

# Terra Firma Capital Corporation Announces First Closing of New U.S. Senior Real Estate Fund

## Second Fund Launched in 2021

All amounts are stated in United States dollars unless otherwise indicated.

TORONTO, Dec. 07, 2021 (GLOBE NEWSWIRE) -- Terra Firma Capital Corporation (TSX-V: TFI) ("**Terra Firma**" or the "**Company**"), a real estate finance company, today announced the closing of the previously announced TFCC Senior Real Estate Fund II ("**Fund II**"). Fund II's target size is \$75,000,000 and will have multiple closings through 2022. Terra Firma's commitment to Fund II will be no less than 10% of the aggregate commitments to Fund II, including the Terra Firma commitment.

Fund II is the Company's second fund in 2021 which targets financing residential land acquisitions and development in the growing and vibrant U.S. housing market. In anticipation of capitalizing Fund II, the Company has warehoused an initial portfolio of nine loans and land banking investments totaling approximately \$85,000,000 of commitments (of which over \$32,500,000 has been provided by Terra Firma to date) to seed Fund II.

To date, Fund II has already received non-binding interest from investors for over \$50,000,000 in potential investments in Fund II. In the first closing, Fund II called \$26,300,000 of capital of which \$20,300,000 is from investors and \$6,000,000 from the Company (as part of its commitment to the fund) and assumed \$26,300,000 of the loans and land banking investments previously warehoused by Terra Firma. Net proceeds to Terra Firma of the first closing, totaling \$20,300,000, will be used to recapitalize the Company's balance sheet, providing it with fresh capital for new investments.

In the coming months, the Company expects to obtain additional commitments to Fund II. Fund II can accept up to \$100,000,000 in commitments.

"We are very excited by investor response to our new fund. Fund II comes on the heels of the success of TFCC's previous fund which closed earlier this year," said Y. Dov Meyer, Executive Chairman of Terra Firma Capital Corporation. "Our new fund model is a natural evolution of our loan syndication activity which has been growing consistently over the last few years."

"As previously noted, the objective of the fund initiative is to continue to offer investment opportunities to our syndicated investors through a fund structure which affords a more efficient mode of investment coupled with the benefits of diversification of their holdings, duration of their investments and the ability to earn higher returns due to a modest level of leverage through the use by the fund of a line of credit."

"Furthermore, the fund structure provides the Company with a more reliable and consistent source of third-party capital which together with Terra Firma's own balance sheet offers the Company the ability to respond quickly to investment opportunities."

"In the future we plan on growing our private capital platform through subsequent funds including funds dedicated to different loan products and strategies, depending on market conditions and investor demand."

### 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 in the United States and Canada. 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 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).

### Non-IFRS Financial Measures

*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.*

### Forward-Looking Information

*This Press Release contains forward-looking statements with respect matters concerning the business, operations, strategy and financial performance of Terra Firma, subsequent closings of Fund II and its target size, commitments to the initial portfolio, levels of interest from potential investors in Fund II, Terra Firma's ability to obtain additional commitments to Fund II, the expected reliability and consistency of third-party capital, potential returns to syndicated investors and the intention for Terra Firma to launch subsequent funds. 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, including risks relating to market factors, our ability to fund commitments and obtain sources of funding for same, that interest in investing by potential investors may not be realized as expected, if at all, competition, and dependence on tenants' financial conditions, environmental and tax related matters, and reliance on key personnel, as well as the risks discussed in Terra Firma's most recently filed annual Management's Discussion and Analysis, any subsequently filed interim Management's Discussion and Analysis or Terra Firma's most recently filed Annual Information Form, in each case filed under Terra Firma's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including that the general economy, local real estate conditions and interest rates are stable, the absence of significant changes in government regulation, and the continued availability of equity, debt and other sources of capital. 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 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.*

*The securities offered by Fund II have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.*

For further information, please contact:

Terra Firma Capital Corporation  
Glenn Watchorn  
Chief Executive Officer  
Phone: 416.792.4702  
[gwatchorn@tfcc.ca](mailto:gwatchorn@tfcc.ca)

or

Terra Firma Capital Corporation  
Y. Dov Meyer Executive Chairman  
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@spinnakercml.com](mailto:am@spinnakercml.com)