

Timbercreek Financial (TSX: TF)

Investor Fact Sheet, September 30, 2018

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**
 - \$215B market in Canada, with ~\$44B in annual originations¹
- **Strong track record and a best-in-class team**
 - \$4.8B in mortgage originations across 475+ 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 \$8.5B² in total assets under administration
- **Strong and stable risk-adjusted yield**
 - \$1.2B portfolio well diversified by geography, borrower and asset type
 - ~7.4% annualized dividend yield

Share Information

Monthly Dividend \$0.0575/share

Annualized Dividend Yield³ ~7.4%

Market Cap³ ~\$762.2 million

Outstanding Shares⁴ 81.6 million

Analyst Coverage
IA Securities
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

\$1.1B+
Net Mortgage
Investments
(excluding syndications)

91.5%
Percentage
of First Mortgages

84.5%
Mortgages Secured by
Income Properties

66.6%
Weighted Average
Loan-to-Value

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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 ⁶	%
Multi-residential	38.7
Retail	19.6
Unimproved land	11.9
Hotels	8.0
Office	8.4
Industrial	5.4
Retirement	4.3
Self-storage	2.0
Other-residential	1.6
Single-family residential	0.1

Loan Allocations by Region ⁶	%
Ontario	46.4
British Columbia	21.9
Alberta	13.7
Quebec	8.4
All Others	9.6

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

Q3 2018 Financial Highlights

- Investment income of \$24.5 million
- Total net income and comprehensive income of \$13.7 million
- Basic and diluted earnings per share of \$0.17
- Distributable income per share of \$0.19
- Weighted average interest rate on total loan portfolio of 7.5%

For more information, please contact:

Timbercreek Financial Corporation
25 Price Street
Toronto, ON M4W 1Z1
1.844.304.9967
info@timbercreekfinancial.com
timbercreekfinancial.com

Chief Executive Officer
Cameron Goodnough
cgoodnough@timbercreek.com