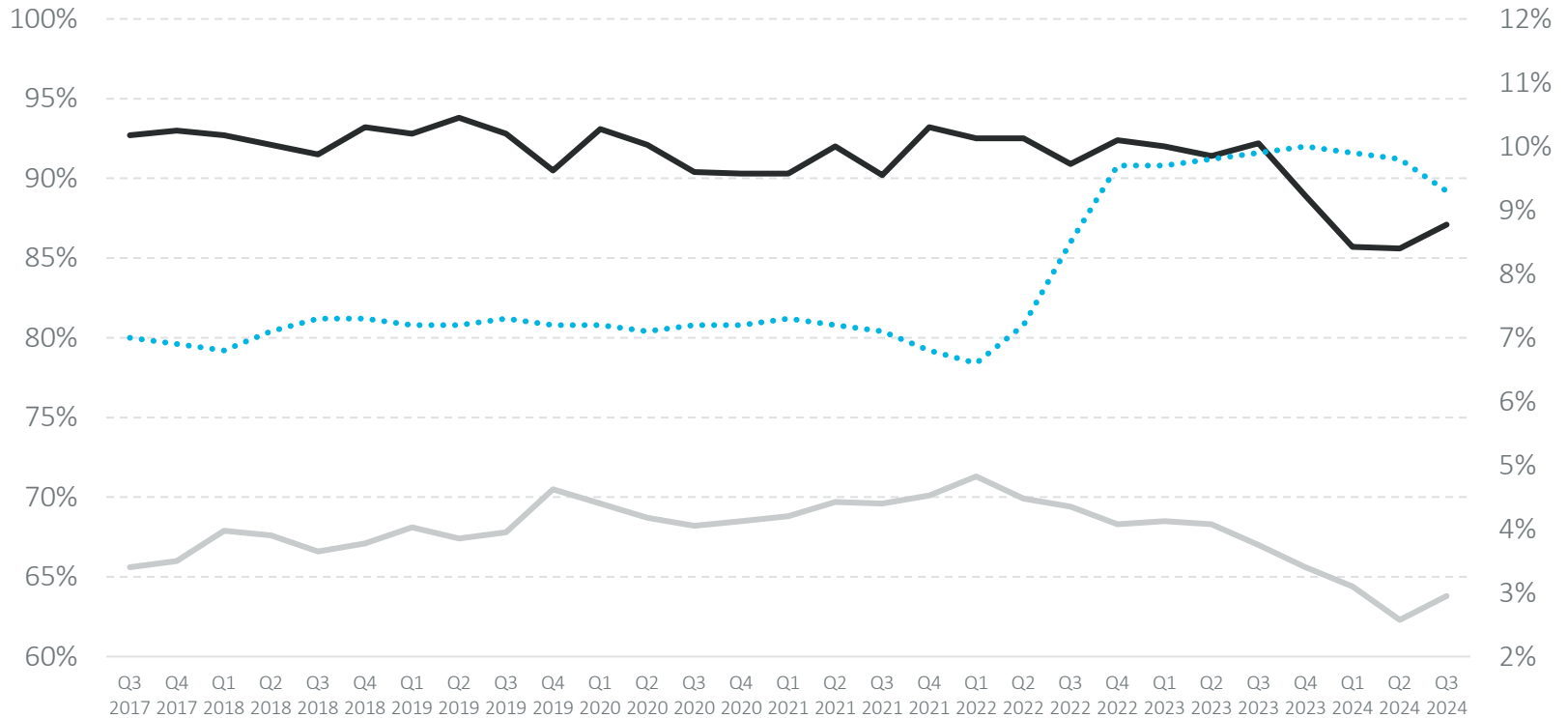
MULTI-FAMILY
RESIDENTIAL ASSETS

94.1%

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)

FLOATING RATE LOANS ~86% OF PORTFOLIO

WELL-DIVERSIFIED PORTFOLIO*

92

MORTGAGE INVESTMENTS

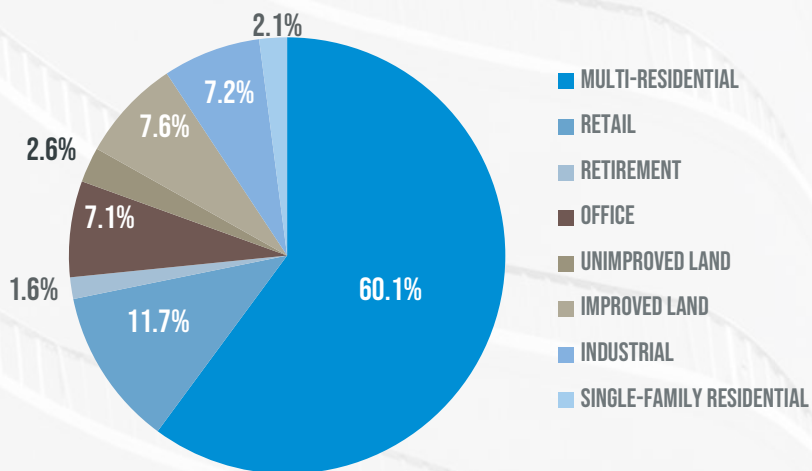
\$15.3M

AVERAGE MORTGAGE INVESTMENT SIZE

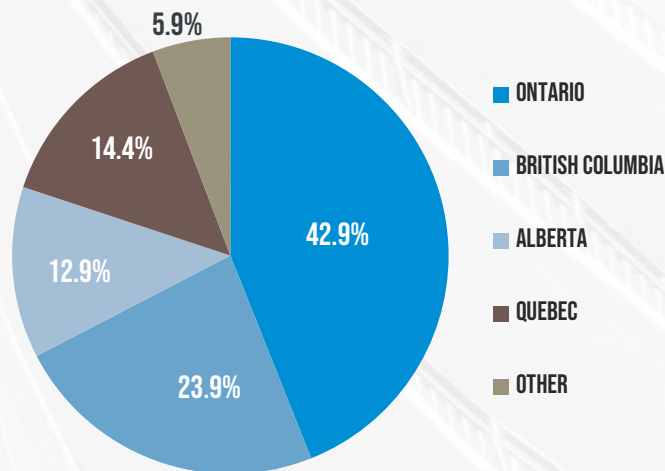
~2/3

OF BUSINESS FROM REPEAT BORROWERS

BY ASSET**



BY REGION

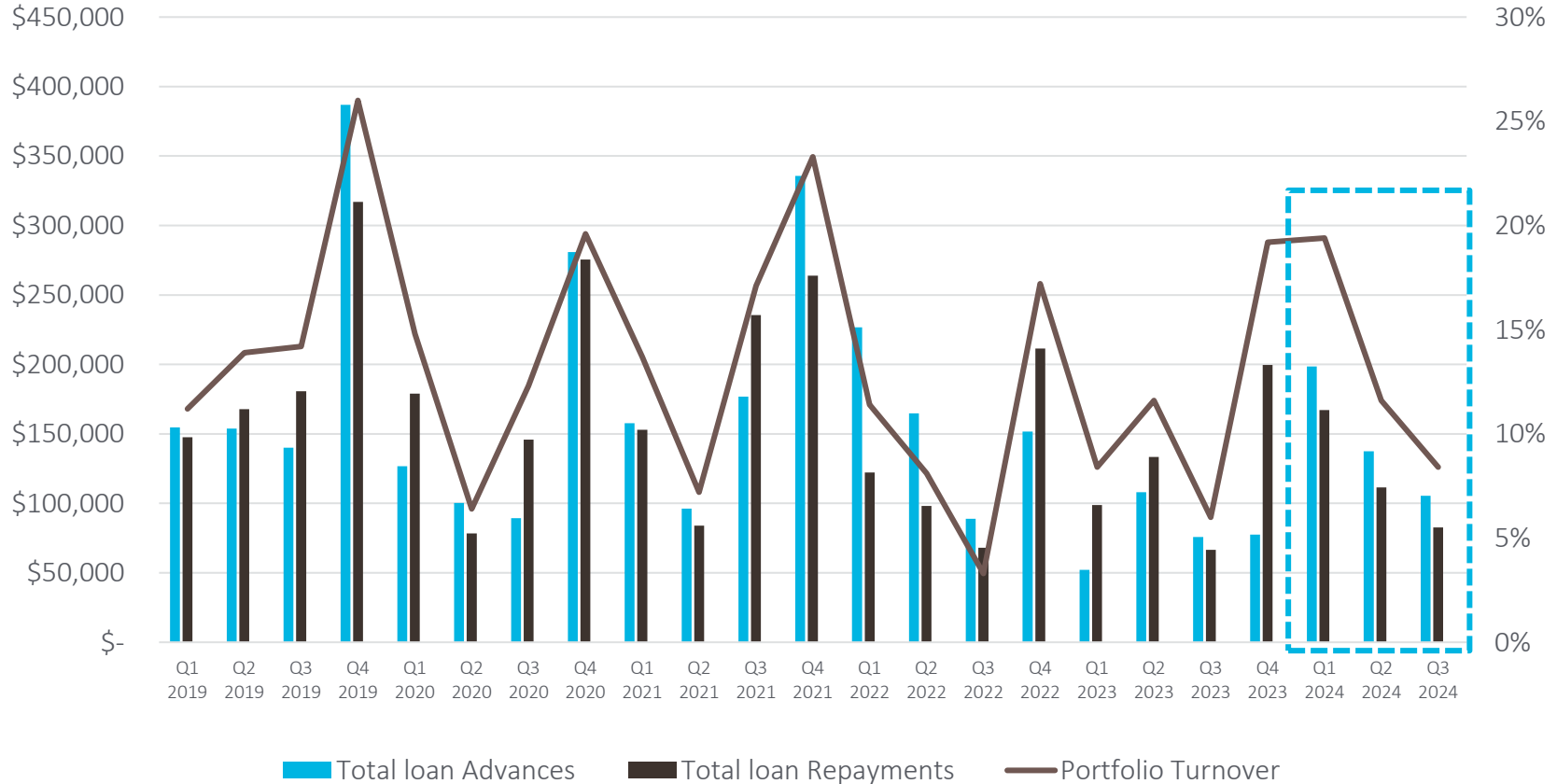


* As at September 30, 2024 - net of mortgage syndications

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

PORTFOLIO ACTIVITY: PICKING UP AS MARKET STABILIZES

(in 000's)



STEADILY REBUILDING PORTFOLIO; STRONG PIPELINE HEADING INTO Q4



RECENT TRANSACTION: SMALL-BAY INDUSTRIAL



THE SITUATION:

An experienced and repeat borrower required a flexible capital solution to support the acquisition and repositioning of an income-producing, small-bay industrial portfolio consisting of four buildings situated across the GTA.

TIMBERCREEK'S SOLUTION:

Our team was attracted by the strong property fundamentals and the borrower's history of executing on projects.

- Amount: Up to \$22.9M
- Position: First
- Term: 36 months

FINANCIAL HIGHLIGHTS



INCOME STATEMENT HIGHLIGHTS

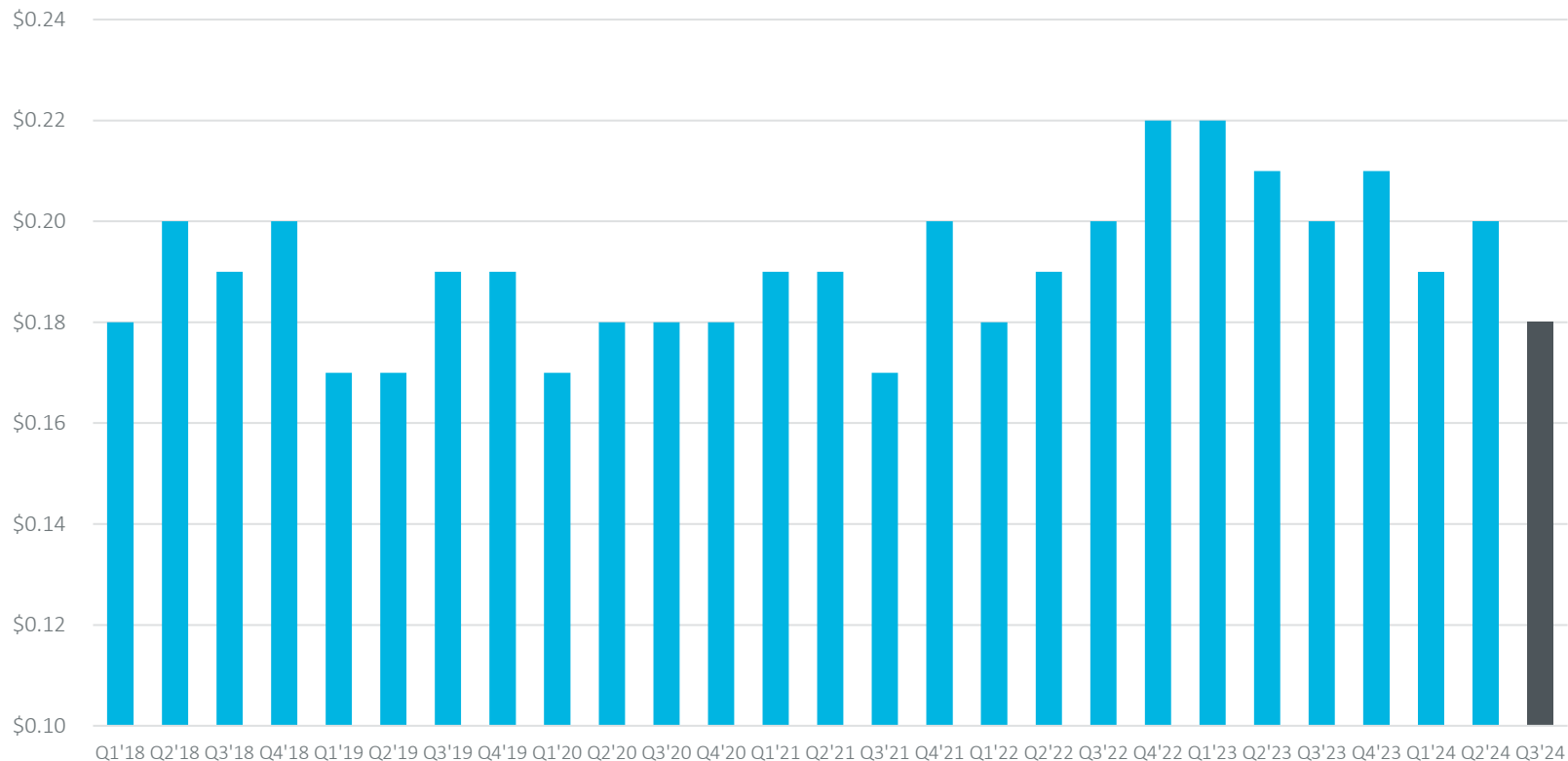


| | FOR THE THREE MONTHS ENDED | | |
|--|----------------------------|-----------------|--------------------|
| | SEPTEMBER 30, 2024 | JUNE 30, 2024 | SEPTEMBER 30, 2023 |
| NET INVESTMENT INCOME ON FINANCIAL ASSETS MEASURED AT AMORTIZED COST | \$25,441 | \$26,441 | \$30,303 |
| INCOME FROM OPERATIONS | \$22,532 | \$23,466 | \$26,149 |
| NET INCOME & COMPREHENSIVE INCOME | \$14,056 | \$15,360 | \$16,455 |
| EARNINGS PER SHARE (BASIC AND DILUTED) | \$0.17 | \$0.19 / \$0.18 | \$0.20/\$0.19 |

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 September 30, 2024.

PAYOUT RATIO OF 95.3% ON DI FOR Q3 2024; 91.1% YTD

BALANCE SHEET HIGHLIGHTS



| STATEMENTS OF FINANCIAL POSITION (IN 000'S) | SEPTEMBER 30, 2024 | DECEMBER 31, 2023 |
|---|--------------------|--------------------|
| MORTGAGE INVESTMENTS (INCLUDING MORTGAGE SYNDICATIONS OF \$394M AT SEPTEMBER 30, 2024)* | \$1,409,481 | \$1,545,112 |
| OTHER INVESTMENTS | \$50,695 | \$62,658 |
| CASH | \$6,286 | \$4,802 |
| REAL ESTATE HELD FOR SALE | \$130,987 | \$130,987 |
| REAL ESTATE INVENTORY | \$34,429 | \$30,577 |
| OTHER ASSETS | \$8,513 | \$11,821 |
| TOTAL ASSETS | \$1,640,391 | \$1,785,957 |
| CONVERTIBLE DEBENTURES | \$139,167 | \$140,845 |
| CREDIT FACILITY | \$323,876 | \$259,704 |
| OTHER LIABILITIES | \$478,798 | \$684,269 |
| TOTAL LIABILITIES | \$941,841 | \$1,084,818 |
| SHAREHOLDERS' EQUITY | \$698,550 | \$701,139 |
| TOTAL LIABILITIES AND EQUITY | \$1,640,391 | \$1,785,957 |

WELL CAPITALIZED 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 September 30, 2024.

SUMMARY & OUTLOOK

- **SOLID YEAR TO DATE ORIGINATIONS**
- **IMPROVING MARKET CONDITIONS / FUNDAMENTALS**
- **WELL POSITIONED TO GROW MORTGAGE PORTFOLIO BALANCE AND INCOME IN 2025**
- **CONTINUED ACTIVE MANAGEMENT OF STAGED LOANS; BROADER PORTFOLIO HAS BEEN RESILIENT**

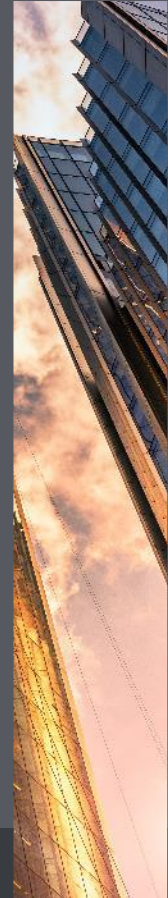




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THANK YOU

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



RECONCILIATIONS



| Net Mortgage Investments | September 30, 2024 | December 31, 2023 |
|---|---------------------------|--------------------------|
| Mortgage investments, excluding mortgage syndications | \$ 1,015,337 | \$ 943,488 |
| Mortgage syndications | 394,144 | 601,624 |
| Mortgage investments, including mortgage syndications | 1,409,481 | 1,545,112 |
| Mortgage syndication liabilities | (394,144) | (601,624) |
| | 1,015,337 | 943,488 |
| Interest receivable | (12,002) | (14,585) |
| Unamortized lender fees | 4,955 | 5,226 |
| Expected credit loss | 9,326 | 12,093 |
| Net mortgage investments | \$ 1,017,616 | \$ 946,222 |

| As at | September 30, 2024 | December 31, 2023 |
|--|---------------------------|--------------------------|
| Other loan investments, net of expected credit loss | \$ 38,644 | \$ 47,033 |
| Finance lease receivable, measured at amortized cost | 6,020 | 6,020 |
| Investment in participating debentures, measured at FVTPL | 806 | 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 | \$ 50,695 | \$ 62,658 |

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

RECONCILIATIONS

| | Three months ended | | Nine months ended | | Year ended |
|--|--------------------|-----------------------|-------------------|-----------------------|----------------------|
| | 2024 | September 30, 2023 | 2024 | September 30, 2023 | December 31, 2023 |
| NET INCOME AND COMPREHENSIVE INCOME | | | | | |
| Net investment income on financial assets measured at amortized cost | \$ 25,411 | \$ 30,303 | \$ 76,442 | \$ 94,483 | \$ 124,205 |
| Fair value gain and other income on financial assets measured at FVTPL | 291 | 231 | 863 | 819 | 1,282 |
| Net rental income (loss) | 459 | (270) | 1,322 | (922) | (595) |
| Fair value gain on real estate properties | — | — | — | 63 | 63 |
| Expenses | (3,629) | (4,115) | (11,726) | (13,697) | (19,140) |
| Income from operations | \$ 22,532 | \$ 26,149 | \$ 66,901 | \$ 80,746 | \$ 105,815 |
| Financing costs: | | | | | |
| Financing cost on credit facility | (5,865) | (7,444) | (15,721) | (22,550) | (30,396) |
| Financing cost on convertible debentures | (2,611) | (2,250) | (7,396) | (6,749) | (8,998) |
| Net income and comprehensive income | \$ 14,056 | \$ 16,455 | \$ 43,784 | \$ 51,447 | \$ 66,421 |
| Payout ratio on earnings per share | 101.9 % | 87.4 % | 98.1 % | 84.1 % | 86.7 % |
| ADJUSTED NET INCOME AND COMPREHENSIVE INCOME | | | | | |
| Net income and comprehensive income | 14,056 | 16,455 | 43,784 | 51,447 | 66,421 |
| Add: Net unrealized loss (gain) on financial assets measured at FVTPL | 114 | (61) | 305 | (50) | (342) |
| Adjusted net income and comprehensive income¹ | \$ 14,170 | \$ 16,394 | \$ 44,089 | \$ 51,397 | \$ 66,078 |
| Payout ratio on adjusted earnings per share ¹ | 101.1 % | 87.7 % | 97.4 % | 84.2 % | 87.2 % |

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



RECONCILIATIONS



| DISTRIBUTABLE INCOME | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Adjusted net income and comprehensive income ¹ | \$ 14,170 | \$ 16,394 | \$ 44,089 | \$ 51,397 | \$ 66,078 |
| Less: Amortization of lender fees | (1,342) | (1,747) | (4,425) | (6,393) | (8,279) |
| Add: Lender fees received and receivable | 1,139 | 1,053 | 4,146 | 4,434 | 6,597 |
| Add: Amortization of financing costs, credit facility | 205 | 129 | 821 | 554 | 953 |
| Add: Amortization of financing costs, convertible debentures | 291 | 243 | 819 | 729 | 972 |
| Add: Accretion expense, convertible debentures | 160 | 113 | 409 | 340 | 454 |
| Add: Unrealized fair value loss (gain) on DSU | 146 | (86) | 211 | (59) | (67) |
| Add: Expected credit loss | 252 | 692 | 1,067 | 1,867 | 3,649 |
| Distributable income¹ | \$ 15,021 | \$ 16,791 | \$ 47,137 | \$ 52,869 | \$ 70,357 |
| Payout ratio on distributable income and adjusted distributable income ^{1,2} | 95.3 % | 85.6 % | 91.1 % | 81.8 % | 81.9 % |
| PER SHARE INFORMATION | | | | | |
| Dividends declared to shareholders | \$ 14,319 | \$ 14,378 | \$ 42,957 | \$ 43,263 | \$ 57,603 |
| Weighted average common shares (in thousands) | 83,010 | 83,347 | 83,010 | 83,621 | 83,509 |
| Dividends per share | \$ 0.17 | \$ 0.17 | \$ 0.52 | \$ 0.52 | \$ 0.69 |
| Earnings per share (basic) | \$ 0.17 | \$ 0.20 | \$ 0.53 | \$ 0.62 | \$ 0.80 |
| Earnings per share (diluted) | \$ 0.17 | \$ 0.19 | \$ 0.53 | \$ 0.60 | \$ 0.78 |
| Adjusted earnings per share (basic) ¹ | \$ 0.17 | \$ 0.20 | \$ 0.53 | \$ 0.61 | \$ 0.79 |
| Adjusted earnings per share (diluted) ¹ | \$ 0.17 | \$ 0.19 | \$ 0.53 | \$ 0.60 | \$ 0.78 |
| Distributable income per share ¹ | \$ 0.18 | \$ 0.20 | \$ 0.57 | \$ 0.63 | \$ 0.84 |

¹ Refer to non-IFRS measures section of the Company's MD&A for the period ended September 30, 202

² There are no adjustments for the periods presented