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TERRA FIRMA CAPITAL CORPORATION



Q1 2021

*Private &
Confidential*

FORWARD-LOOKING STATEMENTS

- This presentation contains certain statements that may be “forward-looking statements.” All statements in this document, other than statements of historical fact, that address events or developments that Terra Firma Capital Corporation (“the Company” or “Terra Firma”) expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and may be, identified by the words “expects,” “plans,” “anticipates,” “believes,” “intends,” “estimates,” “projects,” “potential” and similar expressions, or that events or conditions “will,” “would,” “may,” “could” or “should” occur.
- Although the Company believes the expectations expressed in such forward-looking statements are based upon reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward- looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, failure to successfully negotiate or subsequently close transactions, adverse results from mortgage investments and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, change.

COMPANY BACKGROUND



Terra Firma Capital Corporation (“TFCC”) is a publicly traded real estate finance company that offers:

- **Borrowers** with debt and equity funding solutions in the U.S. and Canada; and
- **Private Investors** with the opportunity to participate alongside the company in its investments while earning fixed monthly income, in a tax efficient manner.
- **Public Investors** with upside in capital appreciation in a publicly traded growth investment story while collecting a quarterly dividend of \$0.05 per common share.

Ticker Symbol	TSXV:TII
Share Price (July 16, 2021)	C\$7.20
Shares issued and outstanding basic (Q1 2021)	5.56 million
52-week Trading Range	C\$3.90-C\$7.25
Total assets (Q1 2021)	US\$139.0 million
FY 2020 EPS ⁽¹⁾	US\$0.39/C\$0.52
Q1 2021 EPS (Adjusted) ⁽²⁾	US\$0.13/C\$0.15
Book Value/Share Basic (Q1 2021) ⁽²⁾	US\$7.50/C\$9.42
Dividend (Annual)	C\$0.20
Insider ownership	~20%

(1) F/X – US to CDN for FY 2020 equal to \$1.30

(2) F/X – US to CDN for Q1 2021 equal to \$1.26



REAL ESTATE CAPITAL PROVIDER

Core Focus

- TFCC acts as principal lender and investor (not broker)
- Primarily senior debt and wholly-owned positions
- Targets high growth urban and suburban markets both in the US and Canada
- Quality commercial and residential assets with a focus on land and project finance
- Repeat borrowers
- Less focus on income producing properties

INVESTMENT ACTIVITY



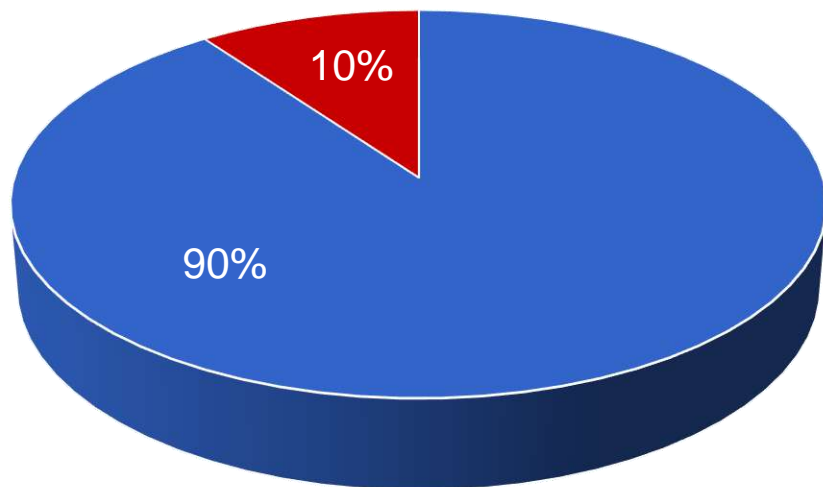
TFCC has committed over US\$711mm of real estate loans and investments in 138 transactions



TFCC has raised over US\$425mm from private investors

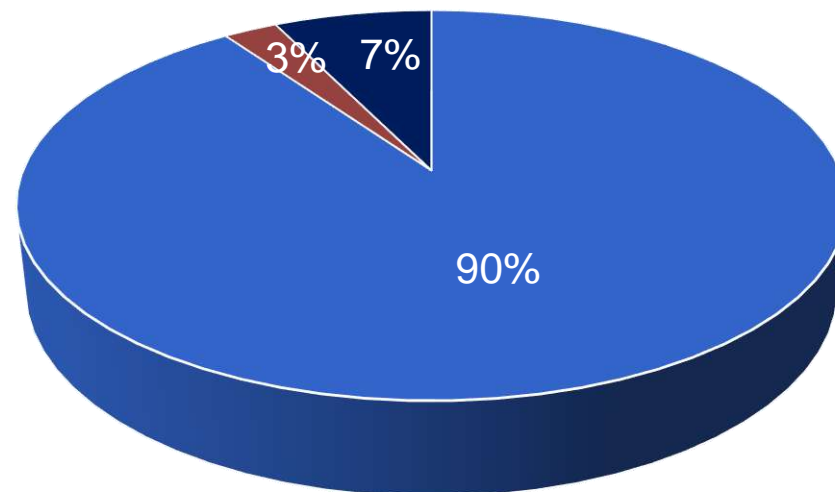
CURRENT PORTFOLIO BREAKDOWN – UPDATE

US Investments Vs. Canadian Investments



■ United States ■ Canada

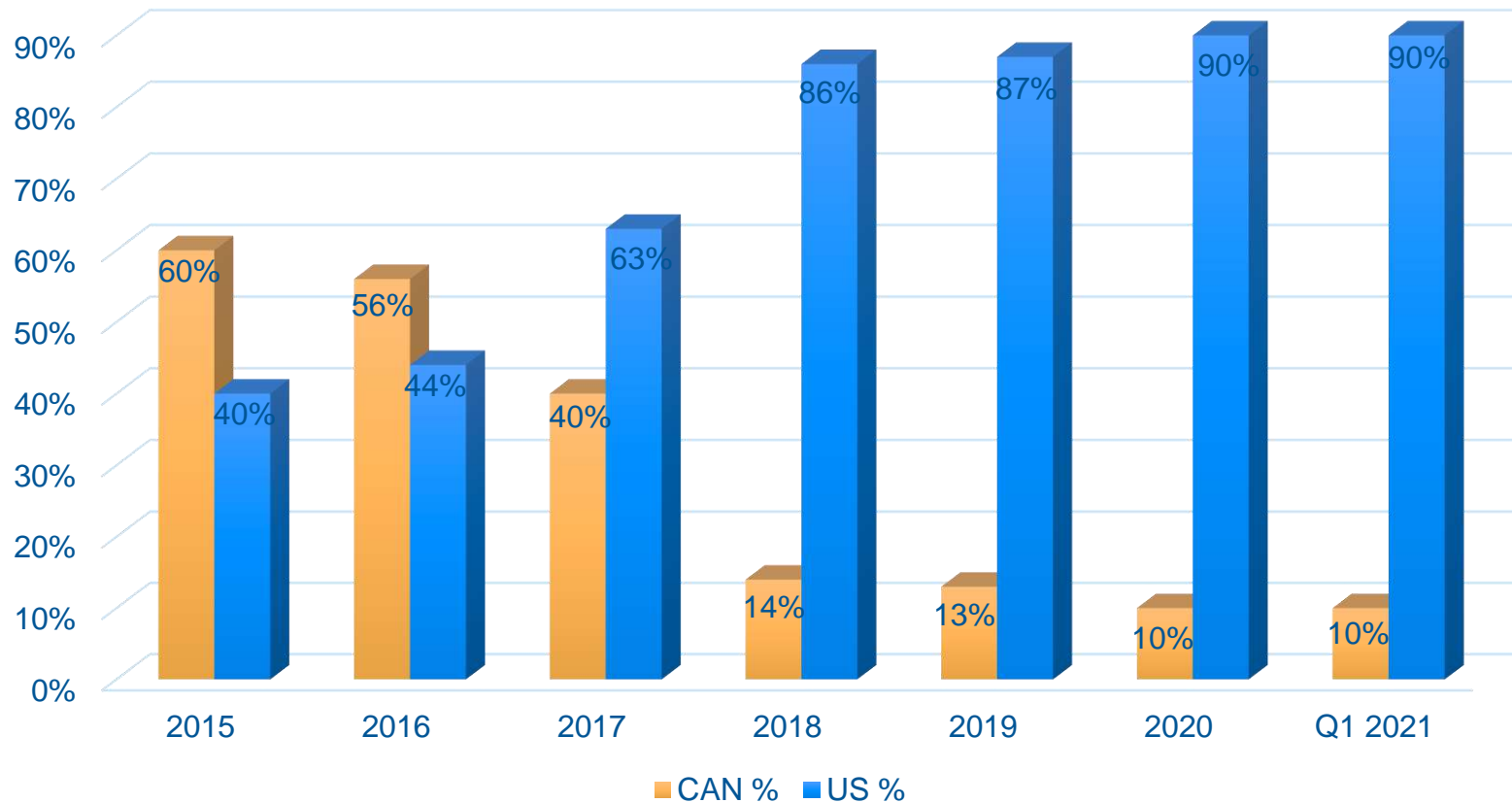
1st Mortgage Loans/Land Banking Vs. 2nd Mortgage Loans Vs. Other



■ 1st Mortgage & Land Banking
■ 2nd Mortgage
■ Other

GEOGRAPHICAL PORTFOLIO BREAKDOWN

Canadian Investments Vs. US Investments



INVESTMENT PORTFOLIO

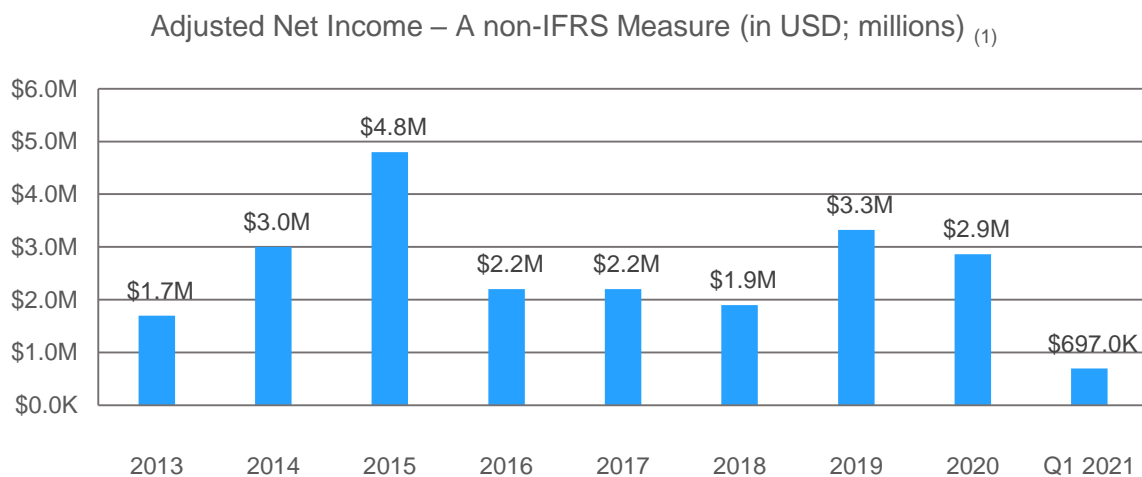
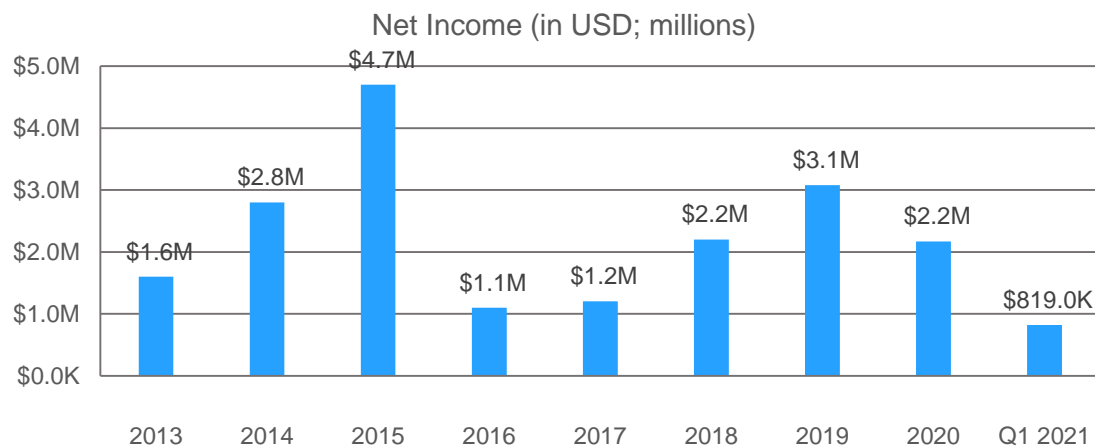
Total Investment Portfolio (in USD; millions) *(excludes Senior A tranches held by financial institutions)*



Investment portfolio includes all Loan & Mortgages Investments, Deposit, Investment Property, Finance Leases, Investment in Associates and Portfolio Investments and Convertible Note Receivable.

(1) Difference between Total Investment Portfolio and Assets Under Management (“AUM”) that AUM includes is other non-balance sheet investments managed by TFCC.

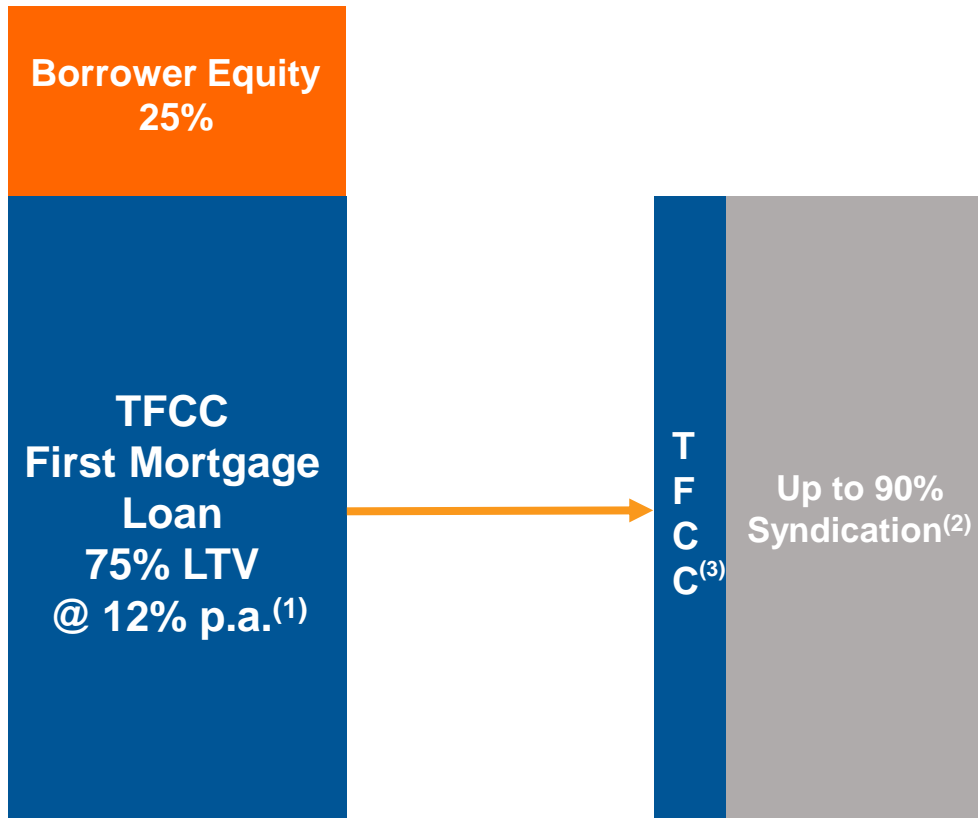
NET INCOME



(1) A non-IFRS measure, calculated by adjusting the net income by, foreign exchange gains/losses, impairment losses/reversals, net gains/losses on the disposal of equity-accounted investments, share-based compensation, and the income tax impact of these items.

US FIRST MORTGAGE LENDING PLATFORM

Sample Financing Structure

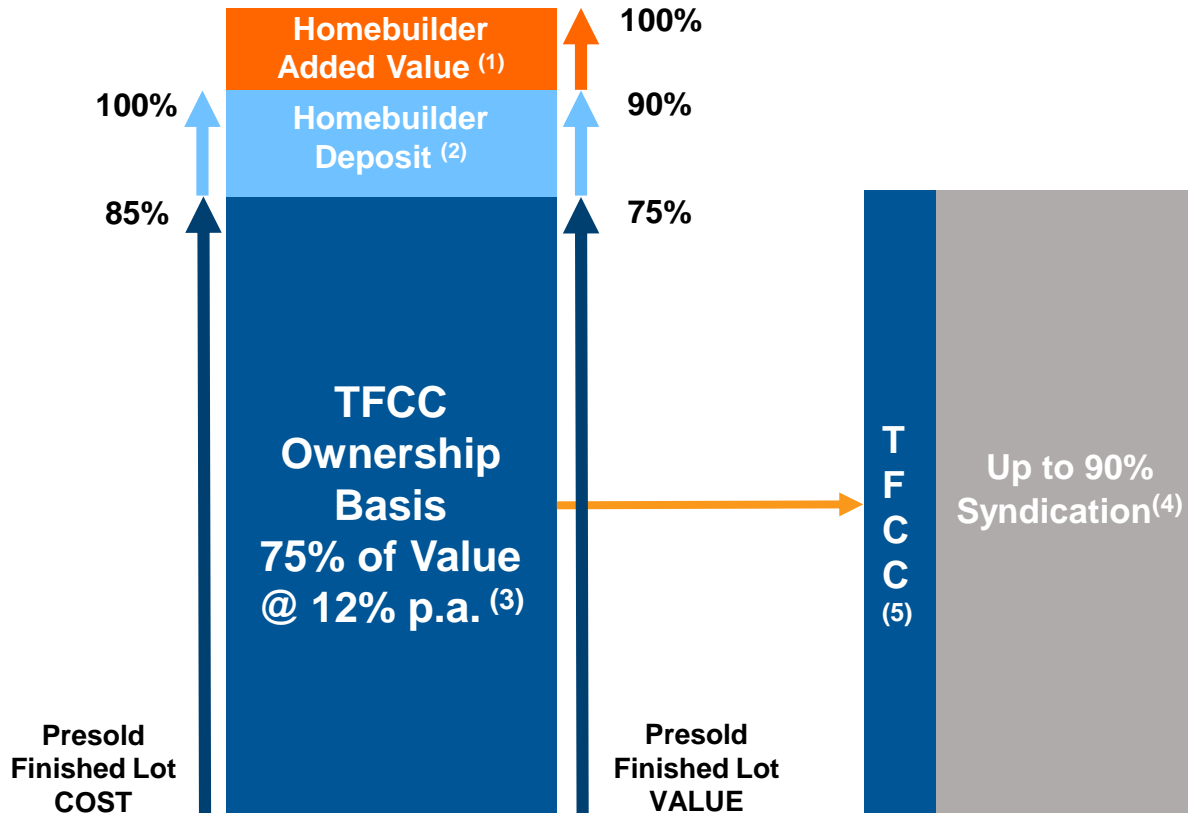


1. TFCC originates First Mortgage Loan of 75% LTV at 12% p.a. plus 2% commitment fee
 2. TFCC will then syndicate up to 90% of the First Mortgage Loan to retail investors
 3. TFCC earns 2% upfront commitment fee plus 2-3% annual interest rate spread from investors, generating 20%+ annual yield to TFCC
- Syndication has no recourse to TFCC

Combination of under-served US development loan market by traditional banks and historically-low interest rates allows TFCC to command attractive loan terms from developers and healthy spreads from syndicate investors

US LAND/LOT BANKING PLATFORM

Sample Financing Structure



1. Homebuilder sources, develops land/lots (subject to cost and completion guarantees), adding value and reducing TFCC's relative basis ("Homebuilder Added Value")
2. Homebuilder assigns land purchase contract to TFCC, then secures scheduled lot takedowns with cash deposit
3. TFCC earns 1% upfront origination fee plus 12% annual option rate.
4. TFCC will then syndicate up to 90% of the Land Bank to retail investors
5. TFCC earns 1% upfront origination fee plus 2-3% annual option rate spread from investors, generating 20%+ annual yield.

US Land/Lot Banking represents a large and growing market opportunity for TFCC to take advantage of public and large private homebuilders' desire for asset-light balance sheets, just-in-time inventory and efficient use of debt facilities

SIMPLIFIED LOOK AT BUSINESS MODEL

Capital Source	Spread	Invested Capital	Income Range	
Private Investors	2% to 3%	US\$71MM • <i>As at Q1 2021</i>	US\$1.4MM	US\$2.1MM
Debt Fund	2% to 3%	US\$37.5MM • <i>If Fully Drawn</i>	US\$0.7MM	US\$1.1MM
Texas Capital Bank	5% to 6%	US\$40MM • <i>If Fully Drawn</i>	US\$2.0MM	US\$2.4MM
Invested Equity	11% to 13%	US\$40MM • <i>If Fully Invested</i>	US\$4.3MM	US\$5.1MM
Total:			US\$8.4MM	US\$10.7MM
G & A (2020)			US\$3.3MM	

LEVERAGE

DEBT TO EQUITY RATIO (USD)	As at March 31, 2021
Total Debt	\$79,885,904
Less: Loan and Mortgage Syndications	(\$72,236,722)
Adjusted Total Debt	\$7,649,182
Shareholders' Equity	\$41,760,138
Debt to Equity (1)	1.91 : 1.00
Adjusted Debt to Equity (1)	0.18 : 1.00

(1) Total debt, adjusted total debt, debt to equity and adjusted debt to equity are non-IFRS Financial Measures.

- Adjusted Debt to Equity ratio, which subtracts Loan and Mortgage Syndications from Total Debt (required to be including by IFRS), more accurately represents the Company's risk related to leverage.
- The Company has no risk related to recourse or subordination from Loan and Mortgage Syndications.

PROFITABILITY

OPERATING MARGIN (USD)	Q1 2021
Revenue	\$3,623,246
Less: Interest Earned on Loan and Mortgage Syndications	(\$1,803,434)
Adjusted Revenue (1)	\$1,819,812
Expenses	\$2,698,693
Less: Interest on Loan and Mortgage Syndications	(\$1,803,434)
Less: Other Non-Operating Items (2)	(\$40,021)
Adjusted Expenses (1)	\$855,238
Income from Operations before Income Taxes	\$964,574
Operating Margin (1)	53.0%
<p>(1) Adjusted revenue, adjusted expenses and operating margin are non-IFRS Financial Measures.</p> <p>(2) Other non-operating items are share based compensation, provision for (recovery of) loan and mortgage investment loss, provision for uncollectible receivable and realized and unrealized foreign exchange (gain)/loss.</p>	

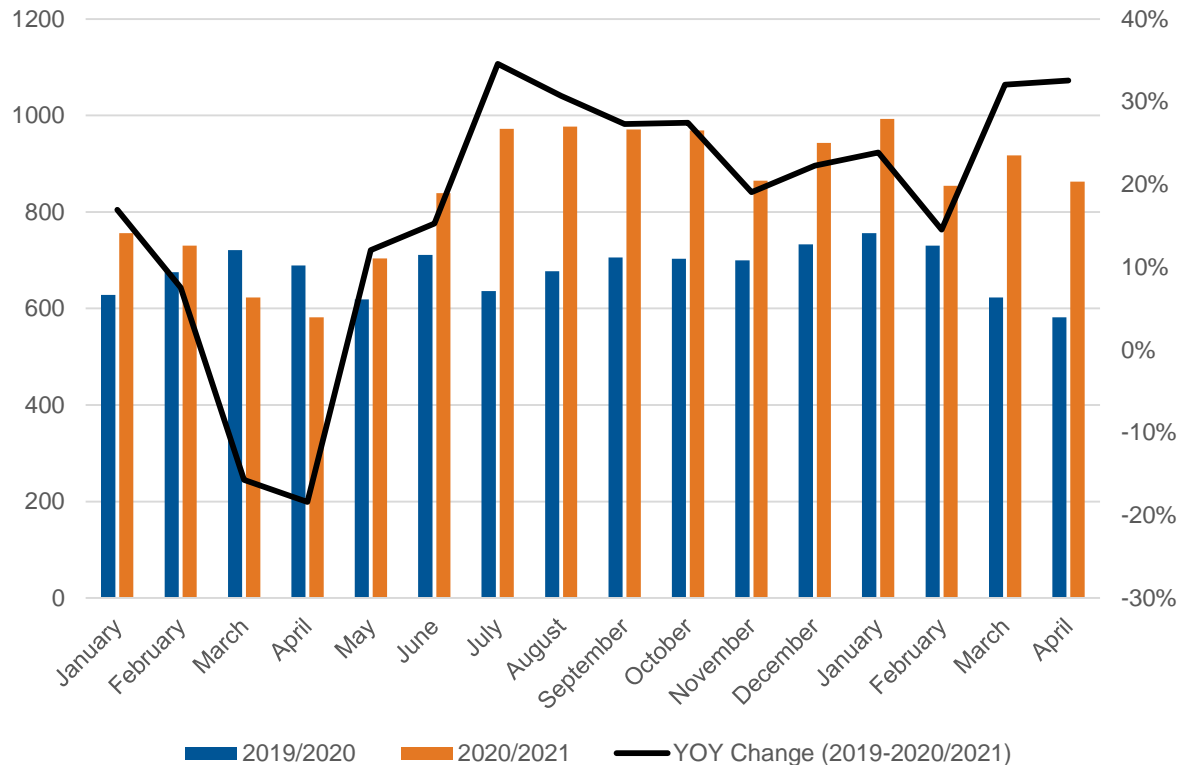
- Operating Margin, which subtracts the amounts earned and paid to syndicate investors (required to be included by IFRS), more accurately represents the Company's profitability.
- The Company has no entitlement or related payment obligations to the syndicate investors' income from loans and investments other than acting as agent.

- TFCC has originated approximately US\$389MM of transactions since commencing its US expansion 6 years ago. Repayments of approximately US\$196MM have been received on those transactions. The company continues to build on its US track record of success and now holds 90% of its investments in the US.
- Significant growth opportunities – banks still not providing adequate support for development
- Limited competition = outsized risk adjusted returns
- Diversification – TFCC currently active in 10 high-growth markets in the US
- Higher Yields for the same or better risk profile than currently in Canada

V-SHAPED RECOVERY FOR THE HOUSING MARKET

- April 2021 total sales of new single family homes are up 33% from April 2020.
- 4.4 months of supply of new homes at current pace (6.1 months historical average)
- \$372,000 median price (-3% YOY)
- Low interest rates, COVID-19 driven flight to safety in suburbs, and demographic shifts are driving new housing demand
- Housing demand is strong but supply is not, low inventories likely to increase prices

New Home Sales (Seasonally Adjusted)



Source: U.S. Census

SYNDICATION ACTIVITIES

Terra Firma has developed a robust syndication platform

- Raised over US\$425MM in third party capital from high net worth individuals and family offices
- TFCC generally warehouses loans on its balance sheet until syndicated with accredited investors
- TFCC generally retains 10% to 20% of each transaction and acts as Mortgage Administrator
- Terra Firma earns an additional 200bp to 300bp spread plus a commitment fee
- Syndicate Investors have no recourse to Terra Firma
- In house function – no fees or commissions paid for syndications
- Total syndications for Q1 2021 were US\$70.7MM compared to US\$71.4MM in Q4 2020.
- Syndication demand remains strong
- Successful syndication of every offering to date
- Implemented new digital syndication platform which will streamline the Company's syndication and reporting processes

SUMMARY TRACK RECORD



TFCC Transaction History¹	Investor Net Returns²	Number of Transactions	Total Invested Capital (USD)³	% of Total
Total Transactions (since 2010)	9.8% p.a.	138	\$711,208,000	100.0%
Matured Loans & Investments	9.8% p.a.	112	479,864,000	67.5%
Active Loans: TFCC Debt Fund I LP (closed Q1 2021)	10.3% p.a.	6	37,500,000	5.3%
Active Loans (excluding TFCC Debt Fund I LP)	9.4% p.a.	15	170,865,000	24.0%
Active Equity Investments	11.2% p.a.	5	22,979,000	3.2%
Learning Opportunities (since 2010)				
Defaulted Loans (since recovered)	11.3% p.a.	3	25,898,000	3.6%
Partial Write-Off of Loan Principal (TFCC only; no loss to investors)	16.6% p.a.	2	4,469,000	0.6%
Loans in Early-Stage Workout (first mortgage loan position)	TBD	1	4,755,000	0.7%

¹ As at April 30, 2021. Past performance for illustrative and informational purposes only and not necessarily indicative of future results.

² Represents net returns on Investors' share only (excluding TFCC). Matured transactions = actual net returns; Active transactions = projected net returns.

³ Includes total loans and investments committed on behalf of TFCC and Investors (which may or may not be fully funded).

TECHNOLOGY INITIATIVES

TFCC has invested in two Fintech initiatives:

- **Online exempt market dealer (“EMD”) platform** – In response to certain regulatory changes in the mortgage syndication industry, TFCC identified an opportunity in the market and made an investment in a company that provides EMD and compliance services to other mortgage platforms
 - Over time, TFCC’s revenue may include revenue from other real estate lenders using its EMD and client technology services
- **Digital Platform** – In an effort to continue to scale and diversify its investor base, TFCC has developed a digital platform by which investors can open accounts, subscribe to new investments and manage their current investments in a fully automated system (<http://www.mytfcc.ca>)
 - Over time, TFCC will be able to offer multiple debt products in a streamlined cost effective and scalable manner.

DIGITAL PLATFORM

My TFCC ACCREDIT NEW ACCOUNT DASHBOARD BROWSE INVESTMENTS HOW IT WORKS English uov Meyer

BROWSE INVESTMENTS

SORTED BY [VIEW ALL](#) CATEGORIES [SHOW ALL](#)



710 Huron Road
Kitchener, Ontario, CAN



Mountain Views
Phoenix, AZ, USA



Beachwalk at Twincreeks
Jacksonville, FL, USA

DIGITAL PLATFORM



710 Huron Road

Kitchener, Ontario, CAN

Category	Land Development
Term	2 Years
Total Amount	\$4,400,000
Total Raised (Including TFCC)	Sold Out • C\$4.4M
Security	Second Mortgage
Net Annual Return to Investors	11 %
Loan to Value	74%
Distributions	Monthly



Mountain Views

Phoenix, AZ, USA

Category	Land Development
Term	3 Years
Total Amount	\$5,885,000
Total Raised (Including TFCC)	\$5.5M of \$5.9M
Security	First Mortgage
Net Annual Return to Investors	8.5 %
Loan to Value	73.7%
Distributions	Monthly



Beachwalk at Twincreeks

Jacksonville, FL, USA

Category	Land Development
Term	3 Years
Total Amount	\$14,850,000
Total Raised (Including TFCC)	\$12.6M of \$14.9M
Security	First Mortgage
Net Annual Return to Investors	9 %
Loan to Value	62%
Distributions	Monthly

COVID-19 Update

- US transaction pipeline is very robust and Management expects to meet targeted deployment in its 2021 business plan; however, COVID-19 pandemic continues to present challenges given ongoing Canada-US travel restrictions.

Strategic Initiatives

- Debt Fund I closed in Q1 2021; capital raising efforts for a larger, follow-on Debt Fund II have commenced with first closing expected later this year.
- Exploring higher volume land banking opportunities with several large US public homebuilders and land developers.
- Investigating additional US development financing products with superior risk-adjusted returns in adjacent sectors, including assisted-living, multi-family, build-for rent, municipal bond financing, etc

Strong US Pipeline

- ✓ Growing track record and industry visibility
- ✓ New relationships and new markets
- ✓ Strong repeat business
- ✓ Success in US syndications

STRONG INDEPENDENT BOARD OF DIRECTORS



Y. Dov Meyer



Executive Chairman

- Founder of TFCC
- Over 25 years of real estate experience primarily with the **Reichmann Family Group of Companies** responsible for successfully acquiring, financing and ultimately selling over \$2 billion of US real estate assets.
- Prior to Terra Firma was Managing Director of **Harbor Group International**

Investment Committee

Philip Reichmann



Director

- Co-founded O&Y Properties Corporation and **O&Y REIT** and served as Chief Executive Officer. He is a Founding Partner of **ReichmannHauer Capital Partners**

Investment Committee

Seymour Temkin



Director

- Headed the Canadian real estate practice of **Deloitte & Touche LLP** for 15 years. He is a Chair of the board of directors and a member of the audit committee of **GT Canada Medical Properties Real Estate Investment Trust**

Audit Committee

Dr. Chris Bart



Director

- Professor of Strategic Market Leadership at **DeGroote School of Business** (at McMaster since 1981). He has published over 100 articles, cases and reviews

Governance Committee

Jerry Patava



Director

- Chairman of **Great Gulf Corp** with over 35 years of experience in the real estate and finance field. He is also the Chairman of Great Gulf's U.S. home building subsidiary, **Ashton Woods Homes**

Investment Committee

SENIOR MANAGEMENT TEAM



Glenn
Watchorn



President & CEO

Glenn has over 25 years of real estate experience and was the Co-Chief Operating Officer of **Tricon Capital Group Inc.**, a North American residential real estate investment company, where he was responsible for investment strategy and for the sourcing, underwriting and management of over \$1.2 billion of investments in the U.S. and Canada.

Jeremy
Scheetz



Managing Director

Jeremy has 20 years of experience in real estate development finance and private equity investing throughout the U.S. and Canada. Prior to joining Terra Firma, Jeremy spent over fifteen years with **Tricon Capital Group**, where he managed over US\$1 billion of equity investments and spent five years as Director and co-head of Tricon's San Francisco office.

Carolyn
Montgomery



Managing Director

Carolyn has over 20 years of experience in real estate lending, including origination, underwriting and risk analysis. Prior to joining TFCC, Carolyn spent five years with **Cameron Stephens** where she was responsible for managing the underwriting and risk management of the mortgage portfolio.

Scott
Sadleir



Vice President

Scott has over 10 years of experience in real estate lending, including origination, underwriting and risk analysis. Prior to joining TFCC, Scott spent five years with **Bankwest (Commonwealth Bank of Australia)** where he was responsible for underwriting, management and reporting for loans on all real estate asset classes.

Seth
Greenspan



Vice President

Seth joined Terra Firma Capital Corporation in November 2013. As Vice President, Seth is responsible for managing Terra Firma's private co-lending platform as well as originating, underwriting and managing new loan transactions.

Mano
Thiyagarajah



CFO & Corporate

Held various senior finance positions in public and private real estate and asset management companies. Participated in three successful subsequent units and convertible debenture offerings totaling \$411 million in first 24 months, post the initial public offering at **TransGlobe Apartment REIT**.

The Terra Firma team has over 100 years of combined real estate experience

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