

Management's Discussion and Analysis

TIMBERCREEK FINANCIAL

For the three months ended March 31, 2026 and 2025



FORWARD-LOOKING STATEMENTS

Forward-looking statement advisory

The terms, the "Company", "we", "us" and "our" in the following Management Discussion & Analysis ("MD&A") refer to Timbercreek Financial Corp. (the "Company" or "Timbercreek Financial"). This MD&A may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. These statements are typically identified by expressions like "believe", "expects", "anticipates", "would", "will", "intends", "projected", "in our opinion" and other similar expressions. By their nature, forward-looking statements require us to make assumptions which include, among other things, that (i) the Company will have sufficient capital under management to effect its investment strategies and pay its targeted dividends to shareholders, (ii) the investment strategies will produce the results intended by Timbercreek Capital Inc. ("Manager"), a subsidiary to Timbercreek Asset Management Inc. ("TAMI"), (iii) the markets will react and perform in a manner consistent with the investment strategies and (iv) the Company is able to invest in mortgages and other investments of a quality that will generate returns that meet and/or exceed the Company's targeted investment returns.

Forward-looking statements are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will prove not to be accurate. We caution readers of this MD&A not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to, general market conditions, interest rates, regulatory and statutory developments, the effects of competition in areas that the Company may invest in, geopolitical uncertainty, and the risks detailed from time to time in the Company's public disclosures. For more information on risks, please refer to the "Risks and Uncertainties" section in this MD&A, and the "Risk Factors" section of our Annual Information Form ("AIF"), which can be found on the System for Electronic Document Analysis and Retrieval ("SEDAR+") website at www.sedarplus.ca

We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Company, investors and others should carefully consider these factors, as well as other uncertainties and potential events and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Company and the Manager do not undertake, and specifically disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

This MD&A is dated May 5, 2026. Disclosures contained in this MD&A are current to that date, unless otherwise noted. Additional information on the Company, its dividend reinvestment plan and its mortgage investments is available on the Company's website at www.timbercreekfinancial.com. Additional information about the Company, including its AIF, can be found at www.sedarplus.ca.

BASIS OF PRESENTATION

This MD&A has been prepared to provide information about the financial results of the Company for the three months ended March 31, 2026 and 2025. This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2026 and 2025, and the audited consolidated financial statements for the years ended December 31, 2025 and 2024, which are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

The functional and reporting currency of the Company is Canadian dollars and unless otherwise specified, all amounts in this MD&A are in thousands of Canadian dollars, except per share and other non-financial data.

Copies of these documents have been filed electronically with securities regulators in Canada through SEDAR+ at www.sedarplus.ca.

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BUSINESS OVERVIEW

Timbercreek Financial is a leading non-bank lender providing financing solutions to qualified real estate investors who are generally in a transitional phase of the investment process.

Timbercreek Financial fulfills a financing requirement that is not well serviced by the commercial banks: primarily shorter duration, structured financing. Real estate investors typically use short-term mortgages to bridge a period (generally one to five years) during which they conduct property repairs, redevelop the property or purchase another investment. These short-term "bridge" mortgages are typically repaid with traditional bank mortgages (lower cost and longer-term debt) once the transitional period is over, a restructuring is complete or from proceeds generated on the sale of assets. Timbercreek Financial focuses primarily on lending against income-producing real estate such as multi-residential, retail and office properties. This emphasis on cash-flowing properties is an important risk management strategy.

Timbercreek Financial, through its Manager, has established preferred lender status with many active real estate investors by providing quick execution on investment opportunities and by providing flexible terms to borrowers. Timbercreek Financial works with borrowers throughout the terms of their mortgages to ensure that their capital requirements are met and, if requested, consider modifications of or extensions to the terms of their mortgages to accommodate additional opportunities that may arise or changes that may occur.

The Company is, and intends to continue to be, qualified as a mortgage investment corporation ("MIC") as defined under Section 130.1(6) of the Income Tax Act (Canada) ("ITA").

NON-IFRS MEASURES

The Company prepares unaudited interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting*. In this MD&A, as a complement to results provided in accordance with IFRS Accounting Standards, the Company discloses certain financial measures not recognized under IFRS Accounting Standards and that do not have standard meanings prescribed by IFRS Accounting Standards (collectively the "non-IFRS measures").

The Company has presented such non-IFRS measures because the Manager believes they are relevant measures of the Company's ability to earn and distribute recurring cash flows and earnings for dividends and provide helpful supplemental disclosure of the Company's financial performance.

The Company's financial performance is predominately generated from net investment income from net mortgage investments. The Company may enter into certain mortgage participation agreements with other institutional lenders, where such agreements may provide for the Company's participation either on a pari-passu basis or in a subordinated position with one or more institutional syndication partners.

For IFRS Accounting Standards presentation purposes, where the derecognition criteria is not met, mortgage investments are reported on a gross basis, with the portion related to the syndicated mortgages being included in the mortgage investments, including mortgage syndications and a corresponding liability as mortgage syndication liabilities. Mortgage syndication liabilities are non-recourse mortgages with period-to-period variances not impacting the Company's performance. Refer to note 4 of the unaudited interim condensed consolidated financial statements. The relevant factors causing period to period variances include net mortgage principal amounts, portfolio allocation, weighted average interest rate and turnover rate.

The following non-IFRS measures should not be construed as alternatives to net income and comprehensive income or cash flows from operating activities as determined in accordance with IFRS Accounting Standards.

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Non-IFRS financial measures for net mortgage investments:

- i. Net mortgage investments – represents total mortgage investments, net of mortgage syndication liabilities and before adjustments for interest receivable, unamortized lender fees and expected credit loss as at the reporting date.
- ii. Weighted average loan-to-value ("WALTV") – a measure of advanced and unadvanced mortgage commitments on a mortgage investment, including priority or pari-passu debt on the underlying real estate, as a percentage of the fair value of the underlying real estate collateral at the time of approval of the mortgage investment (at origination), or subsequently when the underlying collateral is revalued. For construction/ redevelopment mortgage investments, fair value is based on an "as completed" basis. For unimproved and improved land, fair value is based on an "as is" basis. Net mortgage investments measured at fair value through profit or loss ("FVTPL") are excluded from WALTV computation. This is a key measure to explain period to period performance variances of net mortgage investments.
- iii. Turnover ratio – represents total borrower repayments and syndications of mortgage investments that occurred more than 30 days past the initial net mortgage investment advance date during the stated period, expressed as a percentage of the average net mortgage investment portfolio for the stated period. The Company makes mortgages or loans to only commercial borrowers that are short-term (generally one to five years), and as such the portfolio turnover rate is higher than typical mortgage portfolios which include individual or non-commercial borrower loans. This is a key measure to explain period to period performance variances of net mortgage investments as turnover from both scheduled and early repayments impacts revenue.
- iv. Weighted average interest rate ("WAIR") for the period – represents the weighted average of daily interest rates (not including lender fees) on the net mortgage investments for the daily period. As a result, the Company complements IFRS Accounting Standards measures (which present financial positions on a point of time basis) with weighted daily average data to explain significant variances. This is a key measure to explain period to period performance variances of net mortgage investments.
- v. Weighted average lender fees for the period – represents the cash lender fees received on individual mortgage investments during the stated period, expressed as a percentage of the Company's advances on those mortgage investments. If the entire lender fee is received but the mortgage investment is not fully funded, the denominator is adjusted to include the Company's unadvanced commitment. As a result, the Company complements IFRS Accounting Standards measures (which present financial positions on a point of time basis) with weighted average data to explain significant variances. This is a key measure to explain period to period performance variances of net mortgage investments as lender fees are one of the main contributors to net investment income and distributable income.
- vi. Average net mortgage investment portfolio – represents the daily average of net mortgage investments for the stated period. As a result, the Company complements IFRS Accounting Standards measures (which present financial positions on a point of time basis) with weighted daily average data to explain significant variances. This is a key measure to explain period to period performance variances of net mortgage investments as the average net mortgage investment portfolio is a basis for interest income earned during the period.
- vii. Enhanced return portfolio – represents other investments and net equity in investment properties not included in net mortgage investments.

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Non-IFRS financial measures for Company's assessment of its distribution paying capacity:

It is the Company's view that in addition to IFRS Accounting Standards net income, comprehensive income and earnings per share ("EPS"), distributable income provides a meaningful measure of the Company's operating performance as IFRS Accounting Standards include certain other items that may not be the most appropriate determinants of operating performance of the Company such as amortization of lender fees, amortization of financing costs, unrealized fair value changes, and expected credit loss ("ECL"), which are not representative of current period operating performance and ability to assess dividend paying capacity. Distributable income ("DI") provides a perspective on the financial performance of Timbercreek Financial that is not immediately apparent from net income, comprehensive income and EPS determined in accordance with IFRS Accounting Standards.

Distributable income is computed as IFRS Accounting Standards consolidated net income, adjusted for the earlier mentioned items as well as cash lender fees earned in the period. Distributable income is reconciled to net income and comprehensive income, which is the most directly comparable IFRS measure. A reconciliation of the distributable income is provided in "Analysis of Financial Information for the Period" section of the MD&A.

Payout ratio on distributable income is a non-IFRS financial measure of the Company's ability to generate cash flows for dividends. Payout ratio on earnings per share, where earnings is calculated on an IFRS Accounting Standards basis, is a common measure of the sustainability of a company's dividend payments and is useful when comparing it to other companies of similar industries.

Net income before ECL and Earnings per share before ECL are non-IFRS measures that are useful in demonstrating the current period cash generating performance of the Company's mortgage investments and other investments.

- i. Distributable income – represents the Company's ability to generate cash flows for dividends by removing the effect of amortization, accretion, unrealized fair value adjustments, expected credit loss, and unrealized gain or loss from net income and comprehensive income.
- ii. Distributable income per share – represents the total distributable income divided by the weighted average common shares outstanding for the stated period.
- iii. Payout ratio on distributable income – represents total regular common share dividends paid and declared for payment, excluding any special dividends, divided by distributable income for the stated period.
- iv. Payout ratio on earnings per share – represents total regular common share dividends paid and declared for payment, excluding any special dividends, divided by total net income and comprehensive income for the stated period.
- v. Net income before ECL - represents net income and comprehensive income excluding ECL.
- vi. Earnings per share before ECL - represents net income before ECL divided by the weighted average common shares outstanding for the stated period.

Refer to the subsequent pages for reconciliation of the non-IFRS financial measures.

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OUTLOOK

Market Conditions & Origination

Stabilizing market conditions and increased commercial real estate transaction volume continue to drive solid demand for the Company's transitional financing. This environment favours experienced lenders like Timbercreek that are capable of providing tailored solutions across diverse asset classes. The Company's current pipeline remains robust, allowing management to prioritize high-conviction transactions that align with the core strategy of maximizing risk-adjusted returns and fee generation. Q1 2026 was an active period, with \$224.2 million in origination volume.

Portfolio Dynamics & Earnings

The Company maintains a diversified mortgage investment portfolio with broad exposure across Canada's primary markets. With a physical presence in Vancouver, Calgary, Toronto, and Montreal, Timbercreek Capital leverages deep-rooted regional expertise and deal-sourcing capabilities. This multi-market footprint allows the Company to effectively diversify risk and mitigate over-exposure to any single local economy. While borrower interest rates have moderated alongside benchmark reductions, earnings remain stable due to:

- **Consistent Income:** A steady base of recurring distributable interest income from the core mortgage portfolio.
- **Reduced Financing Costs:** A lower cost of credit successfully offsetting lower coupons on new loans.
- **Fee Generation:** Meaningful contributions from ongoing lender fees and disciplined portfolio rotation.

Asset Management

A key priority remains the resolution of Stage 2 and Stage 3 mortgage investments. Capital recovered through these resolution strategies is being systematically redeployed into new, high-quality lending opportunities, strengthening distributable income. The Company expects to make meaningful progress on these resolutions throughout 2026.

2026 Outlook

Management expects robust transaction activity through the remainder of the year. The combination of recalibrated asset prices and improving fundamentals is encouraging buyers to re-enter the market, promoting a healthy environment. On a cautionary note, we continue to monitor macro headwinds, including geopolitical tensions in the Middle East and the upcoming CUSMA renegotiations, both of which could influence market sentiment.

RECENT DEVELOPMENTS

Q1 2026 Highlights / Summary:

- During the first quarter of 2026, the Company reported strong deployment activity, advancing \$224.2 million in new net mortgages and existing net mortgages. The portfolio reached \$1,240.1 million at the end of the period, an increase of \$160.9 million or 14.9% year-over-year. The portfolio balance was similar to Q4 2025 levels, as new loan originations and advances of capital largely offset net mortgage investment repayments of \$223.3 million.
- Net investment income on financial assets measured at amortized cost was \$25.1 million (Q4 2025 - \$25.7 million, Q1 2025 - \$28.6 million). While weighted average interest rates of 7.7% moderated modestly from 8.1% in Q4 2025 (Q1 2025 – 8.7%), overall portfolio economics remained well balanced.
- Distributable income of \$14.5 million (Q4 2025 - \$15.0 million, Q1 2025 - \$15.4 million). The dividend remains aligned with the Company's targeted payout range on a distributable income basis and reflects a combination of steady interest income and fee-driven earnings generated through portfolio activity. This represents a payout ratio of 98.5% in Q1 2026 (Q4 2025 - 95.3%, Q1 2025 - 92.8%).
- During Q1 2026 the Company reported net income and comprehensive income of \$10.4 million (Q1 2025 – \$14.8 million), or basic earnings per share of \$0.13 (Q1 2025 – \$0.18), representing a payout ratio of 137.6% (Q1 2025 – 96.9%). Net income and comprehensive income was incrementally impacted by the following during the quarter:
 - Expected credit losses of \$3.7 million (Q4 2025 - \$1.6 million) reflecting firm sale prices for two of the Stage 3 Calgary office/retail assets, which were sold subsequent to quarter-end. During the period, the Company continued to advance asset-specific resolution strategies, with repayments, exits, and redeployment activity expected to continue over the balance of the year.
- Taking into account the ECLs recorded in Q1 2026 of \$3.7 million (Q1 2025 – \$1.6 million), net income before ECLs would have been \$14.1 million for Q1 2026 (Q1 2025 – \$16.3 million) or \$0.17 per share (Q1 2025 – \$0.20).
- Earnings during the period continue to reflect the transitional nature of staged-loan resolution and redeployment timing; however, origination activity and capital recycling are expected to contribute more meaningfully to distributable income as legacy exposure declines.

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PORTFOLIO ACTIVITY

In the first quarter the Company advanced \$224.2 million in net mortgage investments, offset by net mortgage portfolio repayments of \$223.3 million. Overall, the net mortgage investments portfolio increased by \$0.8 million, from \$1,239.3 million at the end of Q4 2025, to \$1,240.1 million at the end of Q1 2026 (Q1 2025 – \$1,079.2 million).

The Company advanced 13 new net mortgage investments (Q1 2025 – 12) totaling \$200.8 million (Q1 2025 – \$112.4 million) and made additional advances on existing net mortgage investments of \$23.4 million, (Q1 2025 – \$37.1 million). The WAIR on new net mortgage investments was 7.2% compared to 7.3% in Q4 2025 (Q1 2025 – 7.3%). Originations in the quarter were predominantly multi-family assets. The Company continues to see investment opportunities in its core categories with attractive risk/return characteristics.

On net mortgage investment repayments, 16 net mortgage investments were fully repaid (Q1 2025 – 8). The Company received total mortgage portfolio repayments of \$223.3 million (Q1 2025 – \$136.8 million), including borrower repayments of \$151.3 million (Q1 2025 – \$46.4 million) and syndication transfers of \$72.0 million (Q1 2025 – \$90.4 million). The WAIR on fully repaid net mortgage investments was 8.1%, compared to 8.5% in Q4 2025 (Q1 2025 – 8.3%). The turnover ratio was 18.7% for Q1 2026, compared to 11.8% in Q4 2025 and 12.7% in Q1 2025.

At the end of Q1 2026 variable rate loans with rate floors represented 88.4% of the portfolio compared to 88.8% in Q4 2025 (Q1 2025 – 84.8%). Rate floors help protect the WAIR and substantially all of these variable rate loans with floors are currently at their floor rates. Of the remaining portfolio, 2.6% (Q1 2025 – 4.6%) are floating rate loans without floors and 9.0% (Q1 2025 – 10.6%) are fixed rate loans.

The Company maintained a conservative mortgage investment portfolio focused on income-producing commercial real estate, including the following key metrics:

- 66.5% weighted average loan-to-value;
- 94.7% first mortgages in mortgage investment portfolio; and
- 81.2% of mortgage investment portfolio is invested in cash-flowing properties.

The Company's mortgage portfolio is heavily weighted toward Canada's largest provinces, with 91.5% of the capital invested in Ontario, British Columbia, Quebec and Alberta, and focused on urban markets that typically experience better real estate liquidity.

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FINANCIAL HIGHLIGHTS
KEY FINANCIAL
POSITION INFORMATION

	March 31, 2026	March 31, 2025	December 31, 2025
Net mortgage investments ¹	\$ 1,240,112	\$ 1,079,171	\$ 1,239,318
Enhanced return portfolio ¹	\$ 32,030	\$ 43,343	\$ 31,668
Real estate inventory	\$ 23,024	\$ 29,636	\$ 23,024
Joint venture	\$ 18,484	\$ 18,090	\$ 18,424

CAPITAL STRUCTURE

Total assets	\$ 2,082,036	\$ 1,788,680	\$ 1,983,522
Total liabilities	\$ 1,423,685	\$ 1,103,091	\$ 1,321,269
Shareholders' equity	\$ 658,351	\$ 685,589	\$ 662,253
Book value per share ²	\$ 7.96	\$ 8.28	\$ 8.00
Convertible debentures, par	\$ 147,000	\$ 147,000	\$ 147,000
Credit facility	\$ 491,037	\$ 331,244	\$ 491,825
Total debentures and credit facility utilized	\$ 638,037	\$ 478,244	\$ 638,825
Maximum credit limit available	\$ 681,378	\$ 576,752	\$ 694,956
Credit utilization rate	93.6%	82.9%	91.9%

COMMON SHARE INFORMATION

Number of common shares outstanding	82,753,216	82,753,216	82,753,216
Closing trading price	\$ 6.74	\$ 6.55	\$ 6.84
Market capitalization	\$ 557,757	\$ 542,239	\$ 566,032

1. Refer to non-IFRS measures section.

2. Book value per share represents shareholders' equity divided by the number of common shares outstanding at the end of the stated period.

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OPERATING RESULTS^{1,2}

	Three months ended March 31,		Year ended December 31,
NET INCOME AND COMPREHENSIVE INCOME	2026	2025	2025
Net investment income on financial assets measured at amortized cost	\$ 25,130	\$ 28,573	\$ 104,913
Revenue from real estate properties	49	3,158	3,585
Total revenue, net of mortgage syndication	25,179	31,731	108,498
Management fees	(2,931)	(2,903)	(11,185)
Servicing fees	(198)	(134)	(686)
Expected credit loss	(3,705)	(1,554)	(17,877)
General and administrative	(674)	(1,027)	(3,234)
Expense from real estate properties	(137)	(2,321)	(3,755)
Total operating expenses	(7,645)	(7,939)	(36,737)
Total other income and expenses	916	(452)	(6,104)
Income from operations	18,450	23,340	65,657
Financing costs:			
Financing cost on credit facility	(5,464)	(5,955)	(20,751)
Financing cost on convertible debentures	(2,613)	(2,613)	(10,453)
Net income and comprehensive income	\$ 10,373	\$ 14,772	\$ 34,453
Payout ratio on earnings per share	137.6%	96.9%	165.8%
NET INCOME BEFORE EXPECTED CREDIT LOSS			
Net income and comprehensive income	\$ 10,373	\$ 14,772	\$ 34,453
Add: Expected credit loss	3,705	1,554	17,877
Net income before expected credit loss¹	\$ 14,078	\$ 16,326	\$ 52,330
DISTRIBUTABLE INCOME			
Net income and comprehensive income	\$ 10,373	\$ 14,772	\$ 34,453
Add: Expected credit loss	3,705	1,554	17,877
Add: Lender fees received and receivable	1,898	1,339	6,671
Add: Amortization expense, credit facility	268	212	1,150
Add: Amortization expense, convertible debentures	294	294	1,175
Add: Accretion expense, convertible debentures	160	160	641
Add: Straight-line rent adjustment	15	—	(132)
Less: Amortization income of lender fees	(1,848)	(2,779)	(8,491)
Less: Accretion income, deferred consideration	(44)	—	(147)
Less: (Gain) loss on DSU	(26)	(97)	(53)
Less: (Gain) loss on FVTPL investments	(56)	(36)	4,414
Less: (Gain) loss on sale of real estate	(240)	—	1,505
Distributable income¹	\$ 14,499	\$ 15,419	\$ 59,063
Payout ratio on distributable income ¹	98.5%	92.8%	96.7%
PER SHARE INFORMATION			
Dividends declared to shareholders	\$ 14,275	\$ 14,307	\$ 57,132
Weighted average common shares (in thousands)	82,753	82,981	82,810
Dividends per share	\$ 0.17	\$ 0.17	\$ 0.69
Earnings per share (basic)	\$ 0.13	\$ 0.18	\$ 0.42
Earnings per share (diluted)	\$ 0.13	\$ 0.18	\$ 0.42
Earnings per share before expected credit loss ¹	\$ 0.17	\$ 0.20	\$ 0.63
Distributable income per share ¹	\$ 0.18	\$ 0.19	\$ 0.71

1. Refer to non-IFRS measures section.

2. Certain income statement items were re-presented for clarity, with no impact on income from operations, net income, or equity.

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ANALYSIS OF FINANCIAL INFORMATION FOR THE PERIOD**Total Revenue, net of mortgage syndications****Net investment income on financial assets measured at amortized cost**

For analysis purposes, net interest income and its component parts are discussed net of payments made on account of mortgage syndications to provide the reader with a more representative reflection of the Company's performance. During Q1 2026, the Company earned net investment income on financial assets measured at amortized cost of \$25.1 million (Q1 2025 – \$28.6 million). Net investment income includes the following:

a. Interest income

During the three months ended March 31, 2026, the Company earned interest income on net mortgage investments measured at amortized cost of \$22.5 million (Q1 2025 – \$24.7 million). Interest income decreased relative to the prior comparative period attributable to two offsetting factors:

- An increase in the average size of the net mortgage investments (\$1,073.5 million in Q1 2025 compared to \$1,191.6 million in Q1 2026), which positively impacted interest income.
- Weighted average interest rate decreased from 8.7% in Q1 2025 compared to 7.7% in Q1 2026, reflective of a decrease in prime interest rates of 0.78% over the same 12 month period (5.23% average prime rate in Q1 2025 compared to 4.45% in Q1 2026). While the WAIR reduction is primarily driven by prime rate decreases in the last 12-months, it is also impacted by net mortgages at their floor rates repaying.

At the end of Q1 2026 variable rate loans with rate floors represented 88.4% of the portfolio compared to 88.8% in Q4 2025 (Q1 2025 – 84.8%), 2.6% (Q1 2025 – 4.6%) are floating rate loans without floors and 9.0% (Q1 2025 – 10.6%) are fixed rate loans. Rate floors help protect the WAIR and 87.7% of these variable rate loans with floors are currently at their floor rates.

During the three months ended March 31, 2026, the Company earned \$0.7 million (Q1 2025 – \$1.0 million) of interest income on other loan investments in the enhanced return portfolio. The average other loan investments balance was \$25.9 million in Q1 2026, as compared to \$31.8 million in Q1 2025.

b. Lender fee income

During the three months ended March 31, 2026, the Company recognized income from amortization of lender fees on net mortgage investments measured at amortized cost of \$1.8 million (Q1 2025 – \$2.8 million). Lender fee income was higher in Q1 2025 due primarily to renewal activity in that period. In the same period the Company recognized income from amortization of lender fees on other loan investments in other investments in the enhanced return portfolio of \$35 (Q1 2025 – nil).

c. Other income/loss

During the three months ended March 31, 2026, the Company recognized other income of \$89 (Q1 2025 – \$140), attributable to bank interest income and miscellaneous income.

Revenue from real estate properties

During the three months ended March 31, 2026, the Company recognized revenue from land inventory of \$49.

In the comparative period Q1 2025, \$3.2 million in commercial rent was mostly attributable to real estate property held for sale which was sold on March 3, 2025.

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Total operating expenses

Total operating expenses for Q1 2026 were \$7.6 million (Q1 2025 – \$7.9 million).

a. Management fees, Servicing fees and Arrangement Fees

The management agreement with Timbercreek Capital Inc. had an initial term of 10 years and extended for another 10 years to October 2034. The Company pays (i) management fee equal to 0.85% per annum of the gross assets of the Company, calculated and paid monthly in arrears, plus applicable taxes, and (ii) servicing fee equal to 0.10% of the amount of any senior tranche of a mortgage that is syndicated by the Manager to a third party investor on behalf of the Company, where the Company retains the corresponding subordinated portion. Gross assets are defined as the total assets of the Company, less unearned revenue before deducting any liabilities, less any amounts that are reflected as mortgage syndication liabilities.

The Manager retains a "Mortgage Arrangement Fee", being 25% of all origination, renewal, modification and exit fees generated in respect of mortgage loans funded, renewed or modified by the Company.

For the three months ended March 31, 2026, the Company incurred management fees plus applicable taxes of \$2.9 million (Q1 2025 – \$2.9 million) and servicing fees including applicable taxes of \$198 (Q1 2025 – \$134). The management fees is reflective of average gross assets of \$1,262.8 million managed in Q1 2026 compared to \$1,222.3 million managed in Q1 2025. Mortgage Arrangement Fees of \$0.6 million paid by borrowers were retained by the Manager (Q1 2025 – \$0.9 million), which are not reflected in the Company's financial statements.

b. Expected Credit Loss ("ECL")

Expected Credit Loss for net mortgage investments in Q1 2026 was \$3.7 million (Q1 2025 – \$1.6 million), reflective of firm sales price for two of the Stage 3 office net mortgage investments which have now closed in Q2 2026. The cumulative allowance for expected credit loss is \$34.0 million (discussed further in the ECL section), representing approximately 2.7% of the \$1,240.1 million net mortgage investment portfolio.

c. General and administrative

For the three months ended March 31, 2026, the Company incurred general and administrative expenses of \$0.7 million (Q1 2025 – \$1.0 million). The decrease is largely attributable to a reduction in professional fees compared to prior period, such as legal fees, non-recoverable costs associated with certain asset management activities and fees associated with offering activities on the Company's ATM program. General and administrative expenses consist mainly of legal fees, audit fees, director's fees, shareholder reporting fees, consulting fees, filing fees and other operating expenses.

d. Expense from real estate properties

For the three months ended March 31, 2026, the Company incurred expense from real estate properties of \$137 (Q1 2025 – \$2.3 million).

In the comparative period Q1 2025, \$1.9 million was related to real estate property held for sale which was sold in March 2025 and \$304 was related to a marina which was sold in December 2025.

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Total other income and expenses
a. Share of net income from joint ventures accounted for using the equity method

	Three months ended March 31,	
	2026	2025
Revenue	\$ 996	\$ 1,003
Operating Expenses	(311)	(420)
Interest Expense	(565)	(550)
Net income at 100%	\$ 120	\$ 33
Net income at the Company's 50% share	\$ 60	\$ 17

For the three months ended March 31, 2026, the share of net income from joint ventures of \$535 also includes a joint venture investment in a real estate development under the Enhanced returned portfolio which received a total distribution of \$0.8 million (Q1 2025 – nil), comprising a return of capital of \$325 (Q1 2025 – nil), and an income distribution of \$475 (Q1 2025 – nil).

b. Fair value gain (loss) and other income on financial assets measured at FVTPL

For the three months ended March 31, 2026, the Company earned interest income on net mortgage investments measured at FVTPL of \$86 (Q1 2025 – \$50). 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 in the period (Q1 2025 – no fair value adjustments).

During Q1 2026, the Company recognized an unrealized fair value gain of \$32 (Q1 2025 – gain \$36) on its investment in participating debentures, measured at FVTPL.

c. Gain on sale of real estate properties

During Q1 2026, the Company recognized \$240 (Q1 2025 – nil) of gains associated with real estate held for sale disposed of in 2025.

Income from Operations

Income from operations totaled \$18.5 million in Q1 2026 as compared to \$23.3 million in Q1 2025, representing a quarter over quarter decrease of \$4.8 million, largely driven by lower interest income from prime rate decreases compared to the same period in the prior year and a higher ECL recognized in Q1 2026.

Financing Costs
Financing cost on credit facility

For the three months ended March 31, 2026, included in financing costs is interest expense on the credit facility of \$5.2 million (Q1 2025 – \$5.7 million).

The quarterly interest expense on the credit facility was \$0.5 million lower in Q1 2026 mainly due to lower borrowing rates (average prime rate of 4.45% in Q1 2026 compared to 5.23% average prime rate in Q1 2025), partly offset by higher average credit facility utilization (\$446.2 million in Q1 2026 compared to \$403.1 million in Q1 2025).

For Q1 2026 amortization of financing costs of \$268 (Q1 2025 – \$212) were included in financing costs.

Management's Discussion and Analysis

For the three months ended March 31, 2026

In thousands of Canadian dollars, except units, per unit amounts and where otherwise noted

Financing cost on convertible debentures

The Company has \$46.0 million of 7.50% convertible unsecured debentures, \$46.0 million of 5.00% convertible unsecured subordinated debentures, and \$55.0 million of 5.25% convertible unsecured subordinated debentures outstanding as at March 31, 2026.

Interest costs related to the debentures are recorded in financing costs using the effective interest method and are made up of the following:

	Three months ended March 31,	
	2026	2025
Interest on the convertible debentures	\$ 2,159	\$ 2,159
Amortization of financing costs and accretion expense	454	454
Total	\$ 2,613	\$ 2,613

Net Income and Comprehensive Income

During Q1 2026, the Company earned net income and comprehensive income of \$10.4 million (Q1 2025 – \$14.8 million) or basic earnings per share of \$0.13 (Q1 2025 – \$0.18), representing a payout ratio of 137.6% (Q1 2025 – 96.9%) on earnings per share.

Distributable Income

Distributable income represents the Company's ability to generate cash flows for dividends by removing the effect of amortization, accretion, unrealized fair value adjustments, expected credit loss, and unrealized gain or loss from total net income and comprehensive income.

During Q1 2026, the Company generated distributable income of \$14.5 million (Q1 2025 – \$15.4 million) or distributable income per share of \$0.18 (Q1 2025 – \$0.19 per share) representing a payout ratio of 98.5% (Q1 2025 – 92.8%).

Cash Lender Fees

Non-refundable cash lender fee received and receivable on loans originated or renewed during the period is included in calculation of distributable income. The cash lender fees are initially recorded as unearned revenue and amortized over the initial term of the loan.

During Q1 2026, the Company recorded cash lender fees in net mortgage investments of \$1.9 million on new loans funded (Q1 2025 – \$1.3 million).

During Q1 2026, the weighted average lender fee was 1.0% on new loans funded (Q1 2025 – 1.1%).

Lender fees continue to be a significant component of distributable income as a result of mortgage investment origination and portfolio turnover.

Management's Discussion and Analysis

For the three months ended March 31, 2026

In thousands of Canadian dollars, except units, per unit amounts and where otherwise noted

Earnings and distributable income per share

PER SHARE INFORMATION	Three months ended March 31,	
	2026	2025
Dividends per share	\$ 0.17	\$ 0.17
Earnings per share (basic)	\$ 0.13	\$ 0.18
Earnings per share (diluted)	\$ 0.13	\$ 0.18
Distributable income per share ¹	\$ 0.18	\$ 0.19

1. Refer to non-IFRS measures section.

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 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 convertible debentures have not been reflected in the current year diluted earnings per share as they would be anti-dilutive.

Management's Discussion and Analysis

For the three months ended March 31, 2026

In thousands of Canadian dollars, except units, per unit amounts and where otherwise noted

STATEMENTS OF FINANCIAL POSITION
Net Mortgage Investments

The Company's exposure to the financial returns is related to the net mortgage investments as mortgage syndication liabilities are non-recourse mortgages with periodic variance having no impact on Company's financial performance. Reconciliation of gross and net mortgage investments balance is as follows:

Net Mortgage Investments	March 31, 2026	December 31, 2025
Mortgage investments, including mortgage syndications	1,995,574	1,895,142
Mortgage syndication liabilities	(776,111)	(673,626)
	1,219,463	1,221,516
Interest receivable	(18,840)	(17,898)
Unamortized lender fees	5,504	5,419
Expected credit loss	33,985	30,281
Net mortgage investments	\$ 1,240,112	\$ 1,239,318

Net mortgage investments statistics and ratios¹

	Three months ended March 31,	
	2026	2025
Total number of mortgage investments	114	104
Average mortgage investment ²	\$ 17,668	\$ 16,201
Average net mortgage investment portfolio	\$ 1,191,586	\$ 1,073,527
Weighted average interest rate for the period	7.7%	8.7%
Weighted average lender fees for the period	1.0%	0.9%
Turnover ratio	18.7%	12.7%
Average remaining term to maturity (years)	1.0	0.9
Average term at origination (years)	2.2	2.4
Net mortgage investments secured by cash-flowing properties	81.2%	79.7%
Weighted average Loan-to-Value	66.5%	66.2%

1. Refer to non-IFRS measures section.

2. Whole loan at period end including syndications.

Management's Discussion and Analysis

For the three months ended March 31, 2026

In thousands of Canadian dollars, except units, per unit amounts and where otherwise noted

Portfolio Allocation

The Company's net mortgage investments were allocated across the following categories:

a. Security position	March 31, 2026		December 31, 2025	
	Number	Net Mortgage Investments	Number	Net Mortgage Investments
Interest in first mortgages	105	\$ 1,173,787	114	\$ 1,178,274
Interest in second mortgages ¹	9	66,325	8	61,044
	114	\$ 1,240,112	122	\$ 1,239,318

¹Included in the Company's interest in second mortgages as at March 31, 2026, was \$0.5 million of the net mortgage investments in which the Company holds a subordinated position (December 31, 2025 – \$451). The amount of the senior positions held by the Company's syndicated partners at March 31, 2026, was \$39.2 million (December 31, 2025 – \$42.4 million).

b. Region	March 31, 2026		December 31, 2025	
	Number	Net Mortgage Investments	Number	Net Mortgage Investments
Ontario	41	\$ 421,783	46	\$ 422,603
Quebec	26	264,576	29	331,872
British Columbia	19	296,444	19	258,864
Alberta	19	151,927	21	182,114
Other	9	105,382	7	43,865
	114	\$ 1,240,112	122	\$ 1,239,318

c. Maturity	March 31, 2026		December 31, 2025	
	Number	Net Mortgage Investments	Number	Net Mortgage Investments
2026	52	577,842	63	\$ 652,865
2027	44	391,855	53	508,771
2028	16	265,582	5	75,379
2029	2	4,833	1	2,303
	114	\$ 1,240,112	122	\$ 1,239,318

d. Asset Type / WALTV at origination	March 31, 2026			December 31, 2025		
	Number	Net Mortgage Investments	WALTV at origination	Number	Net Mortgage Investments	WALTV at origination
Multi-Residential ¹	77	\$ 739,540	64.3%	82	\$ 770,490	64.3%
Retail	5	143,724	79.0%	4	140,006	79.2%
Industrial ¹	13	135,264	58.8%	14	131,821	59.1%
Office	4	61,281	57.4%	5	61,183	56.9%
Improved Land ²	6	83,792	57.9%	7	83,388	58.0%
Unimproved Land ³	3	61,098	32.3%	3	24,027	61.0%
Single-Residential	2	220	78.6%	3	13,507	48.5%
	110	1,224,919	63.0%	118	1,224,422	64.4%
Net mortgage investments measured at FVTPL	4	15,193	n/a	4	14,896	n/a
	114	\$ 1,240,112		122	\$ 1,239,318	

¹Includes 9 construction loans in total, 5 of which are Multi-Residential and 4 Industrial (December 31, 2025 – 9 in total, 5 Multi-Residential, 4 Industrial) totaling \$76.0 million, \$29.3 million in Multi-Residential and \$46.7 million in Industrial (December 31, 2025 – \$72.3 million total, \$25.6 million in Multi-Residential and \$46.7 million in Industrial). Construction loans are provided for the purpose of building a new asset.

²Improved land means serviced land with non-income producing properties intended to be substantially renovated or demolished that do not contemplate construction during the loan period.

³Unimproved land means serviced or unserviced lands that do not contemplate construction during the loan period.

Management's Discussion and Analysis

For the three months ended March 31, 2026

In thousands of Canadian dollars, except units, per unit amounts and where otherwise noted

Expected Credit Loss – Net Mortgage Investments

The expected credit loss is maintained at a level that management considers adequate to absorb credit-related losses on net mortgage investments classified at amortized cost. The expected credit loss amounted to \$34.0 million (December 31, 2025 – \$30.3 million) was recorded against net mortgage investments.

Gross Carrying Amount	As at March 31, 2026				As at December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Multi-Residential	\$ 736,838	\$ —	\$ 2,702	\$ 739,540	\$ 767,788	\$ —	\$ 2,702	\$ 770,490
Retail	4,500	128,573	10,651	143,724	4,726	124,760	10,520	140,006
Industrial	135,264	—	—	135,264	131,821	—	—	131,821
Office	5,451	5,911	49,919	61,281	5,451	5,911	49,821	61,183
Improved Land	13,990	55,514	14,288	83,792	13,990	55,407	13,991	83,388
Unimproved Land	61,098	—	—	61,098	24,027	—	—	24,027
Single-Residential	220	—	—	220	13,507	—	—	13,507
	\$ 957,361	\$ 189,998	\$ 77,560	\$ 1,224,919	\$ 961,310	\$ 186,078	\$ 77,034	\$ 1,224,422

Expected credit losses	As at March 31, 2026				As at December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Multi-Residential	\$ 1,053	\$ —	\$ 1,842	\$ 2,895	\$ 938	\$ —	\$ 1,842	\$ 2,780
Retail	5	6,003	5,308	11,316	5	5,995	2,166	8,166
Industrial	236	—	—	236	160	—	—	160
Office	2	74	18,739	18,815	2	74	18,382	18,458
Improved Land	15	387	293	695	15	381	293	689
Unimproved Land	18	—	—	18	13	—	—	13
Single-Residential	10	—	—	10	15	—	—	15
	\$ 1,339	\$ 6,464	\$ 26,182	\$ 33,985	\$ 1,148	\$ 6,450	\$ 22,683	\$ 30,281

The changes in the expected credit losses are shown in the following table:

ECL Changes	Three Months Ended March 31, 2026				Three Months Ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL - beginning of period	\$ 1,148	\$ 6,450	\$ 22,683	\$ 30,281	\$ 1,851	\$ 2,233	\$ 16,762	\$ 20,846
Transfers to Stage 1	—	—	—	—	(5)	—	—	(5)
Transfers to Stage 2	—	—	—	—	—	5	—	5
Transfers to Stage 3	—	—	—	—	—	—	—	—
Net remeasurement	105	14	3,499	3,618	68	792	119	979
Mortgage fundings	156	—	—	156	75	5	—	80
Mortgage repayments	(70)	—	—	(70)	(35)	—	—	(35)
Transfer to other investments	—	—	—	—	(1,005)	—	—	(1,005)
Gross write-off	—	—	—	—	—	—	(2,568)	(2,568)
ECL - end of period	\$ 1,339	\$ 6,464	\$ 26,182	\$ 33,985	\$ 949	\$ 3,035	\$ 14,313	\$ 18,297

Management's Discussion and Analysis

For the three months ended March 31, 2026

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Notable changes in the ECL for Q1 2026 relate to one Stage 3 Calgary office mortgage and an adjacent retail mortgage which have subsequently been resolved in Q2 2026. In Q1 2026 the Company recorded ECLs on these mortgages reflecting the firm sales price of the underlying collateral, recording an incremental ECL of \$3.5 million. Upon sale of these assets, Stage 3 net mortgages will be reduced by net \$11.2 million.

The Company continues to progress its resolution of the remainder of Stage 2 and 3 net mortgages and anticipates a material reduction in these positions by the end of the year as noted in our December 31, 2025 Management's Discussion and Analysis, incrementally:

- To date in Q2 2026 a Stage 3 GTA improved land mortgage was sold through a receiver led process with the Company advancing a mortgage to the new owner. This mortgage net of ECL will reduce Stage 3 net mortgages by \$14.0 million in Q2 2026.
- A significant portion of the Vancouver retail and improved land mortgages tied to a redevelopment site have now been listed for sale.

Resolution activity during Q1 2026 was weighted toward assets where pricing certainty had improved, while a subset of staged exposures continues to be managed through longer-dated resolution strategies. Management continues to prioritize outcomes that balance capital recovery, timing, and reinvestment potential.

Enhanced return portfolio

As at	Notes	March 31, 2026	December 31, 2025
Other loan investments, net of expected credit loss	(a)	\$ 22,114	\$ 21,460
Finance lease receivable, measured at amortized cost	(b)	6,020	6,020
Investment in participating debentures, measured at FVTPL	(c)	896	863
Investment in equity instrument, measured at FVTPL	(d)	3,000	3,000
Joint venture investment in indirect real estate development	(e)	—	325
Total Enhanced Return Portfolio		\$ 32,030	\$ 31,668

(a) As at March 31, 2026, the Company held \$22.1 million in other loan investments, net of ECL of \$4.7 million (December 31, 2025 – \$21.5 million, net of ECL of \$4.7 million).

As at March 31, 2026, the expected credit loss on this portfolio amounted to \$4.7 million (December 31, 2025 – \$4.7 million) and was recorded against other loan investments.

Gross Carrying Amount	As at March 31, 2026				As at December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Other loans investments	\$ 16,313	\$ —	\$ 9,806	\$ 26,119	\$ 15,961	\$ —	\$ 9,806	\$ 25,767

The changes in the expected credit losses are shown in the following table:

ECL Changes ¹	Three Months Ended March 31, 2026				Three Months Ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL - beginning of period	\$ 15	\$ —	\$ 4,660	\$ 4,675	\$ 5	\$ —	\$ 3,627	\$ 3,632
Net remeasurement	—	—	—	—	—	—	479	479
ECL - end of period	\$ 15	\$ —	\$ 4,660	\$ 4,675	\$ 5	\$ —	\$ 4,106	\$ 4,111

¹ Expected credit loss in finance lease receivable are considered to be in Stage 1 with minimal ECL.

Management's Discussion and Analysis

For the three months ended March 31, 2026

In thousands of Canadian dollars, except units, per unit amounts and where otherwise noted

- (b) In October 2017, the Company entered into a 20-year emphyteutic lease under which the lessee has the obligation to purchase the property at \$9.9 million 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. Refer to note 5 of the Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2026, and 2025. In October 2025, the Company amended lease term with the lessee, reducing annual lease payments and end of term purchase price to \$8.0 million.
- (c) As at March 31, 2026, the Company is invested in junior debentures of Timbercreek Real Estate Finance Ireland Fund 1 ("TREF Ireland 1") Private Debt Designated Activity Company totaling \$0.9 million or €0.6 million (December 31, 2025 – \$0.9 million or €0.5 million).
- (d) As at March 31, 2026, the Company is invested in equity instruments of Timbercreek Mortgage Servicing Inc. ("TMSI") totaling \$3.0 million (December 31, 2025 – \$3.0 million).
- (e) For the three months ended March 31, 2026, the Company recognized \$0.8 million in distributions from joint venture investment in indirect real estate development, represented by a return of capital of \$325 (Q1 2025 – nil), and income distribution of \$475 (Q1 2025 – nil).

QUARTERLY FINANCIAL INFORMATION

The following is a quarterly summary of the Company's results for the eight most recently completed quarters:

NET INCOME AND COMPREHENSIVE INCOME	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Total revenue, net of mortgage syndication	\$ 25,179	\$ 26,003	\$ 25,530	\$ 25,234	\$ 31,731	\$ 32,587	\$ 29,983	\$ 30,812
Total operating expenses	(7,645)	(12,795)	(9,925)	(6,078)	(7,939)	(22,457)	(6,952)	(6,815)
Total other income and expenses	916	(6,458)	375	431	(452)	821	(499)	(531)
Income from operations	18,450	6,750	15,980	19,587	23,340	10,951	22,532	23,466
Financing costs:								
Financing cost on credit facility	(5,464)	(5,284)	(4,909)	(4,603)	(5,955)	(5,943)	(5,865)	(5,571)
Financing cost on debentures	(2,613)	(2,613)	(2,613)	(2,614)	(2,613)	(2,635)	(2,611)	(2,535)
Net income and comprehensive income	\$ 10,373	\$ (1,147)	\$ 8,458	\$ 12,370	\$ 14,772	\$ 2,373	\$ 14,056	\$ 15,360
PER SHARE INFORMATION								
Dividends per share	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17
Earnings/(loss) per share (basic)	\$ 0.13	\$ (0.01)	\$ 0.10	\$ 0.15	\$ 0.18	\$ 0.03	\$ 0.17	\$ 0.19
Earnings/(loss) per share (diluted)	\$ 0.13	\$ (0.01)	\$ 0.10	\$ 0.15	\$ 0.18	\$ 0.03	\$ 0.17	\$ 0.18
Distributable income per share ¹	\$ 0.18	\$ 0.18	\$ 0.17	\$ 0.18	\$ 0.19	\$ 0.21	\$ 0.18	\$ 0.20

¹ Refer to non-IFRS measures section.

The variations in total net income and comprehensive income by quarter are mainly attributed to the following:

- i. In any given quarter, the Company is subject to volatility from portfolio turnover from both scheduled and early repayments. As a result, net interest income is susceptible to quarterly fluctuations. The Company models the portfolio throughout the year factoring in both scheduled and probable repayments, and the corresponding new mortgage advances, to determine its distributable income on a calendar year basis;
- ii. In any given quarter, the Company is subject to volatility from fair value adjustments to financial assets measured at FVTPL and expected credit loss for mortgage investments resulting in fluctuations in quarterly total net income and comprehensive income; and
- iii. The utilization of the credit facility to fund mortgage investments results in higher net interest income, which is partially offset by higher financing costs.

Management's Discussion and Analysis

For the three months ended March 31, 2026

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RELATED PARTY TRANSACTIONS

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

- (a) For the three months ended March 31, 2026, the Company incurred management fees plus applicable taxes of \$2.9 million (Q1 2025 – \$2.9 million) and servicing fees including applicable taxes of \$198 (Q1 2025 – \$134).

As at March 31, 2026, Due to Manager consists of management and servicing fees payable of \$1.1 million (December 31, 2025 – \$1.1 million).

- (b) For the three months ended March 31, 2026, Mortgage Arrangement Fees of \$0.6 million paid by borrower were retained by the Manager (Q1 2025 – \$0.9 million).

- (c) As at March 31, 2026, included in other assets is \$0.8 million (December 31, 2025 – \$0.7 million) 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 March 31, 2026, the Company is invested in non-voting shares of TMSI totaling \$3.0 million (December 31, 2025 – \$3.0 million), which is classified as investment in equity instrument within other investments.

- (e) As at March 31, 2026, the Company has two first mortgage investments for 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 in the borrower. Both of these positions are third party, independent of the Company's loans.

- A first mortgage investment with a total gross commitment of \$39.4 million (December 31, 2025 – \$39.4 million). The Company's share of the commitment is \$7.9 million (December 31, 2025 – \$7.9 million). During Q1 2026, the Company recognized net interest income of \$320 (Q1 2025 – \$338).
- A first mortgage investment of \$9.0 million (December 31, 2025 – \$9.0 million). The Company's share of the mortgage investment is \$2.7 million (December 31, 2025 – \$2.7 million). During Q1 2026, the Company recognized net interest income of \$99 (Q1 2025 – \$130).

- (f) As at March 31, 2026, the Company and Timbercreek Real Estate Finance U.S. Holding LP ("TREF US") are related parties as they are both managed by the Manager. The Company holds an other loan investment totalling \$8.7 million (December 31, 2025 – \$8.3 million) secured by collateral owned by a subsidiary of TREF US. For the three months ended March 31, 2026, the Company has recognized net interest income of \$317 (Q1 2025 – nil).

- (g) As at March 31, 2026, the Company is invested in junior debentures of Timbercreek Real Estate Finance Ireland Fund 1 ("TREF Ireland 1") Private Debt Designated Activity Company totaling \$0.9 million or €0.6 million (December 31, 2025 – \$0.9 million or €0.5 million), 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 March 31, 2026, 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, 2025 – 3) totaling \$68.4 million (December 31, 2025 – \$65.6 million). The Company's share in this mortgage investment is \$34.2 million (December 31, 2025 – \$32.8 million). For the three months ended March 31, 2026, the Company recognized net interest income for these mortgage investments of \$0.6 million (Q1 2025 – \$0.7 million).

Management's Discussion and Analysis

For the three months ended March 31, 2026

In thousands of Canadian dollars, except units, per unit amounts and where otherwise noted

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 March 31, 2026, 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.

CRITICAL ACCOUNTING ESTIMATES

The critical accounting estimates applied by the Company in the 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, 2025.

MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Company in the 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, 2025.

OUTSTANDING SHARE DATA

As at May 5, 2026, the Company's authorized capital consists of an unlimited number of common shares, of which 82,753,216 are issued and outstanding.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS

Management maintains appropriate information systems, procedures and controls to provide reasonable assurance that information that is publicly disclosed is complete, reliable and timely.

The Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO") of Timbercreek Financial, along with the assistance of senior Management of the Manager with their supervision, have designed Disclosure Controls and Procedures ("DC&P") and Internal Controls over Financial Reporting ("ICFR"), as those terms are defined in National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), to provide reasonable assurance that all material information relating to the Company that is required to be publicly disclosed is recorded, processed, summarized and reported on a timely basis and within the time period specified in securities legislation, and have designed ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

No changes were made in the design of ICFR during the period ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Management's Discussion and Analysis

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In thousands of Canadian dollars, except units, per unit amounts and where otherwise noted

It should be noted that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance of control issues, including whether instances of fraud, if any, have been detected. These inherent limitations include, among other items:

- i. that Management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances;
- ii. the impact of any undetected errors; and
- iii. that controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by Management override.

The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

CAPITAL STRUCTURE AND LIQUIDITY

Capital structure

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 believes that the conservative amount of structural leverage gained from the debentures and credit facility is accretive to net earnings, appropriate for the risk profile of the business. The Company anticipates meeting all of its contractual liabilities (described below) using its mix of capital structure and cash flow from operating activities.

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.

Liquidity

Access to liquidity is an important element of the Company as it allows the Company to implement its investment strategy. The Company is, and intends to continue to be, qualified as a MIC as defined under Section 130.1(6) of the ITA and, as a result, is required to distribute not less than 100% of the taxable income of the Company to its shareholders. The Company manages its liquidity position through various sources of cash flows including cash generated from operations and credit facility. The Company has an aggregate borrowing ability of \$600.0 million through its renewed credit facility and it intends to utilize the credit facility to fund mortgage investments, and other working capital needs. As at March 31, 2026, the Company's qualified credit facility limit is subject to a borrowing base as defined in the Second Amending Agreement to Credit Agreement, which is \$534.4 million. Pursuant to the terms of the credit facility renewal, the Company is required to meet certain financial covenants, 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. As at March 31, 2026, the Company is in compliance with its credit facility's covenants.

The Company routinely forecasts cash flow sources and requirements, including unadvanced commitments, to ensure cash is efficiently utilized.

Management's Discussion and Analysis

For the three months ended March 31, 2026

In thousands of Canadian dollars, except units, per unit amounts and where otherwise noted

The following are the contractual maturities of financial liabilities, excluding mortgage syndication liabilities as at March 31, 2026, including expected interest payments:

	Carrying value	Contractual cash flow	Within a year	Following year	3 – 5 years	5 + Years
Accounts payable and accrued expenses	\$ 8,100	\$ 8,100	\$ 5,439	\$ —	\$ 2,661	\$ —
Dividends payable	4,728	4,728	4,728	—	—	—
Due to Manager	1,114	1,114	1,114	—	—	—
Mortgage and other loans funding holdbacks	294	294	294	—	—	—
Prepaid mortgage and other loans interest	457	457	457	—	—	—
Credit facility ¹	491,037	522,429	22,483	499,946	—	—
Convertible debentures ²	141,844	171,276	8,638	8,638	154,000	—
	\$ 647,574	\$ 708,398	\$ 43,153	\$ 508,584	\$ 156,661	\$ —
Unadvanced mortgage commitments, excluding mortgage syndication liabilities	—	150,852	150,852	—	—	—
Total contractual liabilities, excluding mortgage syndication liabilities ³	\$ 647,574	\$ 859,250	\$ 194,005	\$ 508,584	\$ 156,661	\$ —

¹ Credit facility includes interest based upon March 2026 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 \$776.1 million and its portion of unadvanced mortgage commitment of \$112.7 million are excluded.

As at March 31, 2026, the Company had a cash position of \$5.4 million (December 31, 2025 – \$7.2 million) and an unutilized credit facility balance of \$42.4 million (December 31, 2025 – \$55.0 million). 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 credit facility.

FINANCIAL INSTRUMENTS

Financial assets

The Company's cash and cash equivalents, other assets, mortgage investments and other investments, including mortgage syndications, are measured at amortized cost. The fair values of cash and cash equivalents and other assets approximate their carrying amounts due to their short-term nature. The fair value of mortgage investments, including mortgage syndications, approximate their carrying value given the mortgage and other investments consist of short-term mortgages that are repayable at the option of the borrower without yield maintenance or penalties. 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.

Financial liabilities

The Company's accounts payable and accrued expenses, dividends payable, due to Manager, mortgage and other loan funding holdbacks, prepaid mortgage interest, credit facility, real estate inventory collateral liability, convertible debentures, and mortgage syndication liabilities are financial liabilities subsequently measured at amortized cost. Except for convertible debentures, the fair value of these financial liabilities approximates their carrying amounts due to their short-term nature. The fair value of mortgage syndication liabilities approximates their carrying value given the mortgage investments consist of short-term mortgages that are repayable at the option of the borrower without yield maintenance or penalties. The fair value of the convertible debentures is based on the market trading price of convertible debentures at the reporting date.

RISKS AND UNCERTAINTIES

The Company is subject to certain risks and uncertainties that may affect the Company's future performance and its ability to execute on its investment objectives. We have processes and procedures in place in an attempt to control or mitigate certain risks, while other risks cannot be or are not mitigated. Material risks that cannot be mitigated include a significant decline in the general real estate market, interest rates changing markedly, being unable to make mortgage investments at rates consistent with rates historically achieved, not having adequate mortgage investment opportunities presented to us, change in currency rates and not having adequate sources of bank financing available. There have been no changes to the Company, which may affect the overall risk of the Company.

Interest rate risk

Interest rate risk is the risk that the future cash flows of financial assets or financial liabilities will fluctuate because of changes in market interest rates. As of March 31, 2026, \$1,151.1 million of net mortgage investments and \$5.1 million of other investments bear interest at variable rates (December 31, 2025 – \$1,150.4 million and \$5.1 million, respectively). Net mortgage investments totaling \$1,123.7 million have a floor rate (December 31, 2025 – \$1,122.6 million).

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 \$358 (December 31, 2025 – 0.50% and a decrease in net income of \$220) or an increase in net income of \$2.2 million (December 31, 2025 – 0.50% and an increase in net income of \$1.2 million). 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 March 31, 2026, net exposure to interest rate risk was \$492.0 million (December 31, 2025 – \$493.0 million), 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 \$2.5 million (December 31, 2025 – \$2.5 million per 0.50% decrease or increase in interest rates).

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.

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.

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In thousands of Canadian dollars, except units, per unit amounts and where otherwise noted

As at March 31, 2026, the Company has US\$6.2 million and €0.6 million in other investments denominated in foreign currencies (December 31, 2025 – US\$6.0 million and €0.5 million). The Company has entered into a series of foreign currency contracts to reduce its exposure to foreign currency risk. As at March 31, 2026, the Company has one U.S. dollar currency contract with an aggregate notional value of US\$6.5 million, at a forward contract rate of 1.3620, that matures on May 26, 2026. The Company also has one Euro currency contract with an aggregate notional value of €0.5 million at a contract rate of 1.6105, that matures on May 26, 2026.

The fair value of the foreign currency forward contracts as at March 31, 2026 is a liability of \$182 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.

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 March 31, 2026, relating to net mortgage investments and other investments is \$1,477.4 million (December 31, 2025 – \$1,475.4 million).

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.

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 Company regularly monitors its net mortgages investment advances and repayments to ensure it maintains sufficient liquidity through cash and credit facilities to manage these timing differences.

For a discussion of the Company's liquidity, cash flow from operations and mitigation of liquidity risk, see the "Capital Structure and Liquidity" section in this MD&A.

ADDITIONAL INFORMATION

Dividend Reinvestment Plan

Timbercreek Financial offers a dividend reinvestment plan ("DRIP") so that shareholders may automatically reinvest their dividends in new shares of Timbercreek Financial. These common shares can be purchased from the open market at the prevailing market price or from treasury at a 2% discount from market price and with no commissions. This provides an easy way to realize the benefits of compound growth of their investment in Timbercreek Financial. Shareholders can enroll in the DRIP program by contacting their investment advisor or investment dealer.

Phone

Blair Tamblyn, CEO
Tracy Johnston, CFO

416-923-9967

Internet

Visit SEDAR+ at www.sedarplus.ca; or the Company's website at www.timbercreekfinancial.com

Mail

Write to the Company at:
Timbercreek Financial
Attention: Investor Relations
25 Price Street Toronto, Ontario M4W 1Z1