



TRUST • INSIGHT • VISION

TERRA FIRMA CAPITAL CORPORATION



Q4 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** 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 \$0.06 per common share.

Ticker Symbol	TSXV:TII
Share Price (May 2, 2022)	C\$5.50
Shares issued and outstanding basic (Q4 2021)	5.56 million
52-week Trading Range	C\$5.01-C\$7.35
Total Assets (Q4 2021)	US\$139.3 million
FY 2021 Basic EPS ⁽¹⁾	US\$0.60/C\$0.75
Q4 2021 EPS (Adjusted) ^(2,3)	US\$0.13/C\$0.16
Book Value/Share Basic (Q4 2021) ⁽³⁾	US\$7.83/C\$9.83
Dividend (Annual)	C\$0.21
Insider ownership	~25%

(1) F/X – US to CDN for FY 2021 equal to \$1.25

(2) A non – IFRS financial measure

(3) F/X – US to CDN for Q4 2021 equal to \$1.26



REAL ESTATE CAPITAL PROVIDER

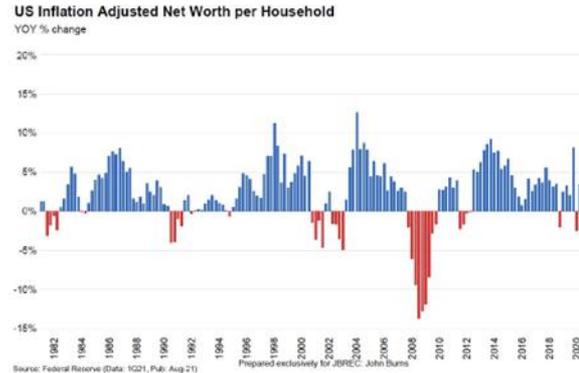
Core Focus

- 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

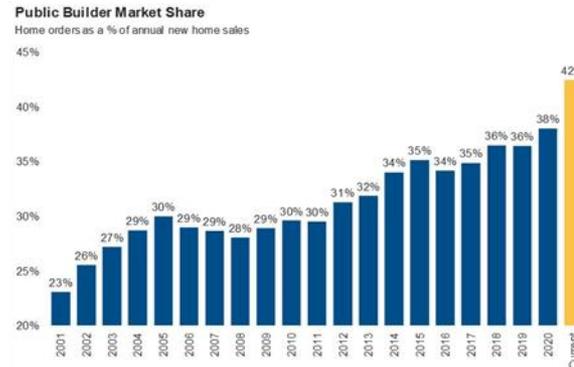
U.S. HOUSING MARKET SHINES DURING COVID-19



- The U.S. housing market has performed exceptionally well during the COVID-19 pandemic.
- U.S. Public homebuilder stocks have been one of the “darling” asset classes of Wall Street.
- COVID-19 driven flight to safety in suburbs, pent-up demand from young millennial families and low mortgage rates are accelerating new housing demand throughout the U.S.
- Supply constraints coupled with strong housing demand are likely to drive continued home and lot price increases for the foreseeable future.



Government Stimulus + Forced Savings during COVID-19
= Strong Household Balance Sheets

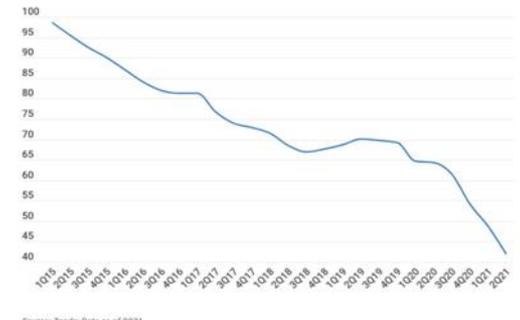


Public Homebuilders continue to Increase Market Share of New Home Sales since 2008 GFC



High Housing Demand + Low New & Resale Supply
= Increasing Home Prices and Lot Values

New Home Lot Supply Index

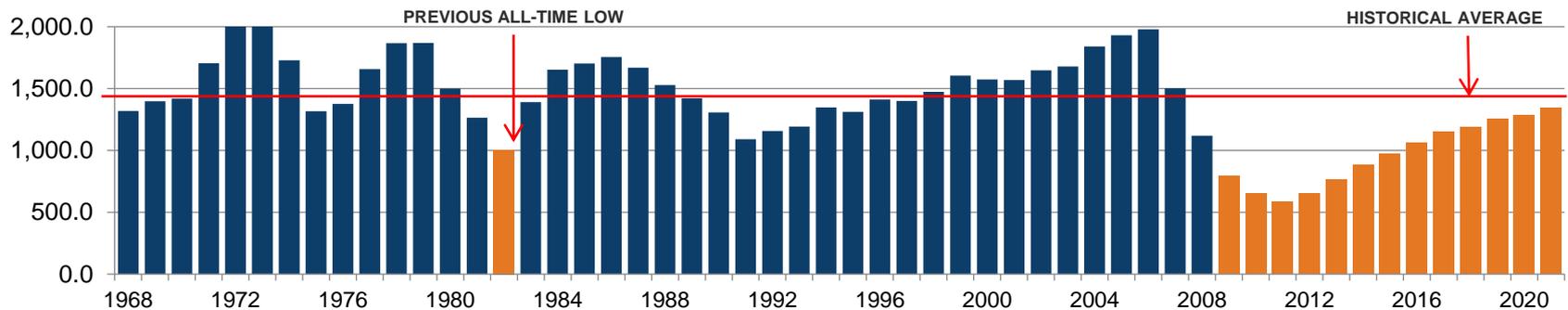


High New Home Demand + Lot Supply Constraints
= Falling New Home Lot Supply

NEW HOME CONSTRUCTION US

- Since the 2008 financial crisis, the U.S. has been under-producing single-family lots and homes, leading to significant supply constraints – astonishingly, new home construction in the U.S. remains at or below the 1960 and 1970 levels despite a 65%+ increase in U.S. population
- Low mortgage rates, slow regulatory approvals and ongoing capital constraints create the perfect storm for a sustained supply-demand imbalance, adding significant liquidity and valuation support for TFCC loan security
- “Lot Banking” and “A&D Loan” transactions represent a compelling risk-adjusted market opportunity for TFCC and its Fund Investors to take advantage of large private and public U.S. homebuilders’ desire for asset-light balance sheets, just-in-time inventory, and efficient use of debt facilities in a heavily supply-constrained asset class

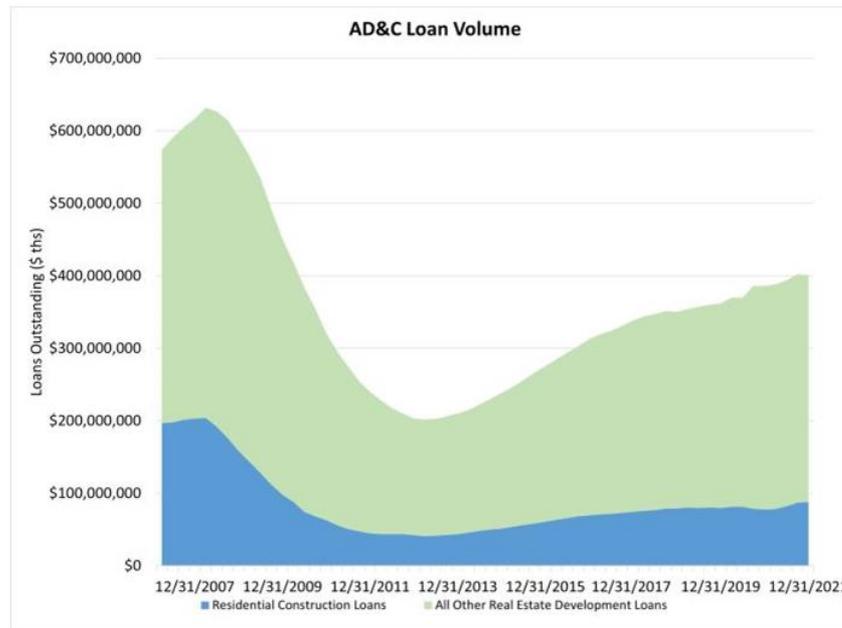
New Privately Owned Housing Units Completed



SOURCE: US Department of Housing and Urban Development

WHY IS LAND FINANCING AN OPPORTUNITY?

- Land financing has been out of favor with traditional US financial institutions.
- Following the 2008 financial crisis, the Federal Reserve redefined the regulatory capital definition of **High Volatility Commercial Real Estate** (“HVCRE”) assigning 150% risk weight to HVCRE exposures.
- As a result, banks are required to reserve more equity when providing land acquisition and development financing, thereby increasing the cost of and reducing their profitability.
- While most non-bank lenders flock to various forms of subordinate debt to achieve attractive returns - land financing offers TFCC the opportunity to achieve attractive returns on first mortgage positions.

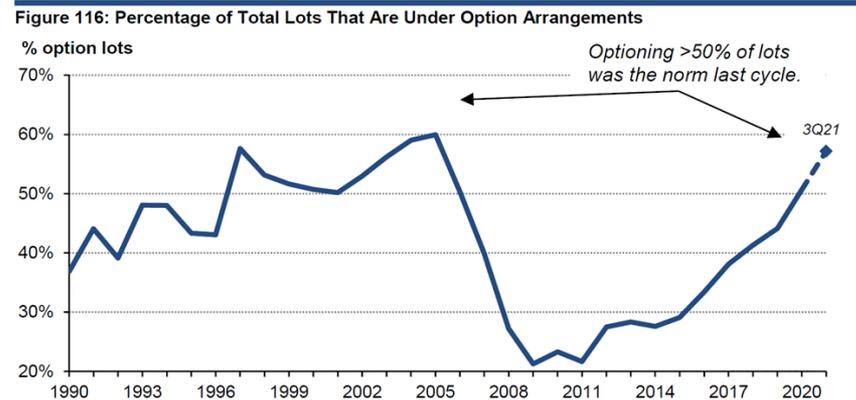


WHY IS LOT BANKING AN OPPORTUNITY?

Large Private and Public U.S. Homebuilders are returning to a more capital-efficient form of Land Financing called “Lot Banking”:

- Off-balance-sheet residential lot purchase options, or “Lot Banking”, is replacing traditional ownership and financing of homebuilder land holdings.
- Homebuilders are reluctant to load up their balance sheets with land but still need to secure lot supply.
- In a lot banking transaction, a homebuilder will identify a land opportunity and instead of acquiring and arranging bank financing, it will enter into a lot banking transaction with either a traditional lot developer or a third-party “lot banker” (e.g. TFCC), pay a significant non-refundable deposit and acquire an “option” to purchase finished housing lots at a pre-determined price. The land is thereby available to the homebuilder on a “just-in-time” basis.

**U.S. Public Builder Lot Financing Structure
(% Lot Options of Total Lots)**

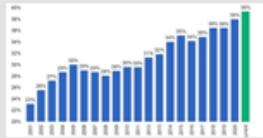


Source: Company Data, Evercore ISI Research
Includes: BZH, DHI, HOV, KBH, LEN, MDC, MHO, MTH, PHM, TMHC, TOL, CTX, CAA, TPH.

U.S. LOT BANKING MARKET OVERVIEW



Annual Lot Value of U.S. New Home Starts (1.1mm Starts¹ x \$100k Median Lot Value²): **~\$110B**



Top 50 Builder Market Share (~\$110B x 42%³): **~\$46B**



Annual Value of Total Lot Options (~\$46B x 50%⁴): **~\$23B**



Annual Value of Lots Optioned from Lot Bankers only: **50-75%**⁴

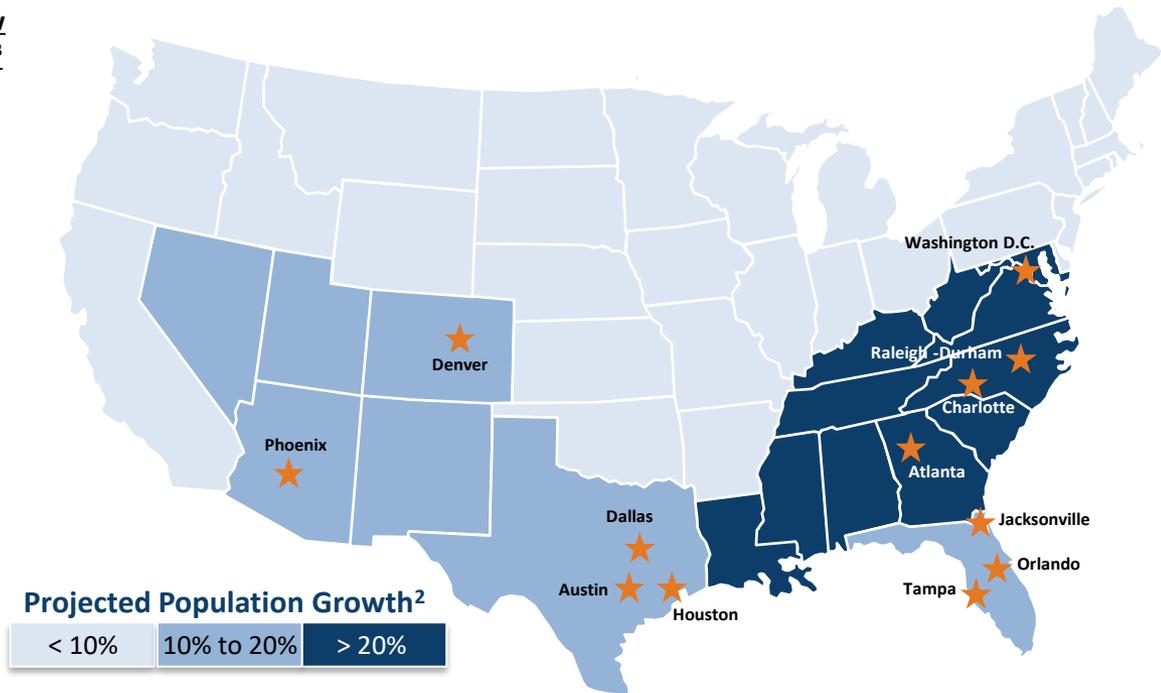


Annual Lot Banking Market:
~\$12B to \$17B

TFCC TARGET MARKETS

TFCC targets high-growth primary markets in the U.S. Sunbelt

Target Markets	Annual Employment Growth ¹	Median New Home Price ³
Austin	3.4%	\$434k
Dallas	2.6%	\$376k
Houston	2.5%	\$349k
Orlando	3.9%	\$384k
Jacksonville	2.5%	\$395k
Tampa	3.2%	\$368k
Phoenix	3.3%	\$420k
Charlotte	2.7%	\$409k
Raleigh-Durham	3.1%	\$410k
Denver	3.1%	\$598k
Atlanta	3.0%	\$409k
Washington D.C.	1.9%	\$641k
National Average	1.3%	\$437k



¹Average projected employment growth from 2022-2024; National Average Based on 10-year annual average ²10-year projected data as at December 31, 2020 ³Based on March 2022 Market Snapshot, National Average based on U.S. Census Bureau Source: John Burns Real Estate Consulting; U.S. Bureau of Labor Statistics, Zonda

INVESTMENT ACTIVITY



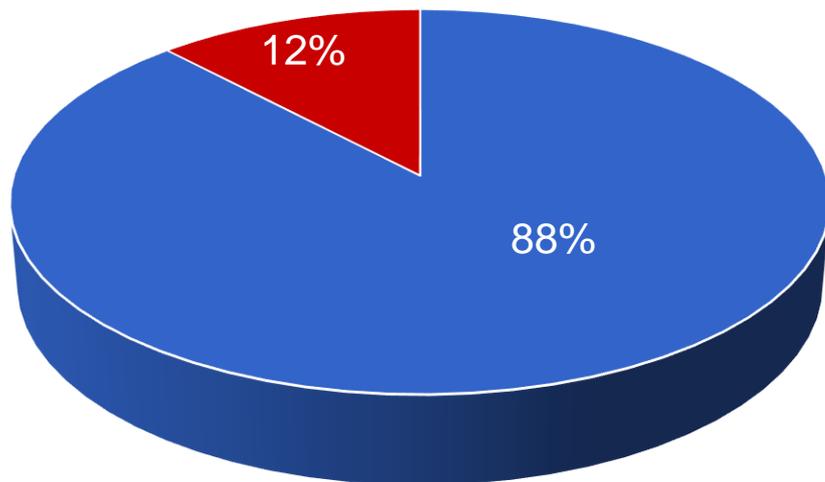
TFCC has committed over US\$810mm of real estate loans and investments in 146 transactions



TFCC has raised over US\$462mm from private investors

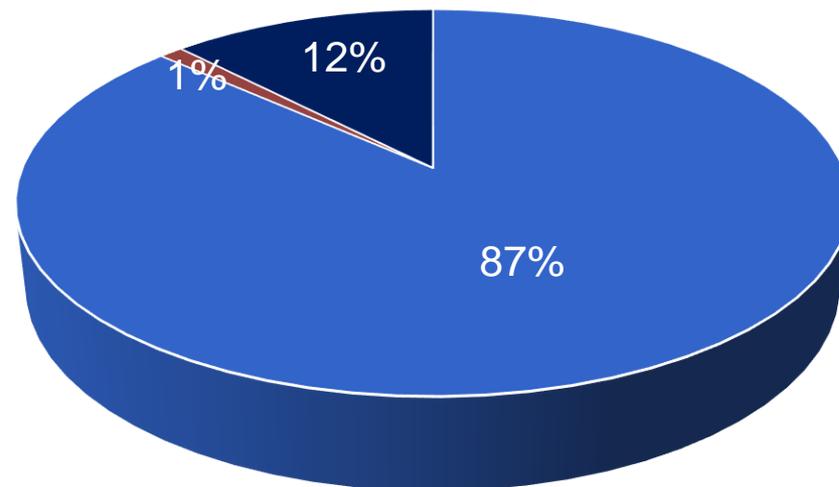
CURRENT PORTFOLIO BREAKDOWN – UPDATE

US Investments Vs. Canadian Investments⁽¹⁾



■ United States ■ Canada

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

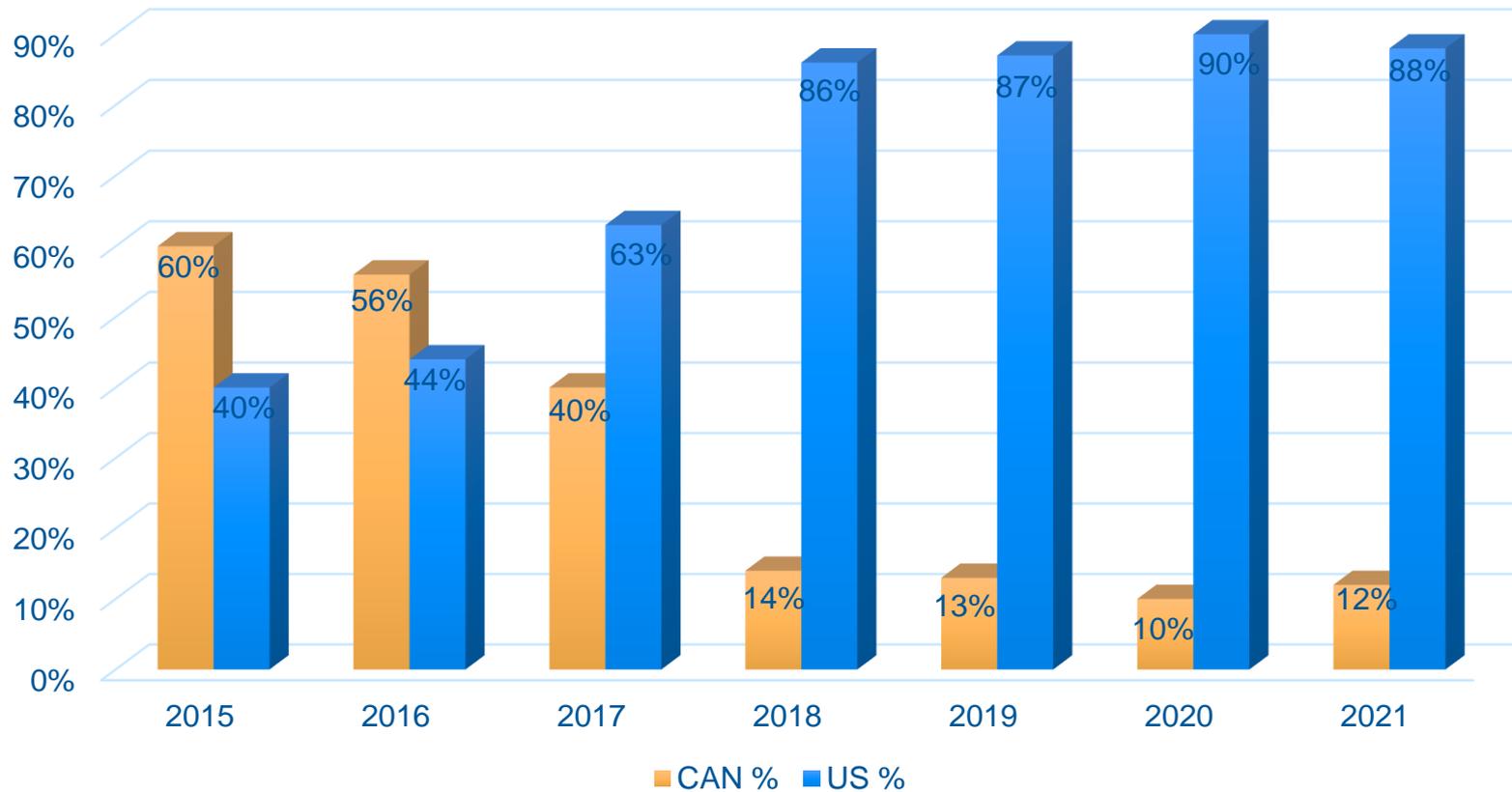


■ 1st Mortgage & Land Banking
■ 2nd Mortgage
■ Other

(1) As at December 31, 2021

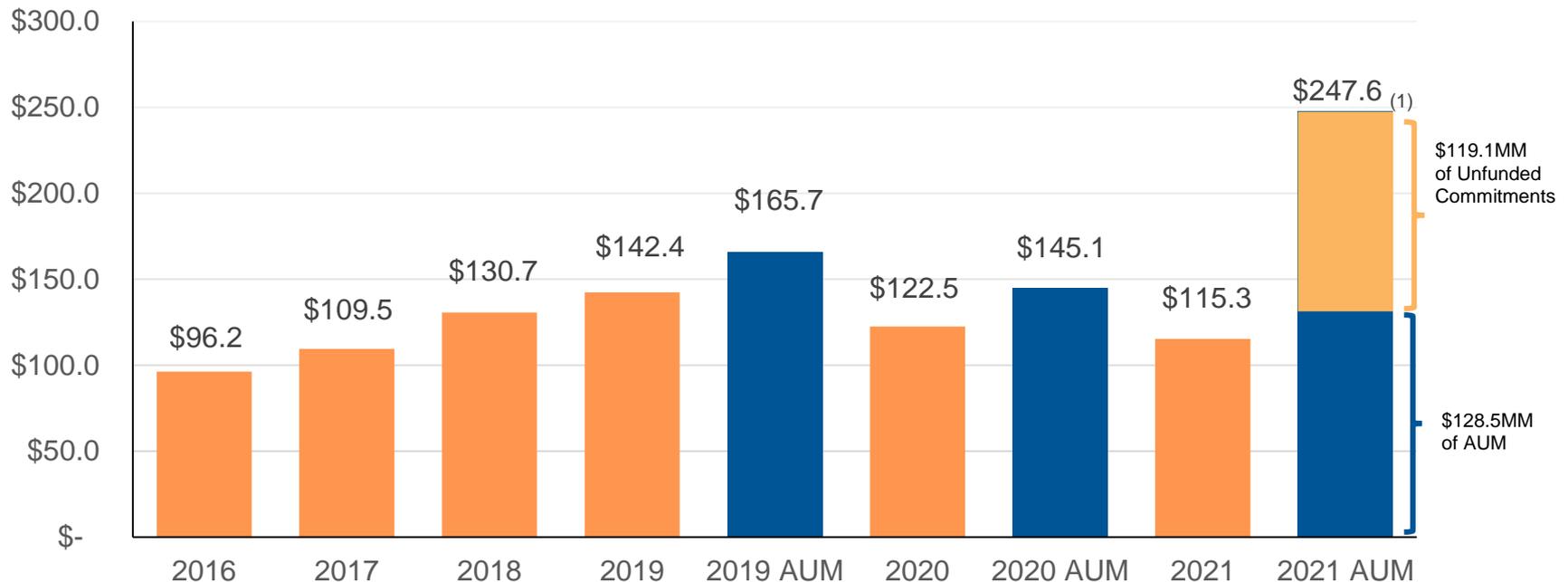
GEOGRAPHICAL PORTFOLIO BREAKDOWN

Canadian Investments Vs. US Investments



INVESTMENT PORTFOLIO

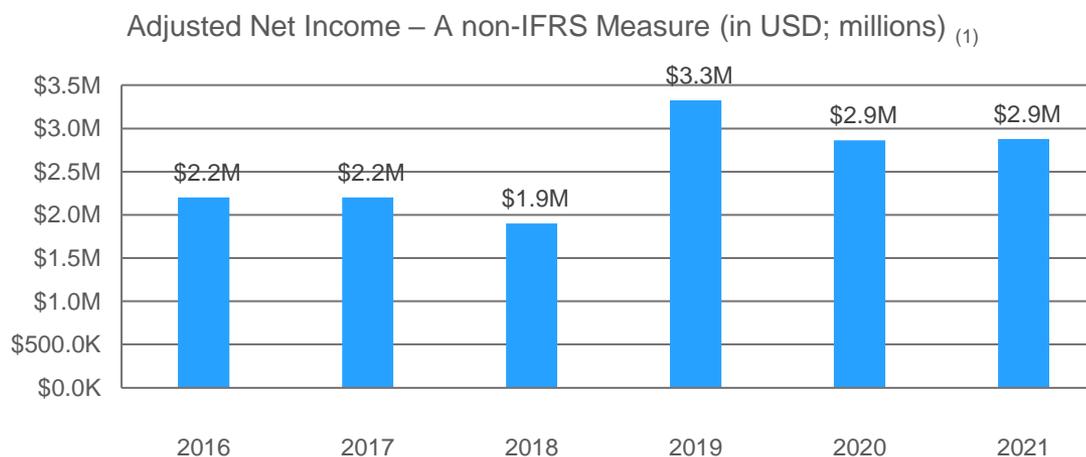
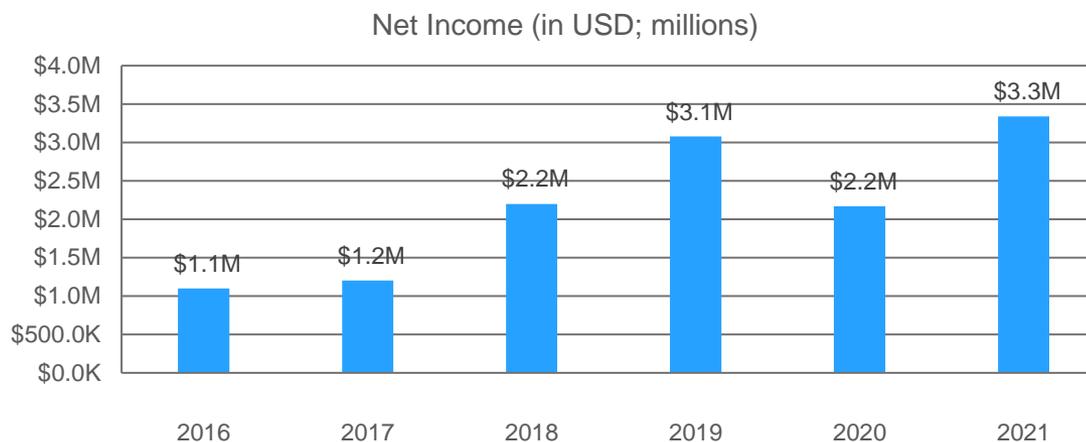
Total Investment Portfolio (in USD; millions)
(excludes Senior A tranches held by financial institutions)



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

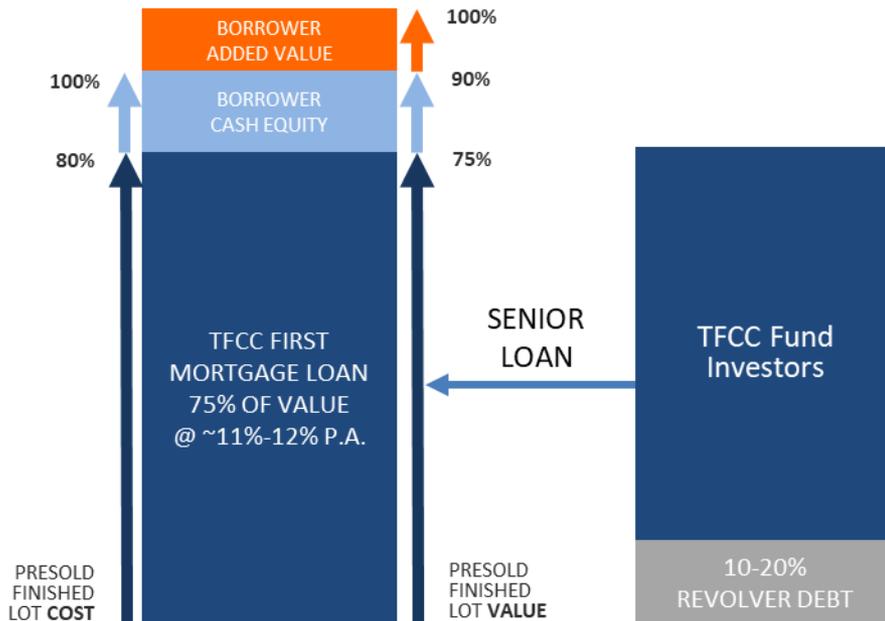
(1) Difference between Total Investment Portfolio and Assets Under Management (“AUM”) is that AUM includes other non-balance sheet investments managed by TFCC.

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, non recurring items, and the income tax impact of these items.

US FIRST MORTGAGE LENDING PLATFORM

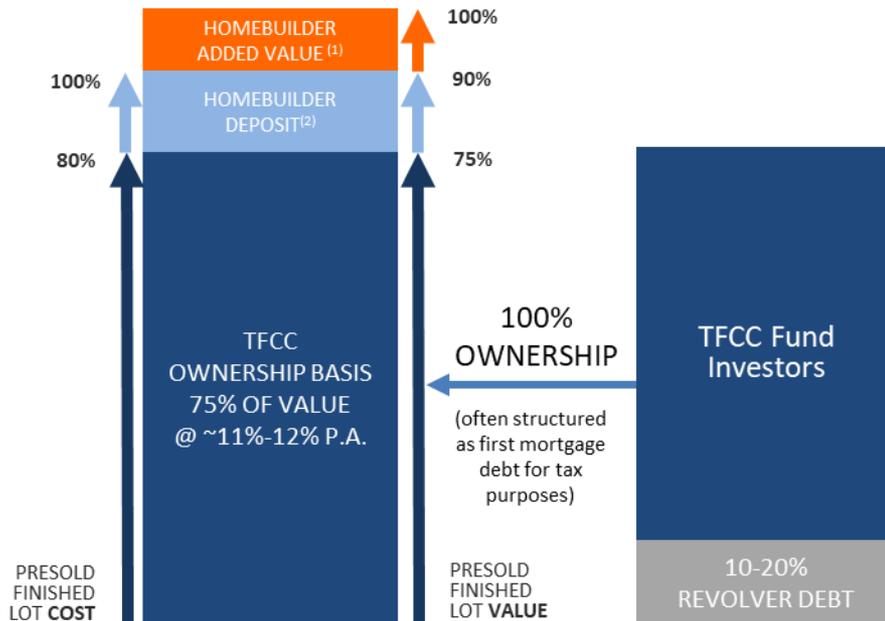


1. Borrower sources and closes land with cash equity plus TFCC First Mortgage A&D Loan
2. TFCC advances remaining development costs to Borrower over time as lots are developed (subject to cost and completion guarantees provided to TFCC), adding value ("Borrower Added Value") and reducing TFCC's LTV basis (generally up to ~75% peak LTV)
3. Borrower pre-sells lots to Homebuilders (with non-refundable deposits) and closes lots upon completion of development on a phase-by-phase basis, repaying TFCC during term of Loan
4. TFCC collects ~11-12% p.a. interest monthly, generating ~9-11%* annual net returns and net yield to Fund Investors
5. In the event of a Borrower default, TFCC forecloses on its First Mortgage Loan and land/lots are sold to other developer(s) or homebuilder(s) at current market price

U.S. A&D Land Financing market remains under-served by traditional banks, allowing TFCC to provide first mortgage development loans to land developers at attractive risk-adjusted interest rates

* Target returns shown for illustrative, informational purposes only and should not be relied upon in making investment decisions, are not indicative of future results and are not guarantees. There can be no assurance that any targeted returns will be met.

US LAND/LOT BANKING PLATFORM



1. Homebuilder sources and develops land/lots (subject to cost and completion guarantees), adding value and reducing TFCC's cost basis ("Homebuilder Added Value")
2. Homebuilder assigns land purchase contract to TFCC, then commits to contractual lot takedowns at cost (plus an option rate paid monthly) with a 10-19% cash deposit on total costs ("Homebuilder Deposit")
3. TFCC closes on land purchase with builder deposit and initial advance; TFCC advances remaining costs to builder over time as lots are developed
4. TFCC collects ~11-12% p.a. Option Rate monthly, generating ~9-11%* annual net returns and net yield to Fund Investors
5. In the event of a builder default, TFCC simply terminates lot banking option, keeps deposit plus any builder added-value, and lots are sold to another builder at current market price

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

* Target returns shown for illustrative, informational purposes only and should not be relied upon in making investment decisions, are not indicative of future results and are not guarantees. There can be no assurance that any targeted returns will be met.

SIMPLIFIED LOOK AT BUSINESS MODEL

Capital Source	Spread	Invested Capital	Income Range	
Private Investors	2% to 3%	US\$84MM • <i>As at Q4 2021</i>	US\$1.7MM	US\$2.5MM
Third Coast 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\$4.4MM	US\$5.2MM
Total:			US\$8.1MM	US\$10.1MM
G & A (2021)			US\$4.2MM	

Note: TFCC currently has a \$20MM LOC from Third Coast Bank with an accordion up to \$40MM, numbers above assume full utilization of LOC

LEVERAGE

DEBT TO EQUITY RATIO (USD)	As at December 31, 2021
Total Debt	\$86,288,960
Less: Loan and Mortgage Syndications	(\$85,386,098)
Adjusted Total Debt	\$902,862
Shareholders' Equity	\$43,579,220
Debt to Equity (1)	1.98 : 1.00
Adjusted Debt to Equity (1)	0.02 : 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)	Q4 2021	2021
Revenue	\$4,319,767	\$16,241,159
Less: Interest Earned on Loan and Mortgage Syndications	(\$1,959,160)	(\$7,639,074)
Adjusted Revenue (1)	\$2,360,607	\$8,602,085
Expenses	\$2,492,885	\$11,769,395
Less: Interest on Loan and Mortgage Syndications	(\$1,959,160)	(\$7,639,074)
Less: Other Non-Operating Items (2)	\$902,001	\$623,969
Adjusted Expenses (1)	\$1,435,726	\$4,754,290
Income from Operations before Income Taxes	\$924,881	\$3,847,795
Operating Margin (1)	39.2%	44.7%
<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.

US OPPORTUNITY

- TFCC has originated approximately US\$534MM of transactions since commencing its US expansion 7 years ago. Repayments of approximately US\$287MM have been received on those transactions. The company continues to build on its US track record of success and now holds over 88% of its investments in the US.
- Significant growth opportunities – banks and institutions still not providing adequate support for development
- Limited competition = outsized risk adjusted returns
- Diversification – TFCC is currently active in 12 high-growth markets in the US
- Higher Yields for the same or better risk profile than currently in Canada

FUND RAISING ACTIVITIES

Terra Firma has developed a robust private investor platform

- TFCC is transforming the way it does business. Instead of raising syndicated capital after a deal closes, TFCC raises Investment Funds to ensure the capital is available to fund future transactions.
- The Fund approach is an improved evolution of TFCC's syndication activity that offers investors the following features: diversification, lines of credit to streamline capital calls, longer and more efficient investment experience, and potential for higher returns.
- TFCC is considering expanding and diversifying its scope by creating additional funds or investment vehicles to finance additional Real Estate asset classes.
- Raised over US\$462MM in third party capital from high-net-worth individuals and family offices
- TFCC generally retains 10% to 20% of each transaction and acts as Mortgage Administrator or Investment Manager
- Terra Firma earns an additional 200bp to 300bp spread plus a commitment fee
- Private Investors have no recourse to Terra Firma
- In house function – no fees or commissions paid for private investors
- Total private investment including Debt Fund I and Debt Fund II for Q4 2021 was US\$85.0MM.
- Successful fund raising of every offering to date
- Implemented new digital investor portal which will streamline the Company's fund raising and reporting processes

SUMMARY TRACK RECORD



TFCC Transaction History ¹	Investor Net Returns ²	Number of Transactions	Total Invested Capital (USD) ³	% of Total
Matured Transactions				
Matured Loans and Lot Banking	9.4% p.a.	28	210,356,000	26%
Matured Investments (Equity, Pref, Mezz, etc)	10.6% p.a.	86	289,773,000	36%
Total Matured Transactions	10.0% p.a.	114	500,129,000	62%
Active Transactions				
Active Loans and Lot Banking	9.8% p.a.	24	253,001,000	31%
Active Investments (Equity, Pref, Mezz, etc)	10.9% p.a.	8	57,139,000	7%
Total Active Transactions	10.1% p.a.	32	310,140,000	38%
Total Transactions (since 2010)	10.1% p.a.	146	\$810,269,000	100%

¹ As at December 31, 2021. Past performance information is shown for illustrative, informational purposes only and is not indicative of future results; there can be no assurance that the Program will achieve comparable results or be able to avoid losses.

² Investor Net Returns calculated using weighted average of third-party investor capital commitments (excluding TFCC co-investments) multiplied by the interest rate paid (or to be paid for Active Transactions) to investors for each respective transaction, net of all TFCC fees and expenses. 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).

TFCC has generated 10% p.a. Investor Net Returns since 2010 with zero loss of Investor Capital to date

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



710 Huron Road

Kitchener, Ontario, CAN

Category Land Development

Term 2 Years

Total Amount \$4,400,000

Total Raised (Including TFCC) - Sold Out • CS4.4M

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

GOING FORWARD

Strategic Initiatives

- Debt Fund I closed in Q1 2021 with \$32.5MM of equity plus a \$10MM revolving credit facility; Debt Fund I is now fully committed to transactions.
- Debt Fund II closed in Q4 2021 with \$37.6MM of committed equity with a target equity raise of \$75MM plus a \$20MM revolving credit facility; Debt Fund II is expected to be fully committed to transactions in 2022.
- 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 multi-family, build-for rent, equity financing etc.
- TFCC is currently in discussions with several large pensions and institutional investors to potentially capitalize a large-scale U.S. lot financing program in 2022

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
Founder & Executive Chairman
Senior Executive with the **Paul Reichmann Group of Companies** and Chief Investment Officer at **IPC US REIT**. Prior to Terra Firma he was Managing Director of **Harbor Group International**



Philip Reichmann
Director
Investment Committee
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**



Seymour Temkin
Director
Audit Committee
Headed the Canadian real estate practice of **Deloitte & Touche LLP** for 15 years. He is a Chair of the board of directors of **GT Canada Medical Properties Real Estate Investment Trust**



Dr. Chris Bart, FCPA, C.Dir
Director
Governance Committee
CEO of **Corporate Mission Inc.** Founder, **The Directors College of Canada**. Executive Chairman, **Caribbean Institute of Directors**. Professor Emeritus, **McMaster University**



Jerry Patava
Director
Investment Committee
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**



Christopher Voutsinas
Director
Investment Committee
Christopher Voutsinas has over 25 years of real estate and infrastructure investment management and private equity experience. Mr. Voutsinas is **President of Capital Value & Income Corp.**, a firm he founded in 2011.

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 \$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



Seth Greenspan **Managing Director**

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



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



Mano Thiyagarajah **CFO & Corporate Secretary**

Mano 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**

TFCC INVESTMENT OPPORTUNITY



- Reasons to Invest with TFCC:
 - **Strong US Housing Market** – High demand for housing and low supply due to limited capital for land, low mortgage rates, growth in demand from millennials, COVID-19 increasing home ownership demand and low levels housing starts from developers constraining supply.
 - **Limited Capital for Land** – U.S. Banks are not providing adequate capital for residential land acquisitions and lot development since the Basel III Capital Accord took effect in 2015; only partially replaced with higher cost joint-venture equity capital and non-bank A&D Loans and Lot Banking
 - **Experienced Senior Management Team** with over 100 years of combined experience and Strong Board of Directors.
 - **Established Track Record** – Since Inception TFCC has committed over \$810MM in real estate transactions in 146 transactions with zero losses to investors.
 - **Investment Funds of Committed Capital** – TFCC has greater certainty in placing capital and can move faster in closing deals
 - **Historical Returns to Investors has approximated to 10% p.a.**

Y. Dov Meyer
Executive Chairman
P: (416) 792-4709
E: ydmeyer@tfcc.ca

Glenn Watchorn
President & CEO
P: (416) 792-4702
E: gwatchorn@tfcc.ca

Ali Mahdavi
Investor Relations, Spinnaker
P: (416) 962-3300
E: AM@spinnakercmi.com