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**TERRA FIRMA CAPITAL CORPORATION REPORTS  
FOURTH QUARTER & FULL YEAR 2015 FINANCIAL RESULTS**

- *87% INCREASE IN NET INCOME YEAR OVER YEAR*
- *57% REVENUE GROWTH YEAR OVER YEAR*

**All amounts are stated in Canadian dollars**

TORONTO, ONTARIO, March 24, 2016 -- Terra Firma Capital Corporation (TSX-V: TII) ("**Terra Firma**" or the "**Company**"), a real estate finance company, today announced its financial results for the three and twelve month periods ended December 31, 2015.

**Q4 2015 Highlights:**

- Revenues increased by 78% to \$6.2 million, compared to \$3.5 million during the three months ended last year.
- Net income and comprehensive income attributable to common shareholders for the three months ended December 31, 2015 is \$1.9 million, an increase of 109%, compared to last year.
- Diluted earnings per share for the three months ended December 31, 2015 is \$0.03, compared to diluted earnings per share for the prior year of \$0.02, an increase of 50% over last year.
- Loan and mortgage investments at December 31, 2015 is \$95.1 million, an increase \$12.8 million or 16% from September 30, 2015.
- Total assets increased by 34% to \$129.7 million at December 31, 2015 from \$96.8 million at September 30, 2015.

**FY 2015 Highlights:**

- Revenues increased by 57% to \$19.4 million, compared to \$12.4 million last year.
- Net income and comprehensive income attributable to common shareholders increased by 87% to \$6.0 million, compared to last year.
- Diluted earnings per share for the year increased by 25% to \$0.10, compared to diluted earnings per share for the prior year of \$0.08.
- Loan and mortgage investments at December 31, 2015 amounted to \$95.1 million, representing an increase \$16.5 million or 21% when compared to the corresponding period in 2014.
- Total assets increased by 50% to \$129.7 million at December 31, 2015 from \$86.3 million at December 31, 2014.

“We are extremely pleased with our growth and financial performance in 2015. The past year was a transformative year for the Company as we experienced significant growth across the board while also augmenting the strength of our operations with strong talent as we expanded our footprint in a meaningful way into the United States, led vastly by Glenn Watchorn’s leadership and relationships with some of the well recognized developers and investors in this market,” said Y. Dov Meyer, Chief Executive Officer. “As we move into 2016, we look to deepen and expand our relationships of borrowers and co-investors both in Canada and in the U.S. and to continue to scale our portfolio and business in a methodical and prudent manner,” he further said.

“Our investment portfolio delivered another quarter of earnings and book value growth,” noted Glenn Watchorn, President and Chief Operating Officer. “During the year, we made significant progress in placing capital in more senior positions within the capital structure, specifically in the U.S. while maintaining our strong return on capital targets. We believe that there is a very large and underserved market in the U.S. for Terra Firma’s type of capital and, looking ahead we are optimistic and look forward to another exciting year.”

### **Results of operations**

Revenue for the three months ended December 31, 2015, totaled \$6.2 million, compared to revenues for the three months ended December 31, 2014 of \$3.5 million, representing an increase of \$2.7 million or 78% on a year-over-year basis. Revenue for the year ended December 31, 2015, totaled \$19.4 million, compared to revenues for the year ended December 31, 2014 of \$12.4 million, representing an increase of \$7.0 million or 57% on a year-over-year basis.

Interest and fee income for the three months ended December 31, 2015 aggregated \$5.1 million, an increase of 48% over the \$3.5 million in the same period in the previous year. Interest and fee income for the year ended December 31, 2015 aggregated \$17.2 million, compared to interest and fee income for the year ended December 31, 2014 of \$12.1 million, representing an increase of \$5.1 million or 42% over last year.

Interest and financing expense for the three months ended December 31, 2015 and 2014 were \$1.6 million. Interest expense for the year ended December 31, 2015 was \$6.0 million, compared to \$6.1 million for the year ended December 31, 2014.

Net income and comprehensive income attributable to common shareholders for the year ended December 31, 2015 was \$6.0 million or \$0.11 per basic share and \$0.10 diluted share, compared to \$3.2 million, or \$0.10 per basic share and \$0.08 diluted share, in the last year. General and administrative expenses for the year ended December 31, 2015 increased to \$3.2 million, from \$2.0 million last year, primarily due to recognizing 2015 incentive compensation in the year.

Net income and comprehensive income attributable to common shareholders for the three months ended December 31, 2015 was \$1.9 million or \$0.03 per basic and diluted share, compared to \$0.9 million, or \$0.02 per basic share and diluted share, for the same period last year.

The company’s loan and mortgage investments increased from \$78.6 million at December 31, 2014 to \$95.1 million at December 31, 2015, an increase of 21%, in spite of unusually high early repayment in the later part of December 2015 and conversion of loan investment into equity investment in February 2015. The weighted average effective interest rate in the mortgage investment portfolio at December 31, 2015 was 15.8% compared to 19.6% at December 31, 2014.

The Company’s Management’s Discussion & Analysis and Financial Statements as at and for the three and twelve month periods ended December 31, 2015 have been filed and are available on SEDAR ([www.sedar.com](http://www.sedar.com)).

## About Terra Firma

Terra Firma is a full service, publicly traded real estate finance company that provides real estate financings secured by investment properties and real estate developments throughout Canada and the United States. The Company focuses on arranging and providing financing with flexible terms to real estate developers and owners who require shorter-term loans to bridge a transitional period of one to five years where they require capital at various stages of development or redevelopment of a property. These loans are typically repaid with lower cost, longer-term debt obtained from other Canadian financial institutions once the applicable transitional period is over or the redevelopment is complete, or from proceeds generated from the sale of the real estate assets. Terra Firma offers a full spectrum of real estate financing under the guidance of strict corporate governance, clarity and transparency. For further information please visit Terra Firma's website at [www.tfcc.ca](http://www.tfcc.ca).

*The TSXV has neither approved nor disapproved the contents of this press release. The TSXV does not accept responsibility for the adequacy or accuracy of this press release.*

*This Press Release contains forward-looking statements with respect matters concerning the business, operations, strategy and financial performance of Terra Firma. These statements generally can be identified by use of forward looking word such as "may", "will", "expects", "estimates", "anticipates", "intends", "believe" or "could" or the negative thereof or similar variations. The future business, operations and performance of Terra Firma could differ materially from those expressed or implied by such statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are based on a number of assumptions which may prove to be incorrect. Additional, important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, local real estate conditions, competition, changes in government regulation, dependence on tenants' financial conditions, interest rates, the availability of equity and debt financing, environmental and tax related matters, and reliance on key personnel. There can be no assurances that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The cautionary statements qualify all forward-looking statements attributable to Terra Firma and persons acting on its behalf. Unless otherwise stated, all forward looking statements speak only as of the date of this Press Release and Terra Firma has no obligation to update such statements except as required by law.*

For further information, please contact:  
Terra Firma Capital Corporation  
Y. Dov Meyer  
Chief Executive Officer  
Phone: 416.792.4709  
[ydmeyer@tfcc.ca](mailto:ydmeyer@tfcc.ca)

or

Ali Mahdavi  
Managing Director  
Spinnaker Capital Markets Inc.  
Phone: 416.962.3300  
[am@spinnakercmi.com](mailto:am@spinnakercmi.com)

**Terra Firma Capital Corporation**  
**Consolidated Statements of Income and Comprehensive Income**  
For the three months and years ended December 31, 2015 and 2014  
(Unaudited)

|  | Three months ended   |                      | Twelve months ended  |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | December 31,<br>2015 | December 31,<br>2014 | December 31,<br>2015 | December 31,<br>2014 |
| <b>Revenue</b>                                       |                      |                      |                      |                      |
| Interest and fees                                    | \$ 5,104,378         | \$ 3,458,498         | \$ 17,162,141        | \$ 12,127,716        |
| Unrealized foreign exchange gain                     | 1,097,599            | -                    | 2,041,443            | -                    |
| Realized foreign exchange gain                       | (7,391)              | -                    | 37,345               | -                    |
| Rental   | 47,362               | 47,319               | 189,434              | 257,595              |
|  | 6,241,948            | 3,505,817            | 19,430,363           | 12,385,311           |
| <b>Expenses</b>                                      |                      |                      |                      |                      |
| Property operating costs                             | 15,269               | 15,225               | 61,059               | 87,751               |
| General and administrative                           | 1,303,935            | 694,218              | 3,226,499            | 1,996,205            |
| Share based compensation                             | 321,389              | 256,463              | 1,782,722            | 809,109              |
| Interest and financing costs                         | 1,613,844            | 1,603,801            | 5,928,475            | 6,054,690            |
| Provision for loan and investment loss               | 478,066              | -                    | 478,066              | -                    |
| Gain on conversion of interest in joint operation    | -                    | -                    | -                    | (487,000)            |
| Fair value adjustment - investment properties        | (82,500)             | (147,950)            | (82,500)             | (147,950)            |
| Fair value adjustment - portfolio investment         | (394,170)            | (66,755)             | (394,170)            | (66,755)             |
| Share of income from investment in associates        | (91,949)             | -                    | (91,949)             | -                    |
|  | 3,163,884            | 2,355,002            | 10,908,202           | 8,246,050            |
| <b>Income from operations before income taxes</b>    | 3,078,064            | 1,150,815            | 8,522,161            | 4,139,261            |
| Income taxes   | 1,138,177            | 231,068              | 2,456,251            | 1,052,522            |
| <b>Income from continuing operations</b>             | 1,939,887            | 919,747              | 6,065,910            | 3,086,739            |
| <b>Income from discontinued operations</b>           | -                    | -                    | -                    | 151,644              |
| <b>Net income and comprehensive income</b>           | \$ 1,939,887         | \$ 919,747           | \$ 6,065,910         | \$ 3,238,383         |
| Net income and comprehensive income attributable to: |                      |                      |                      |                      |
| Common shareholders                                  | \$ 1,895,901         | \$ 909,092           | \$ 6,021,924         | \$ 3,227,728         |
| Non-controlling interest                             | 43,986               | 10,655               | 43,986               | 10,655               |
|  | \$ 1,939,887         | \$ 919,747           | \$ 6,065,910         | \$ 3,238,383         |
| <b>Earnings per share</b>                            |                      |                      |                      |                      |
| Basic  | \$ 0.03              | \$ 0.02              | \$ 0.11              | \$ 0.10              |
| Diluted  | 0.03                 | 0.02                 | 0.10                 | 0.08                 |

**Terra Firma Capital Corporation**  
**Consolidated Statements of Financial Position**  
As at December 31, 2015 and 2014

|  | December 31,<br>2015  | December 31,<br>2014 |
|--|-----------------------|----------------------|
| <b>Assets</b>                                  |                       |                      |
| Cash and cash equivalents                      | \$ 11,723,550         | \$ 1,083,745         |
| Funds held in trust                            | 2,061,207             | 834,065              |
| Deposits                                       | 11,747,370            | -                    |
| Amounts receivable and prepaid expenses        | 2,279,977             | 2,058,846            |
| Loan and mortgage investments                  | 95,135,201            | 78,635,796           |
| Investment properties held in joint operations | 2,143,794             | 2,062,661            |
| Portfolio investments                          | 2,339,555             | 1,620,828            |
| Investment in associates                       | 2,315,414             | -                    |
| Deferred income tax asset                      | -                     | 48,381               |
| <b>Total assets</b>                            | <b>\$ 129,746,068</b> | <b>\$ 86,344,322</b> |
| <b>Liabilities</b>                             |                       |                      |
| Accounts payable and accrued liabilities       | \$ 5,980,560          | \$ 2,227,308         |
| Provision for discontinued operations          | -                     | 27,500               |
| Unearned income                                | 301,099               | 639,307              |
| Income taxes payable                           | 322,046               | 341,432              |
| Deferred income tax liability                  | 18,665                | -                    |
| Short-term unsecured notes payable             | 9,286,000             | 1,500,000            |
| Revolving operating facility                   | 9,865,144             | -                    |
| Loan and mortgage syndications                 | 45,691,948            | 45,390,821           |
| Mortgages payable                              | 1,120,314             | 1,151,118            |
| Convertible debentures                         | 10,628,301            | 10,514,431           |
| <b>Total liabilities</b>                       | <b>83,214,077</b>     | <b>61,791,917</b>    |
| <b>Equity</b>                                  |                       |                      |
| Share capital                                  | \$ 31,257,404         | \$ 16,654,718        |
| Equity component of convertible debentures     | 284,490               | 284,490              |
| Contributed surplus                            | 2,360,575             | 1,049,585            |
| Retained earnings                              | 12,374,881            | 6,352,957            |
| <b>Shareholders' equity</b>                    | <b>46,277,350</b>     | <b>24,341,750</b>    |
| Non-controlling interest                       | 254,641               | 210,655              |
| <b>Total equity</b>                            | <b>46,531,991</b>     | <b>24,552,405</b>    |
| <b>Total liabilities and Equity</b>            | <b>\$ 129,746,068</b> | <b>\$ 86,344,322</b> |