

Timbercreek Financial (TSX: TF)

Investor Fact Sheet, March 31, 2019

About Timbercreek Financial

Timbercreek Financial is a leading non-bank lender providing shorter-duration, structured financing solutions to commercial real estate investors. Our sophisticated, service-oriented approach allows us to meet the needs of borrowers, including faster execution and more flexible terms that are not typically provided by Canadian financial institutions. Our borrowers are willing to accept higher rates and fees for this customization as it provides them with the ability to execute on investment opportunities.

Investment Highlights

- **Large and growing opportunity in commercial mortgage market**
- **Strong track record and a best-in-class team**
 - ~\$5.2B in mortgage originations across 520+ transactions
 - seasoned team with strong relationships and deal flow
 - supported by Timbercreek Asset Management Inc., which together with its affiliates, is an owner and manager of global real estate with over \$9.5B¹ in total assets under administration
- **Strong and stable risk-adjusted yield**
 - \$1.3B portfolio well diversified by geography, borrower and asset type
 - ~7.4% annualized dividend yield

Share Information

| | |
|--|--|
| Monthly Dividend | \$0.0575/share |
| Annualized Dividend Yield ² | ~7.4% |
| Market Cap ² | ~\$770.3 million |
| Outstanding Shares ³ | 82.1 million |
| Analyst Coverage | Echelon Wealth Partners National Bank Financial Raymond James TD Securities Fundamental Research |

Strategic Priorities

Preserve investor capital and provide strong risk-adjusted returns to investors by:

- lending primarily against income-producing commercial real estate
- mitigating concentration risk by diversifying geographically, by asset type and borrower
- maintaining conservative loan-to-value ratios
- passing all lender fees through to investors

\$1.2B+

Net Mortgage Investments
(excluding syndications)

92.8%

Percentage of First Mortgages

86.2%

Mortgages Secured by Income Properties

68.1%

Weighted Average Loan-to-Value

Our Business: Real Estate Lending

- We provide customized, short-term financing solutions to qualified real estate investors who typically use these loans for a period of one to five years for:
 - capital improvements/redevelopment of a property
 - the purchase of another property
- Loans are typically repaid using:
 - conventional mortgage funding from a financial institution or proceeds from the sale of the property
- Canadian financial institutions not focused on smaller, shorter-term commercial mortgages and normally can't provide the customization
- Borrowers are willing to accept higher rates and fees for this customization as it provides them with:
 - the ability to execute quickly on real estate investment opportunities,
 - early repayment privileges,
 - structured solutions including the option to use multiple properties as security and
 - potentially lower monthly payments

| Loan Allocations by Asset Type ⁵ | % |
|---|------|
| Multi-residential | 46.8 |
| Retail | 18.5 |
| Unimproved land | 9.9 |
| Hotels | 4.4 |
| Office | 6.6 |
| Industrial | 6.1 |
| Retirement | 4.1 |
| Self-storage | 1.7 |
| Other-residential | 1.6 |
| Single-family residential | 0.3 |

| Loan Allocations by Region ⁵ | % |
|---|------|
| Ontario | 45.6 |
| British Columbia | 23.7 |
| Alberta | 16.8 |
| Quebec | 7.5 |
| All Others | 6.4 |

Commercial Mortgage Comparison

| Timbercreek Customized Mortgages | vs. | Canadian Financial Institutions Conventional Mortgages |
|-----------------------------------|-----|--|
| Smaller Deals (\$1M - \$50M) | | Larger Deals (\$50M+) |
| Quicker Execution (< 1 month) | | Lengthy Approval / Funding Period (2-3 months) |
| Shorter Term (3 months - 5 years) | | Standard Terms (5-10 years) |
| Primarily Interest-Only | | Principal Repayment plus Interest |
| 70-85% Loan-to-Value | | Up to 60% Loan-to-Value |

Q1 2019 Financial Highlights

- Investment income of \$24.5 million
- Total net income and comprehensive income of \$13.3 million
- Basic and diluted earnings per share of \$0.16
- Distributable income per share of \$0.17
- Weighted average interest rate on total loan portfolio of 7.4%

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