



## FOR IMMEDIATE RELEASE

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

# Terra Firma Capital Corporation Provides Update on its "Strategic Alternatives Review"

TORONTO, ONTARIO, July 21, 2023 -- Terra Firma Capital Corporation (TSX-V: TII) ("Terra Firma" or the "Company"), a leading real estate finance company, is pleased to offer an update on its ongoing strategic alternative review.

In April 2023, the Company retained Cormark Securities Inc. ("Cormark") to act as financial advisor to a special committee of independent directors of the Company (the "Special Committee") in connection with the strategic alternative review. Over the past several months, the Special Committee has worked with Cormark and its legal advisors to explore strategic alternatives that would maximize shareholder value and also attract potential buyers to enhance outcomes for all stakeholders. These efforts included both monetizing non-core assets and engaging with prospective purchasers in connection with a potential sale of the Company.

As a result of these endeavors, the Company has monetized several of its major loans. Additionally, the Company has considered several conditional non-binding offers and entered into discussions with potential purchasers for the entire Company. However, while the Company continues to explore a potential sale of the entire Company, no concrete transaction on terms acceptable to the Company has materialized thus far.

In light of the above, the Company's board of directors has made the strategic decision to pursue the liquidation alternative presented during the strategic review process, while remaining open to a potential sale transaction should one emerge.

In pursuing the liquidation alternative, Terra Firma's primary objective will be to return capital to its shareholders efficiently and promptly in order to achieve a value commensurate with the underlying value of the portfolio. However, in pursuing this objective, the Company also recognizes the importance of executing the liquidation process in a manner that considers the interests of all stakeholders.

The remaining assets of the Company's as at July 13, 2023 were comprised of a net cash balance of approximately \$24.1mm plus other substantial assets of which the realizable value has yet to be determined. There can be no assurance that the Company will be able to recover the book value of its remaining non-cash assets. In addition, the costs of the liquidation of the

Company's remaining assets, the wind down of the Company's operations and the cost of structuring a transaction to return capital to shareholders will reduce the amount of cash that will be available to shareholders.

Terra Firma Capital Corporation will provide further updates as appropriate. Shareholders and other interested parties are encouraged to monitor the Company's announcements for further information.

### **About Terra Firma Capital Corporation**

Terra Firma is a 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 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.

For further information please visit Terra Firma's website at [www.tfcc.ca](http://www.tfcc.ca).

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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, including any potential outcomes from the process to evaluate potential strategic alternatives and the monetization of the company's assets, and the amount of cash expected to be available to shareholders following the wind down of the company's operations and the costs of distributing the company's cash to shareholders. These statements generally can be identified by use of forward-looking words 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 and the results of the strategic review 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 the ability to identify and complete strategic alternatives, market factors, competition, and dependence on tenants' financial conditions, environmental and tax related matters, and reliance on key personnel and the risks disclosed in Terra Firma's most recently filed annual information form, annual management's discussion and analysis or interim management's discussion and analysis 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, and the absence of significant changes in government regulation. 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.