Interim Condensed Consolidated Financial Statements of

TIMBERCREEK FINANCIAL

For the three and nine months ended September 30, 2025 and 2024

TIMBERCREEK
FINANCIAL

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)

(In thousands of Canadian dollars)

	Note	September 30, 2025	December 31, 2024
ASSETS			
Cash		$ **1,519**	$ 13,303
Other assets	15(c)	**7,823**	7,326
Real estate inventory	6(a)(b)	**28,248**	32,506
Real estate held for sale	6(c)	**—**	132,635
Mortgage investments, including mortgage syndications	4	**1,669,735**	1,505,501
Joint venture	7	**18,415**	—
Other investments	4(e)	**20,240**	42,913
Total assets		**1,745,980**	1,734,184
LIABILITIES AND EQUITY			
Accounts payable and accrued expenses		**8,037**	6,909
Dividends payable	10(c)	**4,728**	4,742
Due to Manager	15(a)	**1,010**	1,041
Mortgage and other loans funding holdbacks	15(c)	**632**	1,612
Prepaid mortgage and other loans interest	15(c)	**1,114**	3,042
Credit facility	8	**283,507**	396,085
Mortgage syndication liabilities	4(a)(c)	**628,341**	427,263
Real estate held for sale collateral liability	6(c)	**—**	67,312
Convertible debentures	9	**140,936**	139,574
Total liabilities		**1,068,305**	1,047,580
Shareholders' equity	10	**677,675**	686,604
Total liabilities and equity		$ **1,745,980**	$ 1,734,184
Commitments and contingencies	4, 8 and 20		
Subsequent events	10(c)		

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME (Unaudited)

(In thousands of Canadian dollars, except per share amounts)

	Note	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Investment income on financial assets measured at amortized cost					
Gross interest and other income, including mortgage syndications		**$ 37,032**	$ 34,344	**$ 110,945**	$ 108,080
Interest and other expenses on mortgage syndications		**(11,610)**	(8,933)	**(31,716)**	(31,638)
Net investment income on financial assets measured at amortized cost	4(b)(e)	**25,422**	25,411	**79,229**	76,442
Fair value gain and other income on financial assets measured at FVTPL	4(a)(e)	**81**	291	**225**	863
Total income on financial assets		**25,503**	25,702	**79,454**	77,305
Income on real estate properties					
Revenue from real estate properties		**108**	4,572	**3,266**	13,289
Property operating costs		**(361)**	(3,323)	**(2,873)**	(9,789)
Expense on real estate held for sale collateral liability		**—**	(790)	**(571)**	(2,178)
Net rental (loss) income	6	**(253)**	459	**(178)**	1,322
Net income from joint venture	7	**194**	—	**287**	—
Loss on sale of real estate properties		**100**	—	**(2,302)**	—
Gain on real estate held for sale collateral liability	6(c)	**—**	—	**2,715**	—
Total income on real estate properties		**41**	459	**522**	1,322
Expenses					
Management fees	11	**2,790**	2,681	**8,316**	7,697
Servicing fees	11	**181**	132	**507**	435
Expected credit loss	4(d)	**5,885**	252	**9,533**	1,067
General and administrative		**708**	564	**2,713**	2,527
Total expenses		**9,564**	3,629	**21,069**	11,726
Income from operations		**15,980**	22,532	**58,907**	66,901
Financing costs					
Financing cost on credit facility	8	**4,909**	5,865	**15,467**	15,721
Financing cost on convertible debentures	9	**2,613**	2,611	**7,840**	7,396
Total financing costs		**7,522**	8,476	**23,307**	23,117
Net income and comprehensive income		**$ 8,458**	$ 14,056	**$ 35,600**	$ 43,784
Earnings per share					
Basic	12	**$ 0.10**	$ 0.17	**$ 0.43**	$ 0.53
Diluted	12	**$ 0.10**	$ 0.17	**$ 0.43**	$ 0.53

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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)

(In thousands of Canadian dollars)

Nine months ended September 30, 2025	Common shares	Deficiency	Equity component of convertible debentures	Total
Balance, December 31, 2024	**$ 732,940**	**$ (52,143)**	**$ 5,807**	**$ 686,604**
Repurchase of common shares under normal course issuer bid	**(1,672)**	**—**	**—**	**(1,672)**
Dividends declared to shareholders	**—**	**(42,857)**	**—**	**(42,857)**
Issuance of common shares under dividend reinvestment plan	**4,051**	**—**	**—**	**4,051**
Repurchase of common shares for dividend reinvestment plan	**(4,051)**	**—**	**—**	**(4,051)**
Total net income and comprehensive income	**—**	**35,600**	**—**	**35,600**
Balance, September 30, 2025	**$ 731,268**	**$ (59,400)**	**$ 5,807**	**$ 677,675**

Nine months ended September 30, 2024	Common shares	Deficiency	Equity component of convertible debentures	Total
Balance, December 31, 2023	$ 732,940	$ (36,251)	$ 4,450	$ 701,139
Dividends declared to shareholders	—	(47,730)	—	(47,730)
Issuance of common shares under dividend reinvestment plan	4,442	—	—	4,442
Repurchase of common shares for dividend reinvestment plan	(4,442)	—	—	(4,442)
Issuance of convertible debentures	—	—	1,357	1,357
Total net income and comprehensive income	—	43,784	—	43,784
Balance, September 30, 2024	$ 732,940	$ (40,197)	$ 5,807	$ 698,550

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (Unaudited)

(In thousands of Canadian dollars)	Note	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
			Restated - note 5(a)		Restated - note 5(a)
OPERATING ACTIVITIES					
Net income		**$ 8,458**	$ 14,056	**$ 35,600**	$ 43,784
Adjustments for:					
Interest income, net of syndications		**(23,442)**	(23,988)	**(72,573)**	(71,854)
Lender fees income, net of syndications		**(1,891)**	(1,543)	**(6,418)**	(4,425)
Expected credit loss		**5,885**	252	**9,533**	1,067
Interest expense and financing costs		**7,522**	8,476	**23,307**	23,117
Fair value gain and interest income on financial assets		**(65)**	(236)	**(154)**	(782)
Net income from joint venture		**(194)**	—	**(287)**	—
Loss on sale of real estate properties		**(100)**	—	**2,302**	—
Gain on real estate held for sale collateral liability		**—**	—	**(2,715)**	—
Net foreign exchange loss		**201**	352	**581**	414
		(3,626)	(2,631)	**(10,824)**	(8,679)
Changes in:					
Advances of mortgage investments, net of syndications		**(248,906)**	(99,756)	**(536,546)**	(434,622)
Repayments from mortgage investments, net of syndications		**320,434**	82,747	**595,924**	376,533
Repayments from other loan investments		**24**	10,499	**108**	10,561
Net additions to real estate inventory		**(93)**	(81)	**(133)**	(315)
Net proceeds from sale of real estate inventory		**659**	—	**5,581**	380
Net change in non-cash operating items	13	**(208)**	(1,217)	**(17)**	106
		68,284	(10,439)	**54,093**	(56,036)
Interest received, net of syndications		**12,196**	17,236	**45,076**	53,616
Interest received from financial assets measured at FVTPL		**—**	166	**100**	507
Interest and financing costs paid		**(7,123)**	(8,355)	**(21,854)**	(23,414)
Lender fees received		**1,200**	1,110	**3,941**	4,746
Net cash from (used in) operating activities		**74,557**	(282)	**81,356**	(20,581)
FINANCING ACTIVITIES					
Net credit facility (repayments) draws	14	**(61,000)**	18,106	**(112,000)**	65,000
Repayment of convertible debentures	14	**—**	—	**—**	(45,000)
Proceeds from issuance of convertible debentures	14	**—**	—	**—**	46,000
Dividends paid to shareholders		**(12,950)**	(12,851)	**(38,820)**	(43,288)
Repurchase of common shares		**(1,325)**	(1,468)	**(5,723)**	(4,442)
Net cash (used in) from financing activities		**(75,275)**	3,787	**(156,543)**	18,270
INVESTING ACTIVITIES					
Net proceeds from disposition of real estate held for sale		**—**	—	**123,352**	—
Net (repayments) to real estate held for sale collateral liability		**—**	—	**(61,676)**	—
Distribution from financial assets measured at FVTPL		**—**	1,644	**42**	3,896
Net additions to joint venture		**—**	—	**(55)**	—
Distribution from joint venture		**—**	—	**1,329**	—
Net (payments)/proceeds on maturity of forward contracts		**(12)**	306	**423**	(101)
Net cash (used in) from investing activities		**(12)**	1,950	**63,415**	3,795
Decrease in cash		**(730)**	5,455	**(11,772)**	1,484
Net foreign exchange loss/(gain) on cash accounts		**—**	96	**(12)**	—
Cash, beginning of period		**2,249**	735	**13,303**	4,802
Cash, end of period		**$ 1,519**	$ 6,286	**$ 1,519**	$ 6,286

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

(In thousands of Canadian dollars)

1. CORPORATE INFORMATION

Timbercreek Financial Corp. (the “Company”, “TF” or “Timbercreek Financial”) is a mortgage investment corporation domiciled in Canada. The Company is incorporated under the laws of the Province of Ontario. The registered office of the Company is 25 Price Street, Toronto, Ontario M4W 1Z1. The common shares of the Company are listed on the Toronto Stock Exchange (“TSX”) under the symbol “TF”.

The investment objective of the Company is to secure and grow a diversified portfolio of high-quality mortgage and other loan investments, generating an attractive risk adjusted return and monthly dividend payments to shareholders, balanced by a strong focus on capital preservation.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These unaudited interim condensed consolidated financial statements of the Company have been prepared by management in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

These unaudited interim condensed consolidated financial statements should be read in conjunction with the notes to the audited consolidated financial statements for the year ended December 31, 2024 since these financial statements do not contain all disclosures required by IFRS Accounting Standards as issued by the IASB for annual financial statements.

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on October 29, 2025.

(b) Principles of consolidation

These unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, including Timbercreek Mortgage Investment Fund. The financial statements of the subsidiaries included in these unaudited interim condensed consolidated financial statements are from the date that control commences until the date that control ceases. All intercompany transactions and balances are eliminated upon consolidation.

(c) Basis of measurement

These unaudited interim condensed consolidated financial statements have been prepared on both a going concern and the historical cost basis except for certain items which have been measured at fair value through profit or loss ("FVTPL") at each reporting date and include: debt investments not meeting the solely payments of principal and interest criterion, investment in participating debentures, investment in equity instrument and foreign currency forward contracts.

(d) Critical accounting estimates, assumptions and judgements

In the preparation of the Company's unaudited interim condensed consolidated financial statements, Timbercreek Capital Inc. (the “Manager”), has made judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. In making estimates, the Manager relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgements have been applied in a manner consistent with the prior period and there are no known trends, commitments, events or uncertainties, other than the global market volatility, that the Manager believes will materially affect the methodology or assumptions utilized in making those estimates and judgements in these unaudited interim condensed consolidated financial statements.

Measurement of expected credit loss ("ECL")

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement. The Company exercises significant credit judgement in the determination of a significant increase in credit risk since initial recognition, credit impairment of debt investments and expected timing and recoverable amount of credit impaired debt investments. Judgement is also required in the determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, their effect on the determination of impairment losses and forward-looking information used as economic inputs. These judgements include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which would require an increase or decrease in the expected credit loss.

The Company’s ECL calculations are model outputs with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Significant assumptions include probability-weighting and expected cash shortfalls as well as capitalization rates and comparable transactions for collateral properties. These estimates are driven by a number of factors which vary by the nature of investment, changes in which can result in different levels of allowances. Refer to note 4(d).

Syndication liabilities

The Company applies judgement in assessing the relationship between parties with which it enters into participation agreements in order to assess the derecognition of transfers relating to mortgage and other loan investments.

Classification of mortgage and other loan investments

Mortgage investments and other loan investments are classified based on the business model for managing assets and the contractual cash flow characteristics of the asset. The Company exercises judgement in determining both the business model for managing the assets and whether cash flows of the financial asset comprise solely payments of principal and interest.

Net realizable value of real estate inventory

Real estate inventory is measured at the lower of cost and net realizable value. In determining the net realizable value of land inventory, the Company estimates the selling prices of land parcels based on assumptions surrounding zoning and density approvals on those lands, prevailing market prices, and selling costs. The determination of net realizable value for the measurement of land inventory includes management estimates of the ultimate disposal values of various plots of land when in consideration with different sales strategies. In determining net realizable value of condo inventory, the Company estimates selling prices based on market comparables and considers relevant selling costs.

Real estate held for sale

Real estate held for sale is measured at the lower of carrying amount and fair value less costs to sell. Determining the estimated fair value less costs to sell is a source of estimation uncertainty. The significant assumptions used when determining the fair value of real estate held for sale are capitalization rates and stabilized future cash flows. The capitalization rate applied is reflective of the characteristics, location and market of the property. The stabilized future cash flows are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The Company also considers relevant selling costs in the ultimate disposal of the properties. In a scenario where the sales process has progressed sufficiently, fair value less costs to sell may also be based on an executed purchase and sale agreement.

Joint arrangements

Judgement is applied in determining whether the Company has joint control and whether the arrangements are joint operations or joint ventures. In making this assessment management applies judgement to determine the Company’s rights and obligations in the arrangement based on factors such as the structure, legal form and contractual terms of the arrangement.

(e) Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied by the Company in these unaudited interim condensed consolidated financial statements are the same as those applied by the Company in its consolidated financial statements for the year ended December 31, 2024 with the exception of the following new accounting policy, which were prepared in accordance with IFRS Accounting Standards as issued by the IASB.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets relating to the arrangement and usually results from the establishment of a separate legal entity. The Company accounts for its joint ventures using the equity method. The share of results of income of the joint venture is reflected in the Consolidated Statements of Net Income and Comprehensive Income.

Under the equity method, an investment in a joint venture is recognized initially in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of the joint venture in accordance with the Company’s accounting policies. When the Company’s share of losses of a joint venture exceeds its interest in that joint venture, the Company continues recognizing its share of further losses to the extent that it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

When the Company transacts with a joint venture, profits and losses resulting from the transactions with the joint venture are recognized in the Company’s consolidated financial statements only to the extent of interests in the joint venture that are not related to the Company.

(In thousands of Canadian dollars)

4. MORTGAGE AND OTHER INVESTMENTS, INCLUDING MORTGAGE SYNDICATIONS

(a) Mortgage investments

As at September 30, 2025	Note		Mortgages, including mortgage syndications		Mortgage syndication liabilities		Net Mortgage Investments
Mortgage investments, including mortgage syndications - at amortized cost	4(b)(c)	$	**1,669,084**	$	**(627,142)**	$	**1,041,942**
Interest receivable (payable)			**21,012**		**(3,592)**		**17,420**
			1,690,096		**(630,734)**		**1,059,362**
Unamortized lender fees			**(7,510)**		**2,393**		**(5,117)**
Allowance for ECL	4(d)		**(25,412)**		**—**		**(25,412)**
Mortgage investments at amortized cost			**1,657,174**		**(628,341)**		**1,028,833**
Mortgage investments at FVTPL			**12,543**		**—**		**12,543**
Interest receivable			**18**		**—**		**18**
Mortgage investments at FVTPL			**12,561**		**—**		**12,561**
Mortgage investments, including mortgage syndications		$	**1,669,735**	$	**(628,341)**	$	**1,041,394**
Unadvanced mortgage commitments		$	**315,638**	$	**(161,478)**	$	**154,160**

As at December 31, 2024	Note		Mortgages, including mortgage syndications		Mortgage syndication liabilities		Net Mortgage Investments
Mortgage investments, including mortgage syndications - at amortized cost	4(b)(c)	$	1,511,037	$	(426,760)	$	1,084,277
Interest receivable			17,766		(2,283)		15,483
			1,528,803		(429,043)		1,099,760
Unamortized lender fees			(8,056)		1,780		(6,276)
Allowance for ECL	4(d)		(20,796)		—		(20,796)
Mortgage investments at amortized cost			1,499,951		(427,263)		1,072,688
Mortgage investments at FVTPL			5,500		—		5,500
Interest receivable			50		—		50
Mortgage investments at FVTPL			5,550		—		5,550
Mortgage investments, including mortgage syndications		$	1,505,501	$	(427,263)	$	1,078,238
Unadvanced mortgage commitments		$	381,757	$	(199,868)	$	181,889

Notes to the Interim Condensed Consolidated Financial Statements

(In thousands of Canadian dollars)

Mortgages classified at FVTPL

The Company holds mortgages classified at FVTPL with a contractual value of $13,544 (December 31, 2024 – $6,500) and an estimated fair value of $12,543 (December 31, 2024 – $5,500). During Q3 2025 and YTD 2025, the Company generated net interest income and other income on net mortgage investments measured at FVTPL of $47 and $97 (Q3 2024 – $163; YTD 2024 – $503).

During Q3 2025, the Company discharged a stage 2 mortgage investment with a net carrying value of $24,461, of which $19,119 was received in cash proceeds. The remaining net investment of $5,342 is secured by an equity pledge and was reclassified from mortgages investments at amortized cost to mortgages classified at FVTPL. The fair value of this mortgage investment as at September 30, 2025 is $5,342, discounted by expected credit and collateral risks.

The Company continues to measure its FVTPL assets using the direct comparison method, comparing the assets to directly comparable properties and has not recorded any fair value adjustments during Q3 2025 and YTD 2025 (Q3 2024 and YTD 2024 – fair value adjustment of nil)

(b) Net mortgage investments

As at	September 30, 2025			December 31, 2024		
Interest in first mortgages	**93.6 %**	**$**	**986,829**	89.6 %	$	976,605
Interest in second and third mortgages	**6.4 %**		**67,656**	10.4 %		113,172
	100.0 %	**$**	**1,054,485**	100.0 %	$	1,089,777

The mortgage investments are secured by real property and will mature between the remainder of 2025 and 2028. During Q3 2025 and YTD 2025, the Company earned interest income on mortgage investments measured at amortized cost of $23,163 and $70,193 (Q3 2024 – $22,629 and YTD 2024 – $67,944). During Q3 2025 and YTD 2025, the Company recognized other income of $133 and $451 (Q3 2024 – $155; YTD 2024 – $399), attributable to bank interest income and other miscellaneous income.

A majority of the mortgage investments contain a prepayment option, whereby the borrower may repay the principal prior to maturity, after six months of interest payments and with a 30 days' written notice without penalty or yield maintenance. The unamortized lender fees are recognized over the term of the mortgage investment.

During Q3 2025 and YTD 2025, the Company recognized income from amortization of lender fees on net mortgage investments of $1,891 and $6,418 (Q3 2024 – $1,336; YTD 2024 – $4,391). During Q3 2025 and YTD 2025, the Company recorded non-refundable upfront lender fees on net mortgage investments, net of fees relating to mortgage syndication liabilities, of $1,200 and $3,941 (Q3 2024 – $1,085; YTD 2024 – $4,121), which are initially recognized as unearned revenue and amortized to income over the term of the related mortgage investments using the effective interest rate method.

Principal repayments, net of mortgage syndication, by contractual maturity dates are as follows:

As at	September 30, 2025	
2025	**$**	**187,551**
2026		**531,038**
2027		**280,272**
2028		**55,624**
Total	**$**	**1,054,485**

(c) Mortgage syndication liabilities

The Company has entered into certain mortgage participation agreements with third party lenders, using senior and subordinated participation, whereby the third-party lenders take the senior position, and the Company retains the subordinated position.

The Company generally retains an option to repurchase the senior position, but not the obligation, at a purchase price equal to the outstanding principal amount of the lenders' proportionate share together with all accrued interest. Under certain participation agreements, the Company has retained a residual portion of the credit and/or default risk as it is holding the residual interest in the mortgage investment. The interest and fees earned on the transferred participation interests and the related interest expense are recognized in profit and loss. The Company's portion of the mortgage is recorded as mortgage investments.

Under certain participation agreements, an option is provided to the third-party lender to sell their senior position back to the Company, at a purchase price equal to the lenders' proportionate share of principal together with all accrued interest. The third -party lender's outstanding principal amounts of these agreements are $81,807 as at September 30, 2025 (December 31, 2024 – nil). As a result, the lenders' portion of these mortgages is recorded as a mortgage investment with the transferred position recorded as a non-recourse mortgage syndication liability.

The fair value of the transferred assets and mortgage syndication liabilities approximate their carrying values (see note 18).

(d) Expected Credit Loss

The expected credit loss is maintained at a level that management considers adequate to absorb credit-related losses on mortgage and other loan investments classified at amortized cost. The expected credit loss amounted to $30,082 as at September 30, 2025 (December 31, 2024 – $24,428), of which $25,412 (December 31, 2024 – $20,796) was recorded against mortgage investments and $4,670 (December 31, 2024 – $3,632) was recorded against other loan investments. As at September 30, 2025 there are no debt investments at amortized cost, for which no loan loss was recognized due to collateral. Multi-residential mortgage investments are categorized by collateral asset type that includes apartments, condominium construction and retirement housing. Other mortgage investments are categorized by collateral asset type that include retail, unimproved land, improved land, office, industrial, self-storage, condominium inventory and single-residential housing, etc.

Notes to the Interim Condensed Consolidated Financial Statements

(In thousands of Canadian dollars)

	As at September 30, 2025				As at December 31, 2024			
Multi-Residential Mortgage Investments	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Mortgages, including mortgage syndications[1]	**$1,056,271**	**$ —**	**$ 3,987**	**$1,060,258**	$ 893,237	$ 62,467	$ 3,256	$ 958,960
Mortgage syndication liabilities[1]	**455,454**	**—**	**—**	**455,454**	278,295	40,245	—	318,540
Net mortgage investments	**600,817**	**—**	**3,987**	**604,804**	614,942	22,222	3,256	640,420
Expected credit loss[2]	**780**	**—**	**65**	**845**	725	582	37	1,344
	600,037	**—**	**3,922**	**603,959**	614,217	21,640	3,219	639,076
Other Mortgage Investments	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Mortgages, including mortgage syndications[1]	**317,837**	**194,393**	**117,608**	**629,838**	343,954	149,463	76,426	569,843
Mortgage syndication liabilities[1]	**108,398**	**35,241**	**31,641**	**175,280**	110,503	—	—	110,503
Net mortgage investments	**209,439**	**159,152**	**85,967**	**454,558**	233,451	149,463	76,426	459,340
Expected credit loss[2]	**120**	**6,050**	**18,397**	**24,567**	1,126	1,601	16,725	19,452
	209,319	**153,102**	**67,570**	**429,991**	232,325	147,862	59,701	439,888
Total Net Mortgage Investments	**809,356**	**153,102**	**71,492**	**1,033,950**	846,542	169,502	62,920	1,078,964
Other Loan Investments	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Other loans, including other loans syndications[1]	**2,689**	**—**	**10,134**	**12,823**	2,727	—	31,817	34,544
Other loans syndication liabilities[1]	**—**	**—**	**—**	**—**	—	—	—	—
Net other loan investments	**2,689**	**—**	**10,134**	**12,823**	2,727	—	31,817	34,544
Expected credit loss[2]	**10**	**—**	**4,660**	**4,670**	5	—	3,627	3,632
	2,679	**—**	**5,474**	**8,153**	2,722	—	28,190	30,912
Total Net Mortgage and Loan Investments	**$ 812,035**	**$ 153,102**	**$ 76,966**	**$1,042,103**	$ 849,264	$ 169,502	$ 91,110	$1,109,876

1. Including interest receivable or interest payable.
2. Expected credit loss in finance lease receivable (note 4(e)) and unadvanced commitments (note 4) are all considered to be in Stage 1 with minimal ECL.

Notes to the Interim Condensed Consolidated Financial Statements

(In thousands of Canadian dollars)

The changes in the expected credit loss year to date are shown in the following tables:

	Nine Months Ended September 30, 2025				Nine Months Ended September 30, 2024			
Multi-Residential Mortgage Investments	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance, beginning of period	**$ 725**	**$ 582**	**$ 37**	**$ 1,344**	$ 780	$ 280	$ 395	$ 1,455
Expected credit loss:								
Remeasurement	**142**	**(278)**	**28**	**(108)**	(300)	123	—	(177)
Transfer to/(from)								
Stage 1	**—**	**—**	**—**	**—**	390	—	—	390
Stage 2	**—**	**—**	**—**	**—**	—	—	—	—
Stage 3	**—**	**—**	**—**	**—**	—	—	(390)	(390)
Total expected credit loss	**867**	**304**	**65**	**1,236**	870	403	5	1,278
Fundings	**270**	**—**	**—**	**270**	179	—	—	179
Discharges	**(357)**	**—**	**—**	**(357)**	(290)	—	—	(290)
Transfer to other loan investments	**—**	**(304)**	**—**	**(304)**	—	—	—	—
Balance, end of period	**780**	**—**	**65**	**845**	759	403	5	1,167
Other Mortgage Investments	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance, beginning of period	**1,126**	**1,601**	**16,725**	**19,452**	560	732	9,346	10,638
Expected credit loss:								
Remeasurement	**—**	**4,443**	**4,235**	**8,678**	321	733	646	1,700
Transfer to/(from)								
Stage 1	**(5)**	**—**	**—**	**(5)**	(410)	—	—	(410)
Stage 2	**—**	**—**	**—**	**—**	—	757	—	757
Stage 3	**—**	**—**	**5**	**5**	—	—	(347)	(347)
Total expected credit loss	**1,121**	**6,044**	**20,965**	**28,130**	471	2,222	9,645	12,338
Fundings	**24**	**11**	**—**	**35**	30	—	—	30
Gross Write-Offs	**—**	**—**	**(2,568)**	**(2,568)**	—	—	—	—
Recoveries	**—**	**—**	**—**	**—**	—	—	—	—
Discharges	**(20)**	**(5)**	**—**	**(25)**	(72)	—	—	(72)
Transfer to joint venture	**(1,005)**	**—**	**—**	**(1,005)**	—	—	(4,137)	(4,137)
Balance, end of period	**120**	**6,050**	**18,397**	**24,567**	429	2,222	5,508	8,159
Total Net Mortgage Investments	**900**	**6,050**	**18,462**	**25,412**	1,188	2,625	5,513	9,326
Other Loan Investments	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance, beginning of period	**5**	**—**	**3,627**	**3,632**	337	—	—	337
Expected credit loss:								
Remeasurement	**—**	**—**	**1,038**	**1,038**	(8)	—	—	(8)
Transfer to/(from)								
Stage 1	**—**	**—**	**—**	**—**	(5)	—	—	(5)
Stage 2	**—**	**—**	**—**	**—**	—	—	—	—
Stage 3	**—**	**—**	**—**	**—**	—	—	5	5
Total expected credit loss	**5**	**—**	**4,665**	**4,670**	324	—	5	329
Fundings	**5**	**—**	**—**	**5**	—	—	—	—
Discharges	**—**	**—**	**(5)**	**(5)**	(295)	—	—	(295)
Balance, end of period	**10**	**—**	**4,660**	**4,670**	29	—	5	34
Total Net Mortgage and Other Loan Investments	**$ 910**	**$ 6,050**	**$ 23,122**	**$ 30,082**	$ 1,217	$ 2,625	$ 5,518	$ 9,360

Notes to the Interim Condensed Consolidated Financial Statements

(In thousands of Canadian dollars)

The following table presents the gross carrying amounts of mortgage and other loan investments, net of syndication liabilities, subject to IFRS 9 impairment requirements by internal risk ratings used by the Company for credit risk management purposes.

Refer to the notes to the consolidated financial statements as at December 31, 2024 for details on the risk rating framework.

	As at September 30, 2025				As at December 31, 2024			
Multi-Residential Mortgage Investments	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Low risk	**$ 350,887**	**$ —**	**$ —**	**$ 350,887**	$ 413,625	$ —	$ —	$ 413,625
Medium-Low risk	**220,098**	**—**	**—**	**220,098**	115,628	—	—	115,628
Medium-High risk	**29,832**	**—**	**—**	**29,832**	85,689	22,222	—	107,911
High risk	**—**	**—**	**—**	**—**	—	—	—	—
Credit Impaired	**—**	**—**	**3,987**	**3,987**	—	—	3,256	3,256
Net Mortgage Investments[1]	**600,817**	**—**	**3,987**	**604,804**	614,942	22,222	3,256	640,420
Expected credit loss	**780**	**—**	**65**	**845**	725	582	37	1,344
	600,037	**—**	**3,922**	**603,959**	614,217	21,640	3,219	639,076
Other Mortgage Investments	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Low risk	**74,569**	**—**	**—**	**74,569**	82,653	—	—	82,653
Medium-Low risk	**35,007**	**—**	**—**	**35,007**	91,174	—	—	91,174
Medium-High risk	**75,630**	**—**	**—**	**75,630**	59,535	43,375	—	102,910
High risk	**24,233**	**159,152**	**—**	**183,385**	89	106,088	—	106,177
Credit Impaired	**—**	**—**	**85,967**	**85,967**	—	—	76,426	76,426
Net Mortgage Investments[1]	**209,439**	**159,152**	**85,967**	**454,558**	233,451	149,463	76,426	459,340
Expected credit loss	**120**	**6,050**	**18,397**	**24,567**	1,126	1,601	16,725	19,452
	209,319	**153,102**	**67,570**	**429,991**	232,325	147,862	59,701	439,888
Total Net Mortgage Investments	**809,356**	**153,102**	**71,492**	**1,033,950**	846,542	169,502	62,920	1,078,964
Other Loan Investments	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Low risk	**—**	**—**	**—**	**—**	—	—	—	—
Medium-Low risk	**—**	**—**	**—**	**—**	—	—	—	—
Medium-High risk	**—**	**—**	**—**	**—**	—	—	—	—
High risk	**2,689**	**—**	**—**	**2,689**	2,727	—	—	2,727
Credit Impaired	**—**	**—**	**10,134**	**10,134**	—	—	31,817	31,817
Net other loan investments	**2,689**	**—**	**10,134**	**12,823**	2,727	—	31,817	34,544
Expected credit loss	**10**	**—**	**4,660**	**4,670**	5	—	3,627	3,632
	2,679	**—**	**5,474**	**8,153**	2,722	—	28,190	30,912
Total Net Mortgage and Other Loan Investments	**$ 812,035**	**$ 153,102**	**$ 76,966**	**$1,042,103**	$ 849,264	$ 169,502	$ 91,110	$1,109,876

1. Net of mortgage syndications.

(In thousands of Canadian dollars)

The following tables present credit exposures from net mortgage investments by ranges of loan-to-value ("LTV") ratio. LTV is calculated as the ratio of the total committed loan balance to the fair value of the collateral. The fair value of the collateral is based on the most recently available appraisals.

	As at September 30, 2025				As at December 31, 2024			
Net Mortgage Investments	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
LTV ratio								
Less than 50%	**$ 252,908**	**$ —**	**$ —**	**$ 252,908**	$ 321,807	$ —	$ —	$ 321,807
50-75%	**539,000**	**—**	**3,987**	**542,987**	476,407	21,875	3,256	501,538
75-85%	**14,307**	**—**	**10,032**	**24,339**	24,067	—	12,533	36,600
More than 85%	**4,041**	**159,152**	**75,935**	**239,128**	26,112	149,810	63,893	239,815
Net Mortgage Investments[1]	**$ 810,256**	**$ 159,152**	**$ 89,954**	**$1,059,362**	$ 848,393	$ 171,685	$ 79,682	$1,099,760

1. Net of mortgage syndications.

The Company estimates that a 5% decrease in the value of the collateral associated with Stage 3 net mortgage investments will increase ECL by $3,125 as of September 30, 2025 (December 31, 2024 – increase by $2,751), whereas a 5% increase in the value of the collateral associated with Stage 3 net mortgage investments will decrease ECL by $2,813 as of September 30, 2025 (December 31, 2024 – decrease by $2,697).

(e) Other investments

As at	September 30, 2025	December 31, 2024
Other loan investments, net of expected credit loss	**$ 8,153**	$ 30,912
Finance lease receivable, measured at amortized cost	**6,020**	6,020
Investment in participating debentures, measured at FVTPL	**842**	756
Investment in equity instrument, measured at FVTPL	**3,000**	3,000
Joint venture investment in indirect real estate development	**2,225**	2,225
Total Other Investments	**$ 20,240**	$ 42,913

Other loan investments will mature between the remainder of 2025 and 2038. During Q3 2025 and YTD 2025, other loan investments generated interest income of $235 and $2,167 (Q3 2024 – $1,284; YTD 2024 – $3,673) and income from amortization of lender fees of nil (Q3 2024 – $6; YTD 2024 – $34). During Q3 2025 and YTD 2025, the Company did not receive non-refundable upfront cash lender fees (Q3 2024 and YTD 2024 – $25).

Principal repayments of other loan investments by contractual maturity dates are as follows:

As at	September 30, 2025
2025	**$ 9,807**
2026	**—**
2027	**62**
2028	**—**
2029 and thereafter	**2,615**
Total	**$ 12,484**

During Q3 2025 and YTD 2025, investment in participating debentures measured at FVTPL received total cash distribution of nil and $42 (Q3 2024 – $1,643; YTD 2024 – $3,895), represented by a return of capital of nil and $26 (Q3 2024 – $1,415; YTD 2024 – $3,269), and income distribution of nil and $16 (Q3 2024 – $228; YTD 2024 – $626).

(In thousands of Canadian dollars)

In October 2017, the Company entered into a 20-year emphyteutic lease under which the lessee has the obligation to purchase the property at $9,934 at the end of the lease term in September 2038 and the option to purchase the property earlier based on a prescribed purchase price schedule. The Company has classified the lease as a finance lease and the lease receivable balance of $6,020 (December 31, 2024 – $6,020) is included in other investments. The lease payment began in the third quarter of 2018. Concurrently, the Company entered into a 20-year $3,300 construction loan on the leased property with the lessee which is included in other loan investments. The loan amortization payment began in the fourth quarter of 2019.

The lease receivable payments are due as follows:	Future minimum lease payments	Present value of minimum lease payments
Less than one year	$ 190	$ 184
Between one and five years	887	833
More than five years	11,942	5,003
	$ 13,019	**$ 6,020**

5. COMPARATIVE STATEMENTS

Restatement of comparative consolidated statement of cash flows

During the year ended December 31, 2024, management determined that cash flows from funding of net mortgage investments, repayments of net mortgage investments, funding of other loan investments and repayments of other loan investments, previously classified as investing activities, should have been classified as operating activities in the consolidated statement of cash flows, and cash flows for interest and financing costs paid previously classified as financing activity, have been re-classified as operating activities in the consolidated statement of cash flows. In order to correct, the consolidated statement of cash flows for the three and nine months ended September 30, 2024 was restated as per the table below, with no change to total increase in cash. The restatement had no impact on the consolidated statement of net income and comprehensive income, consolidated statement of changes in shareholders' equity or consolidated statement of financial position.

	Three months ended September 30, 2024		
	As previously reported	Restatement	Restated
Cash flows from (used in) operating activities	**$ 14,583**	$ (14,865)	$ (282)
Cash flows from financing activities	**(4,568)**	8,355	3,787
Cash flows (used in) from investing activities	**(4,560)**	6,510	1,950

	Nine months ended September 30, 2024		
	As previously reported	Restatement	Restated
Cash flows from (used in) operating activities	**$ 50,361**	$ (70,942)	$ (20,581)
Cash flows from financing activities	**(5,144)**	23,414	18,270
Cash flows (used in) from investing activities	**(43,733)**	47,528	3,795

(In thousands of Canadian dollars)

6. REAL ESTATE

(a) Land Inventory

As at September 30, 2025, the Company has land inventory at a carrying value of $28,248 (December 31, 2024 – $29,310), which is recorded at the lower of cost and net realizable value. Land inventory operations incurred a net operating loss of $251 and $871 for the Q3 2025 and YTD 2025 (Q3 2024 – loss of $287; YTD 2024 – loss of $811). The Company estimates that a 5% decrease in the net realizable value of the land inventory would not result in an impairment charge as of September 30, 2025 (December 31, 2024 - nil).

(b) Condo Inventory

In Q2 2025, the Company has sold all of its 13-units condo inventory located in Edmonton, Alberta (December 31, 2024 carrying value – $3,196). The condo inventory was previously the collateral for a mortgage investment at amortized cost. The condo inventory was acquired via a credit bid of a condo inventory mortgage completed on September 9, 2024, in exchange for the discharge of the associated mortgage investment, on a non-cash basis. At the time of the exchange, the mortgage investment had a carrying value of $3,918, comprised of net mortgage investment of $8,054 and an ECL provision of $4,137. The Company recognized the condo inventory at a cost of $3,918 on the exchange date.

The Company received a cumulative $4,478 in proceeds from disposition net of selling costs, recording a realized gain from sales of the units of $1,282 in YTD 2025 and $100 in Q3 2025.

(c) Real Estate Held for Sale

On March 3, 2025, the Company completed a sale of its real estate property classified as held for sale for $135,532 with the proceeds of $129,532 received at closing and remaining $6,000 deferred to be received by March 3, 2028. The Company has fully repaid its real estate collateral inventory liability of $67,312.

Real estate held for sale was originally acquired via credit bid of a senior retirement housing mortgage where the borrower had filed for CCAA in August 2023. The Company's syndicate partners held a 50% economic interest in the property. The syndicated partner's interest was classified as collateral liability of $67,312 as at December 31, 2024. The Company's ownership interest net of collateral liability was $65,323 as at December 31, 2024.The property generated a net rental income of $708 prior to disposition in 2025 (Q3 2024 – $791; YTD 2024 - $2,178).

As at September 30, 2025, the Company has $5131 in accounts receivable representing the present value of deferred payment, offset by $2,558 in accounts payable pertaining to 50% interest of syndicate partner.

In June 2025, the Company paid mutation taxes under protest related to the acquisition of the properties of $5,429, of which the syndicate partner contributed 50%. In Q2 2025, the Company recorded a realized loss on real estate properties of $3,516 and a realized gain on real estate held for sale collateral liability of $2,714, both primarily driven by the mutation tax paid.

As at	September 30, 2025		December 31, 2024	
Real estate held for sale	$	—	$	132,635
Real estate held for sale collateral liability		—		(67,312)
Real estate, net of collateral liability	$	—	$	65,323

(In thousands of Canadian dollars)

7. JOINT VENTURE

On January 31, 2025, the Company, along with its syndication partners, elected to purchase one commercial retail property located in downtown Vancouver, BC. Prior to purchase, the property was held as collateral against a net mortgage investment at amortized cost of $21,076. Effective January 31, 2025, the Company obtained 50% beneficial interest in the commercial retail property in exchange for the discharge of the associated net mortgage investment. Upon exchange, the Company received $1,673 in net mortgage investment measured at FVTPL and an $19,402 or 50% beneficial interest via joint venture. Subsequently, the Company received $1,329 in distributions on return of capital.

The changes to the joint venture balance for the nine months ended September 30, 2025 and year ended December 31, 2024 are as follows:

As at	September 30, 2025	December 31, 2024
Balance, beginning of period	$ —	$ —
Acquisition	19,402	—
Contributions	55	—
Net income during the period	287	—
Distribution received	(1,329)	—
Balance, end of period	**$ 18,415**	$ —

The financial information below shows 100% of net assets and net income of the joint venture and the Company's 50% share:

As at	September 30, 2025	December 31, 2024
Current assets	$ 2,288	$ —
Investment property	92,105	—
Current liabilities	(563)	—
Mortgage payable	(57,000)	—
Net Assets at 100%	**$ 36,830**	$ —
Net Assets at the Company's 50% share	**$ 18,415**	$ —

	Three months ended September 30,		Nine months ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenue	**$ 1,819**	$ —	**$ 4,281**	$ —
Operating Expenses	**(453)**	—	**(1,366)**	—
Interest Expense	**(978)**	—	**(2,341)**	—
Net income at 100%	**$ 388**	$ —	**$ 574**	$ —
Net income at the Company's 50% share	**$ 194**	$ —	**$ 287**	$ —

(In thousands of Canadian dollars)

8. CREDIT FACILITY

As at	September 30, 2025	December 31, 2024
Credit facility principal	**$ 285,000**	$ 397,000
Unamortized financing costs	**(1,493)**	(915)
Credit facility, end of period	**$ 283,507**	$ 396,085

On August 7, 2025, the Company renewed the credit facility agreement, amending the aggregate credit limit, applicable margins and maturity date. As of September 30, 2025, the Company has an aggregate credit limit of $600,000 under its credit facility and an accordion feature of $100,000. The facility is secured by a general security agreement over the Company's assets and its subsidiaries. The credit facility agreement has a maturity date of August 7, 2027.

The interest rates on the existing credit agreement are either at a fixed spread over the prime rate of interest or Adjusted Term CORRA. As at September 30, 2025, the Company's qualified credit facility limit, which is subject to a borrowing base as defined in the existing credit agreement is $429,865.

During Q3 2025 and YTD 2025, the Company incurred financing costs of $1,269 and $1,333 (Q3 2024 – $33; YTD 2024 – $1,640). The deferred financing costs are netted against the outstanding balance of the credit facility and are amortized over the term of the credit facility agreement.

Interest on the credit facility is recorded in financing costs and calculated using the effective interest rate method. For Q3 2025 and YTD 2025, included in financing costs is interest on the credit facility of $4,587 and $14,712 (Q3 2024 – $5,660; YTD 2024 – $14,900) and financing costs amortization of $322 and $755 (Q3 2024 – $205; YTD 2024 – $821).

(In thousands of Canadian dollars)

9. CONVERTIBLE DEBENTURES

As at September 30, 2025, and December 31, 2024, the Company's obligations under the convertible unsecured debentures are as follows:

Series	Ticker Symbol	Interest Rate	Date of Maturity	Interest Payment Date	Conversion Price per share[1]	Equity Component	September 30, 2025	December 31, 2024
July 2021 Debentures	TF.DB.D	5.25 %	July 31, 2028	January 31 and July 31	11.40	1,107	**55,000**	55,000
December 2021 Debentures	TF.DB.E	5.00 %	December 31, 2028	June 30 and December 31	11.40	1,405	**46,000**	46,000
May 2024 Debentures	TF.DB.F	7.50 %	June 30, 2029	June 30 and December 31	8.50	1,357	**46,000**	46,000
Unsecured Debentures, principal							**147,000**	147,000
Unamortized financing cost and amount allocated to equity component							**(6,064)**	(7,426)
Debentures, end of year							**$ 140,936**	$ 139,574

[1]Debentures are convertible at the option of the holder.

Interest costs related to the convertible debentures are recorded in financing costs using the effective interest rate method. Interest on the debentures is included in financing costs and is made up of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	**2025**	2024
Interest on the convertible debentures	**$ 2,159**	$ 2,159	**$ 6,478**	$ 6,168
Amortization of issue costs and accretion of the convertible debentures	**454**	452	**1,362**	1,228
Total	**$ 2,613**	$ 2,611	**$ 7,840**	$ 7,396

(In thousands of Canadian dollars)

10. COMMON SHARES

The Company is authorized to issue an unlimited number of common shares. Holders of common shares are entitled to receive notice to attend and vote at all shareholder meetings as well as to receive dividends as declared by the Board of Directors.

The common shares are classified within shareholders' equity in the consolidated statements of financial position. Any incremental costs directly attributable to the issuance of common shares are recognized as a deduction from shareholders' equity.

On March 5, 2024, the Company filed a 25-month period short form base shelf prospectus in all provinces and territories of Canada which allows the Company to offer and issue common shares, debt securities, subscription receipts, warrants, and units (collectively, the "Securities") from time to time.

The changes in the number of common shares were as follows:	Three months ended September 30,		Nine months ended September 30,	
	2025	**2024**	**2025**	**2024**
Balance, beginning of period	**82,753,216**	83,009,516	**83,009,516**	83,009,516
Common shares issued under dividend reinvestment plan	**171,510**	187,181	**565,270**	593,440
Common shares repurchased for dividend reinvestment plan	**(171,510)**	(187,181)	**(565,270)**	(593,440)
Common shares repurchased under normal course issuer bid	**—**	—	**(256,300)**	—
Balance, end of period	**82,753,216**	83,009,516	**82,753,216**	83,009,516

(a) At-the-market equity program (the "ATM Program")

The Company announced on March 12, 2024 that it has re-established an ATM Program that allows the Company to issue common shares from treasury having an aggregate gross sales amount of up to $90,000 to the public from time to time, at the Company's discretion. Sales of the common shares under the equity distribution agreement are made through "at-the-market distributions" as defined in National Instrument 44-102 - Shelf Distributions, including sales made directly on the Toronto Stock Exchange (the "TSX"). The common shares distributed under the ATM Program are at the market prices prevailing at the time of sale, and therefore prices vary between purchasers and over time.

During Q3 2025 and YTD 2025, the Company did not issue any common shares under the ATM program (Q3 2024 and YTD 2024 – nil).

(b) Dividend reinvestment plan ("DRIP")

The DRIP provided eligible beneficial and registered holders of common shares with a means to reinvest dividends declared and payable on such common shares into additional common shares. Under the DRIP, shareholders could enroll to have their cash dividends reinvested to purchase additional common shares.

The common shares can be purchased from the open market based upon the prevailing market rates or from treasury at a price of 98% of the average of the daily volume weighted average closing price on the TSX for the 5 trading days preceding payment, the price of which will not be less than the book value per common share.

During Q3 2025 and YTD 2025, the Company purchased from the open market and issued under DRIP 171,510 and 565,270 common shares (Q3 2024 – 187,181 and YTD 2024 – 593,440) for a total amount of $1,325 and $4,051 (Q3 2024 – $1,468 and YTD 2024 – $4,442) at an average price of $7.72 and $7.17 per common share (Q3 2024 – $7.84 and YTD 2024 – $7.49). During Q3 2025 and YTD 2025, the Company did not issue any common shares from treasury under DRIP (Q3 2024 and YTD 2024 – nil).

(c) Dividends to holders of common shares

The Company intends to pay dividends to holders of common shares monthly within 15 days following the end of each month. During Q3 2025 and YTD 2025, the Company declared regular dividends of $14,275 or $0.1725 per common share and $42,857 or $0.5175 per common share (Q3 2024 – $14,319 or $0.1725 per common share and YTD 2024 – $42,957 or $0.5175 per common share).

As at September 30, 2025, $4,728 in aggregate dividends (December 31, 2024 – $4,742) were payable to the holders of common shares by the Company. Subsequent to September 30, 2025, the Board of Directors of the Company declared dividends of $0.0575 per common share to be paid on October 15, 2025 to the common shareholders of record on September 30, 2025.

(d) Normal course issuer bid ("NCIB")

On June 10, 2025, the Company renewed the NCIB to repurchase for cancellation up to 8,191,740 common shares over a 12-month period. Repurchases under the NCIB were permitted to commence on June 12, 2025 and will continue until June 11, 2026 upon expiry.

The Company may repurchase for cancellation under the NCIB by means of open market transactions or otherwise as permitted by the TSX. All repurchases for cancellation under the NCIB will be repurchased on the open market through the facilities of the TSX and alternative Canadian trading platforms at the prevailing market price at the time of such transaction.

During YTD 2025, the Company repurchased 256,300 common shares for a total amount of $1,672. The average price per common share repurchased in YTD 2025 was $6.52. The Company did not repurchase any common shares for cancellation in Q3 2025, Q3 2024 and YTD 2024.

11. NON-EXECUTIVE DIRECTOR DEFERRED SHARE UNIT PLAN ("DSU PLAN")

Commencing June 30, 2016, the Company instituted a non-executive director deferred share unit plan, whereby a director can elect up to 100% of the compensation be paid in the form of DSUs, credited quarterly in arrears. The portion of a director’s compensation which is not payable in the form of DSUs shall be paid by the Company in cash, quarterly in arrears. The fair market value of the DSU is the volume weighted average price of a common share as reported on the TSX for the 20 trading days immediately preceding that day (the “Fair Market Value”). The directors are entitled to also accumulate additional DSUs equal to the monthly cash dividends, on the DSUs already held by that director determined based on the Fair Market Value of the common shares on the dividend payment date.

Following each calendar quarter, the director DSU accounts are credited with the number of DSUs calculated by multiplying the total compensation payable in DSUs divided by the Fair Market Value.

The DSU plan will pay a lump sum payment in cash equal to the number of DSUs held by each director multiplied by the Fair Market Value as of the 24th business day after publication of the Company’s financial statements following a director’s departure from the Board of Directors.

During Q3 2025 and YTD 2025, 11,452 and 36,408 units were issued (Q3 2024 and YTD 2024 – 10,618 and 32,832 units) and as at September 30, 2025, 217,711 units were outstanding (December 31, 2024 – 181,303 units). During Q3 2025 and YTD 2025, no DSUs were exercised (Q3 2024 and YTD 2024 – nil).

During Q3 2025 and YTD 2025, the compensation expense of the members of the Board of Directors amounts to $116 and $343 (Q3 2024 and YTD 2024 – $107 and $316), which is paid in a combination of DSUs and cash.

(In thousands of Canadian dollars)

12. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing total net income and comprehensive income by the weighted average number of common shares during the period.

In accordance with IFRS Accounting Standards, convertible debentures are considered for potential dilution in the calculation of the diluted earnings per share. Each series of convertible debentures is considered individually and only those with dilutive effect on earnings are included in the diluted earnings per share calculation. Convertible debentures that are considered dilutive are required by IFRS Accounting Standards to be included in the diluted earnings per share calculation notwithstanding that the conversion price of such convertible debentures may exceed the market price and book value of the Company's common shares.

Diluted earnings per share are calculated by adding back the interest expense relating to the dilutive convertible debentures to total net income and comprehensive income and increasing the weighted average number of common shares by treating the dilutive convertible debentures as if they had been converted on the later of the beginning of the reporting period or issuance date.

The following table shows the computation of per share amounts:	Three months ended September 30,		Nine months ended September 30,	
	2025	**2024**	**2025**	**2024**
Total net income and comprehensive income (basic)	**$ 8,458**	$ 14,056	**$ 35,600**	$ 43,784
Interest expense on convertible debentures	**—**	—	**—**	3,418
Total net income and comprehensive income (diluted)	**$ 8,458**	$ 14,056	**$ 35,600**	$ 47,202
Weighted average number of common shares (basic)	**82,753,216**	83,009,516	**82,809,819**	83,009,516
Effect of conversion of convertible debentures	**—**	—	**—**	6,632,685
Weighted average number of common shares (diluted)	**82,753,216**	83,009,516	**82,809,819**	89,642,201
Earnings per share – basic and diluted	**$ 0.10**	$ 0.17	**$ 0.43**	$ 0.53

Notes to the Interim Condensed Consolidated Financial Statements

(In thousands of Canadian dollars)

13. CHANGE IN NON-CASH OPERATING ITEMS

Change in non-cash operating items:	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Other assets	**$ 1,341**	$ (932)	**$ 5,025**	$ (246)
Mortgage Investments, including mortgage syndications	**17**	—	**440**	—
Accounts payable and accrued expenses	**(764)**	444	**(2,543)**	1,205
Due to Manager	**72**	64	**(31)**	(22)
Mortgage and other loans funding holdbacks	**(481)**	(30)	**(980)**	(872)
Prepaid mortgage and other loans interest	**(393)**	(763)	**(1,928)**	41
	$ (208)	$ (1,217)	**$ (17)**	$ 106

14. CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Convertible Debentures	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Balance, beginning of period	**$ 140,482**	$ 138,716	**$ 139,574**	$ 140,845
Debenture issuance	**—**	—	**—**	46,000
Capitalized issuance cost	**—**	—	**—**	(2,548)
Debenture repayments	**—**	—	**—**	(45,000)
Total financing cash flow activities	**—**	—	**—**	(1,548)
Non-cash activity - amortization of issue costs	**454**	451	**1,362**	1,227
Equity component, net of issue costs	**—**	—	**—**	(1,357)
Total financing non-cash flow activities	**454**	451	**1,362**	(130)
Balance, end of period	**$ 140,936**	$ 139,167	**$ 140,936**	$ 139,167

Credit Facility	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Balance, beginning of period	**$ 345,454**	$ 305,597	**$ 396,085**	$ 259,704
Deferred financing cost[1]	**(1,269)**	(32)	**(1,333)**	(1,649)
Net credit facility advances (repayments)	**(61,000)**	18,106	**(112,000)**	65,000
Total financing cash flow activities	**(62,269)**	18,074	**(113,333)**	63,351
Non-cash activity - amortization of financing costs	**322**	205	**755**	821
Balance, end of period	**$ 283,507**	$ 323,876	**$ 283,507**	$ 323,876

[1] Deferred financing cost is included in interest paid section in the interim condensed consolidated statement of cash flow.

15. RELATED PARTY TRANSACTIONS

In addition to the related party transactions disclosed elsewhere, related party transactions include the following:

(a) Under the management agreement, the Company pays (i) a management fee equal to 0.85% per annum of gross assets of the Company, calculated and paid monthly in arrears, plus applicable taxes, (ii) servicing fee equal to 0.10%, and (iii) an "A-Note Arrangement Fee" equal to 0.20% of the whole loan amount for syndicated loans completed within 90 days of closing of the mortgage. In 2025, the management agreement was amended to include a “Mortgage Arrangement Fee” equal to 25% of all origination, renewal, modification and exit fees generated in respect of mortgage loans funded, renewed or modified by the Company on or after January 1, 2025. This amendment has replaced the previous A-Note Arrangement Fee as compensation.

During Q3 2025 and YTD 2025, the Company incurred management fees plus applicable taxes of $2,790 and $8,316 (Q3 2024 – $2,681; YTD 2024 – $7,697) and servicing fees including applicable taxes of $181 and $507 (Q3 2024 – $132; YTD 2024 – $435).

As at September 30, 2025, Due to Manager consists of management and servicing fees payable of $1,010 (December 31, 2024 – $1,041).

(b) During Q3 2025 and YTD 2025, Arrangement Fees of $400 and $1,763 paid by borrower were retained by the Manager (Q3 2024 and YTD 2024 – nil). No A-note Arrangement fees were paid in 2025 (Q3 2024 -$46 and YTD 2024 - $116).

(c) As at September 30, 2025, included in other assets is $1,746 (December 31, 2024 – $4,654) of cash held in trust by Timbercreek Mortgage Servicing Inc. ("TMSI"), the Company’s mortgage originations, servicing and administration provider, a company controlled by the Manager. The balance relates to mortgage and other loan funding holdbacks, repayments and prepaid mortgage interest received from various borrowers.

(d) As at September 30, 2025, the Company is invested in non-voting shares of TMSI totaling $3,000 (December 31, 2024 – $3,000), which is classified as investment in equity instrument within other investments.

(e) As at September 30, 2025, the Company has two first mortgage investments which a director of the Manager is also an officer and part-owner of an entity which holds an interest against the same security as the Company. The first instance is a subordinated loan position and the second is a non-voting equity position with the borrower. Both of these positions are third party, independent of the Company's loans.

- A first mortgage investment of $39,967 (December 31, 2024 – $39,967). The Company’s share of the mortgage investment is $7,928 (December 31, 2024 – $7,928). During Q3 2025 and YTD 2025, the Company has recognized net interest income of $332 and $1,003 (Q3 2024 – $367 and YTD 2024 – $1,002).

- A first mortgage investment of $9,005 (December 31, 2024 – $9,005). The Company’s share of the mortgage investment is $2,702 (December 31, 2024 – $2,702). During Q3 2025 and YTD 2025, the Company has recognized net interest income of $135 and $401 (Q3 2024 – $107 and YTD 2024 – $307).

(f) As at September 30, 2025, the Company and Timbercreek Real Estate Finance U.S. Holding LP ("TREF US") were related parties as they are managed by the Manager.

- The Company and TREF US have co-invested in 1 mortgage investment totaling $47,471 (December 31, 2024 – $49,498). The Company's share of the mortgage investment is $23,944 (December 31, 2024 – $24,749). During Q3 2025 and YTD 2025, the Company has recognized net interest income of $730 and $2,199 (Q3 2024 – $387 and YTD 2024 – $387).

(g) As at September 30, 2025, the Company is invested in junior debentures of Timbercreek Real Estate Finance Ireland Fund 1 ("TREF Ireland 1") Private Debt Designated Activity Company totaling $841 or €508 (December 31, 2024 – $756 or €505), which is included in loan investments within other investments. TREF Ireland 1 is managed by a wholly-owned subsidiary of the Manager.

(h) As at September 30, 2025, the Company and Timbercreek North American Mortgage Fund are related parties as they are managed by the Manager, and they have co-invested in 3 mortgages (December 31, 2024 – 3) totaling $61,499 (December 31, 2024 – $54,279). The Company’s share in this mortgage investments is $30,750 (December 31, 2024 – $27,140).

16. CAPITAL RISK MANAGEMENT

The Company manages its capital structure in order to support ongoing operations while focusing on its primary objectives of preserving shareholder capital and generating a stable monthly cash dividend to shareholders. The Company defines its capital structure to include common shares, convertible debentures and the credit facility.

The Company reviews its capital structure on an ongoing basis and adjusts its capital structure in response to mortgage investment opportunities, the availability of capital and anticipated changes in general economic conditions.

The Company's investment restrictions and asset allocation model incorporate various restrictions and investment parameters to manage the risk profile of the mortgage investments. There have been no changes in the process over the previous year. As at September 30, 2025 and December 31, 2024, the Company was in compliance with its investment restrictions.

Pursuant to the terms of the credit facility, the Company is required to meet certain financial covenants on a quarterly basis, including a minimum interest coverage ratio, minimum adjusted shareholders’ equity, maximum non-debenture indebtedness to adjusted shareholders’ equity and maximum consolidated debt to total assets. There is a risk that increases in exposure to non-performing mortgages could require repayment of advances under the credit facility as a result of reductions to the borrowing base or the minimum adjusted shareholders’ equity covenant no longer being achieved. As at September 30, 2025 and December 31, 2024 the Company was in compliance with its financial covenants.

17. RISK MANAGEMENT

The Company is exposed to the symptoms and effects of global economic conditions and other factors that could adversely affect its business, financial condition and operating results. Many of these risk factors are beyond the Company's direct control. The Manager and Board of Directors play an active role in monitoring the Company's key risks and in determining the policies that are best suited to manage these risks. There has been no change in the process since the previous year.

The Company's business activities, including its use of financial instruments, expose the Company to various risks, the most significant of which are market rate risk (interest rate risk and currency risk), credit risk, and liquidity risk.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial assets or financial liabilities will fluctuate because of changes in market interest rates. As of September 30, 2025, $955,856 of net mortgage investments bear interest at variable rates (December 31, 2024 – $983,437). There were no other loan investments that bear interest at variable rates as of September 30, 2025 (December 31, 2024 – nil). Net mortgage investments totaling $916,086 have a floor rate (December 31, 2024 – $902,033).

If there were a decrease or increase of 0.50% in interest rates, with all other variables constant, the impact from variable rate mortgage investments and other investments to net income and comprehensive income for the next 12 months would be a decrease in net income of $194 (December 31, 2024 – 0.50% and a decrease in net income of $468) or an increase in net income of $1,018 (December 31, 2024 – 0.50% and an increase in net income of $4,875, respectively). The Company manages its sensitivity to interest rate fluctuations by managing the fixed/floating ratio and its use of floor rates in its investment portfolio.

The Company is also exposed to interest rate risk on the credit facility. As at September 30, 2025, net exposure to interest rate risk was $285,000 (December 31, 2024 – $397,000), and assuming it was outstanding for the entire period, a 0.50% decrease or increase in interest rates, with all other variables constant, will increase or decrease net income and comprehensive income for the next 12 months by $1,425 (December 31, 2024 – 0.50% and $1,985).

The Company's other assets, interest receivable, accounts payable and accrued expenses, prepaid mortgage and other loans interest, mortgage and other loan funding holdbacks, dividends payable and due to Manager have no significant exposure to interest rate risk due to their short-term nature. Convertible debentures carry a fixed rate of interest and are not subject to interest rate risk. Cash and cash equivalents carry a variable rate of interest and are subject to minimal interest rate risk.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to currency risk primarily from other investments that are denominated in a currency other than the Canadian dollar. The Company uses foreign currency forwards and swaps to approximately economically hedge the principal balance of future earnings and cash flows caused by movements in foreign exchange rates. Under the terms of the foreign currency forward and swap contracts, the Company buys or sells a currency against another currency at a set price on a future date.

As at September 30, 2025, the Company has US$17,200 in net mortgage investments and €508 in other investments denominated in foreign currencies (December 31, 2024 – US$17,200 and €505 in other investments). The Company has entered into a series of foreign currency contracts to reduce its exposure to foreign currency risk. As at September 30, 2025, the Company has one U.S. dollar currency forward contract with an aggregate notional value of US$17,200, at a forward contract rate of 1.3760, that matures on November 24, 2025. The Company also has one Euro currency contract with an aggregate notional value of €500 at a contract rate of 1.6165, that matures on November 24, 2025.

The fair value of the foreign currency forward contracts as at September 30, 2025 is a liability of $221 which is included in accounts payable. The valuation of the foreign currency forward contracts was computed using Level 2 inputs which include spot and forward foreign exchange rates.

(c) Credit risk

Credit risk is the risk that a borrower may be unable to honour its debt commitments as a result of a negative change in market conditions that could result in a loss to the Company. The Company mitigates this risk by the following:

i. adhering to the investment restrictions and operating policies included in the asset allocation model (subject to certain duly approved exceptions);
ii. ensuring all new mortgages and other investments are approved by the Investment Committee before funding; and
iii. actively monitoring the mortgage and other investments and initiating recovery procedures, in a timely manner, where required.

The maximum exposure to credit risk, including unfunded commitments, and prior to impact of allowance for ECL at September 30, 2025 relating to net mortgage investments and other investments is $1,276,163 (December 31, 2024 – $1,350,965).

The Company has recourse under these mortgages and the majority of other investments in the event of default by the borrowers; in which case, the Company would have a claim against the underlying collateral. Management believes that the potential loss from credit risk with respect to cash that is held in trust at a Schedule I bank by the Company's transfer agent and operating cash is also held at a Schedule I bank, to be minimal.

The Company is exposed to credit risk from the collection of accounts receivable from tenants relating to real estate held for sale.

(In thousands of Canadian dollars)

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. This risk arises in normal operations from fluctuations in cash flow as a result of the timing of mortgage investment advances and repayments and the need for working capital. Management routinely forecasts future cash flow sources and requirements to ensure cash is efficiently utilized.

The following are the contractual maturities of financial liabilities, excluding mortgage syndication liabilities as at September 30, 2025, including expected interest payments:

September 30, 2025	Carrying value	Contractual cash flow	Within a year	Following year	3 – 5 years	5 + Years
Accounts payable and accrued expenses	$ 8,037	$ 8,037	$ 5,259	$ —	$ 2,778	$ —
Dividends payable	4,728	4,728	4,728	—	—	—
Due to Manager	1,010	1,010	1,010	—	—	—
Mortgage and other loans funding holdbacks	632	632	632	—	—	—
Prepaid mortgage and other loans interest	1,114	1,114	1,114	—	—	—
Credit facility[1]	283,507	311,264	14,181	297,083	—	—
Convertible debentures[2]	140,936	175,595	8,638	8,638	158,319	—
	$ 439,964	$ 502,380	$ 35,562	$ 305,721	$ 161,097	$ —
Unadvanced mortgage commitments, excluding mortgage syndication liabilities	—	154,160	154,160	—	—	—
Total contractual liabilities, excluding mortgage syndication liabilities[3]	$ 439,964	$ 656,540	$ 189,722	$ 305,721	$ 161,097	$ —

1 Credit facility includes interest based upon September 30, 2025 interest rate on the credit facility assuming the outstanding balance is not repaid until its maturity on August 7, 2027.

2 The convertible debentures include interest based on coupon rate on the convertible debentures assuming the outstanding balance is not repaid until its contractual maturity on July 31, 2028, December 31, 2028 and June 30, 2029.

3 The mortgage syndication liabilities of $628,341 and its portion of unadvanced mortgage commitment of $161,478 are excluded from table above, refer to net mortgage investments in note 4(a).

As at September 30, 2025, the Company had a cash position of $1,519 (December 31, 2024 – $13,303), an unutilized credit facility balance of $144,865 (December 31, 2024 – $62,826). Management believes it will be able to finance its operations using the cash flow generated from operations, investing activities, including proceeds from mortgage repayments and syndications, and the use of the credit facility.

(In thousands of Canadian dollars)

18. FAIR VALUE MEASUREMENTS

The following table shows the classification carrying amounts and fair values of financial assets and financial liabilities:

As at September 30, 2025	Note	Carrying value: Amortized cost	Carrying value: Fair value through profit or loss	Fair value
Financial assets				
Cash		$ 1,519	$ —	$ 1,519
Other assets		7,677	—	7,677
Mortgage investments, including mortgage syndications		1,657,174	12,561	1,669,735
Other investments	4(e)	14,173	3,842	18,015
Financial liabilities				
Accounts payable and accrued expenses		6,188	1,849	8,037
Dividends payable		4,728	—	4,728
Due to Manager		1,010	—	1,010
Mortgage funding holdbacks		632	—	632
Prepaid mortgage interest		1,114	—	1,114
Credit facility		283,507	—	285,000
Convertible debentures		140,936	—	147,801
Mortgage syndication liabilities		628,341	—	628,341

As at December 31, 2024	Note	Carrying value: Amortized cost	Carrying value: Fair value through profit or loss	Fair value
Financial assets				
Cash		$ 13,303	$ —	$ 13,303
Other assets		6,771	35	6,806
Mortgage investments, including mortgage syndications		1,499,951	5,550	1,505,501
Other investments	4(e)	36,932	3,756	40,688
Financial liabilities				
Accounts payable and accrued expenses		5,594	1,315	6,909
Dividends payable		4,742	—	4,742
Due to Manager		1,041	—	1,041
Mortgage funding holdbacks		1,612	—	1,612
Prepaid mortgage interest		3,042	—	3,042
Credit facility		396,085	—	397,000
Real estate held for sale collateral liability		67,312	—	67,312
Convertible debentures		139,574	—	144,912
Mortgage syndication liabilities		427,263	—	427,263

The valuation techniques and the inputs used for the Company's financial instruments are as follows:

(a) Mortgage investments, other loan investments, and mortgage syndication liabilities

There is no quoted price in an active market for mortgage investments, other loan investments and mortgage syndication liabilities. The Manager makes its determination of fair value based on its assessment of the current lending market for mortgage and other loan investments. Typically, the fair value of these mortgage investments, other loan investments and mortgage syndication liabilities approximate their carrying values given the amounts consist of short-term loans that are repayable at the option of the borrower without yield maintenance or penalties. As a result, the fair value of mortgage investments, other loan investments and syndication liabilities is based on level 3 inputs.

(b) Other financial assets and liabilities

The fair values of cash, other assets, lease receivable, accounts payable and accrued expenses, dividends payable, due to Manager, mortgage funding holdbacks, prepaid mortgage interest, real estate held for sale collateral liability and credit facility approximate their carrying amounts due to their short-term maturities or bear interest at variable rates. The fair value of investment in participating debentures is based on their latest available redemption price. The fair value of investment in equity instruments is based on the initial purchase price.

(c) Convertible debentures

The fair value of the convertible debentures is based on a level 1 input, which is the market closing price of convertible debentures at the reporting date.

There were no transfers between level 1, level 2 and level 3 of the fair value hierarchy during the nine months ended September 30, 2025.

19. COMPENSATION OF KEY MANAGEMENT PERSONNEL

During Q3 2025 and YTD 2025, the compensation expense of the members of the Board of Directors amounted to $116 and $343 (Q3 2024 – $107 and YTD 2024 – $316), which is paid in a combination of DSUs and cash. The compensation to the senior management of the Manager is paid through the management fees paid to the Manager (Note 11).

20. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims arising from investing in mortgage investments and other investments. Where required, management records adequate provisions in the accounts. As of September 30, 2025 and December 31, 2024, there are no provisions recognized.

Although it is not possible to accurately estimate the extent of potential costs and losses, if any, management believes that the ultimate resolution of such contingencies would not have a material adverse effect on the Company's financial position.