

Terra Firma Capital Corporation Provides Update on Urbancorp Matters

TORONTO, March 27, 2019 -- Terra Firma Capital Corporation (TSX-V: TII) ("Terra Firma" or the "Company"), a real estate finance company, provides the following update on various matters related to its loans in default with entities controlled or related to Urbancorp Inc. and its principals (the "Borrower"):

Litigation Update

Terra Firma is pleased to advise that the previously announced litigation proceedings commenced in Israel against, inter alia, the Company and Mr. Dov Meyer (Executive Vice Chairman of the Company) have been withdrawn by the Israeli District Court in Tel-Aviv Yafo as a result of a settlement agreement that has been approved by order of the Ontario Superior Court of Justice. For consideration in the settlement, Terra Firma has agreed to assign its rights in connection with a claim brought in the Borrower's insolvency, which had previously been denied, and certain other rights of action. As at September 30, 2018, Terra Firma carried no value related to its claim and these rights on its balance sheet. Other than this assignment of rights, no payment or other type of consideration is to be granted by Terra Firma and the settlement is not expected to have any further impact on the Company's financials, other than some potential legal expenses necessary to give effect to the terms of the settlement.

Status of Defaulted Loans

The Company currently has only one defaulted loan receivable from the Borrower on a recently completed project with \$3.3 million outstanding to be collected. The court appointed receiver in this case has been holding onto cash reserves until various matters and the receivership itself are finalized and approved by the courts. The Company expects to receive from such cash reserves substantially all of the remaining outstanding loan amount by the end of the third quarter of 2019.

Mr. Glenn Watchorn, CEO of the Company, added the following comments. "We are very pleased that the litigation has been withdrawn and that we are close to collecting the remaining balance on the last outstanding defaulted loan receivable. We are now looking forward to putting this chapter behind us and focusing on our growth strategy."

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.

The TSX-V has neither approved nor disapproved the contents of this press release. The TSX-V 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, including future impacts on the Company's financials and the expected receipt of amounts from the court appointed receiver in respect of a defaulted loan. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including the risk that the settlement agreement may not be executed as ordered, or that future payments from cash reserves may be less than anticipated, or be paid out later than anticipated or not at all, as well other risks discussed in Terra Firma's materials filed with Canadian securities regulatory authorities from time to time under Terra Firma's profile at www.sedar.com, including the risks discussed in its most recently filed annual and interim Management's Discussion & Analysis at "Risks and Uncertainties" and risks discussed in Terra Firma's most recently filed Annual Information Form. Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including the assumption that the settlement will be executed as ordered, the assumption that Terra Firma will be repaid in respect of the outstanding loan amounts from the cash reserves, the assumption that such repayments will constitute substantially all of the outstanding loan amount and the assumption that any such repayments will occur in the third quarter of 2019. 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. Unless otherwise stated, all forward-looking statements speak only as of the date of this Press Release and Terra Firma does not assume any obligation to update such statements, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities laws.

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