

TIMBERCREEK FINANCIAL CORP.
TREASURY OFFERING OF CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES
May 21, 2024

A base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. The base shelf prospectus, any applicable shelf prospectus supplement and any amendment to the base shelf prospectus or the applicable shelf prospectus supplement are accessible through SEDAR+. Copies of the document may be obtained from National Bank Financial Inc. by phone at (416)-869-6534 or email at NBF-Syndication@bnc.ca, or from TD Securities Inc. by phone at (289)-360-2009 or email at sdconfrms@td.com. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the base shelf prospectus, any applicable shelf prospectus supplement and any amendments to the base shelf prospectus or the applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Issuer:	Timbercreek Financial Corp. (“Timbercreek” or the “Corporation”).
Issue:	Treasury offering of Convertible Unsecured Subordinated Debentures (the “Debentures”).
Issue Price:	\$1,000 per Debenture.
Amount:	\$40,000,000 (up to \$46,000,000 if the Over-allotment Option is exercised in full).
Over-Allotment Option:	The Underwriters will have an option to purchase up to an additional 15% of the Issue at the Issue Price to cover over-allotments, exercisable in whole or in part at any time and from time to time until 30 days after Closing.
Use of Proceeds:	The net proceeds of the Offering are intended to be used to repay amounts owing under the Corporation’s secured revolving credit facility. The Corporation intends to subsequently draw on such credit facility for the purpose of funding the redemption of the Corporation’s 5.30% convertible unsecured subordinated debentures due June 30, 2024, as well as for general corporate purposes.
Coupon:	7.50% per annum from Closing, payable semi-annually on the last day of June and December of each year commencing on December 31, 2024.
Maturity:	June 30, 2029.
Conversion:	The Debentures will be convertible at the holder’s option into common shares of the Corporation (“Shares”) at any time prior to the close of business on the earlier of the business day immediately preceding Maturity and the business day immediately preceding the date fixed for redemption of the Debentures at a conversion price of \$8.50 per Share, representing a 20% premium, subject to adjustment in certain events (the “Conversion Price”), being a ratio of approximately 117.6471 Shares per \$1,000 principal amount of Debentures.

Holders converting their Debentures will, in addition to the applicable number of Shares to be received on conversion, receive accrued and unpaid interest, if any, for the period from the last interest payment date on their Debentures to and including the last record date set by the Corporation occurring prior to the date of conversion for determining the shareholders entitled to receive a dividend on the Shares. In the event the Corporation has suspended regular dividends, then a holder of the Debenture converting the Debenture, in addition to the applicable number of Shares to be received on conversion, will be entitled to receive accrued and unpaid interest for the period from the last interest payment date prior to the date of conversion to the date of conversion.

Conversion

Price Adjustments:

Anti-Dilution: The Conversion Price will be subject to standard anti-dilution adjustments upon, among other events: share splits; share consolidations; and the issuance of rights, options or warrants convertible into Shares at less than 95% of the then market price, as set forth in the trust indenture between the Corporation and Computershare Trust Company of Canada dated February 25, 2014.

Dividends: The Conversion Price will be subject to adjustments for distributions of securities or assets to holders of Shares (other than cash distributions and equivalent distributions in securities paid in lieu of cash distributions in the ordinary course).

Redemption:

The Debentures will not be redeemable before June 30, 2027. On and after June 30, 2027, the Debentures will be redeemable, in whole or in part, from time to time at the Corporation's option at par plus accrued and unpaid interest. The Corporation shall provide not more than 60 nor less than 30 days' prior notice of redemption of the Debentures.

Share Payment Option on Redemption or Maturity:

Subject to any required regulatory approval and provided no event of default has occurred and is continuing, the Corporation has the option, upon not more than 60 nor less than 40 days' prior notice, to satisfy its obligations to pay on Redemption or Maturity, the principal amount of and premium (if any) on the Debentures, in whole or in part, by delivering freely tradeable Shares (the "Share Payment Option"). Any accrued and unpaid interest will be paid in cash.

In such event, payment will be satisfied by delivering for each \$100 due, that number of freely tradeable Shares obtained by dividing \$100 by 95% of the weighted average trading price of the Shares on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days prior to the date fixed for Redemption or Maturity, as the case may be.

**Restriction on Share
Payment Option:**

The Corporation shall not, directly or indirectly (through a subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Shares, dividend or other distribution on the Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

- a) the number of securities to be issued;
- b) the price at which securities are to be issued, converted or exchanged; or
- c) any property or cash that is to be distributed or allocated,

is in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly, (i) the exercise or potential exercise of the Share Payment Option, or (ii) the current market price determined in connection with the exercise or potential exercise of the Share Payment Option.

**Share Interest Payment
Option:**

The Corporation may elect from time to time, subject to any required regulatory approval and provided that no event of default has occurred and is continuing, to satisfy all or part of its interest payment obligations under the Debentures by delivering sufficient freely tradeable Shares to a trustee for sale, in which event holders of Debentures will be entitled to receive a cash payment equal to the interest owed, from the proceeds of the sale of the requisite number of Shares by the trustee.

Change of Control:

Upon the occurrence of a change of control whereby it is disclosed in public filing or press release or the Corporation becomes informed that one beneficial shareholder (together with persons acting in concert) acquires voting control or direction over 66 2/3% or more of the votes attaching to Shares, the Corporation will be required to make an offer to purchase, within 30 days following the giving of notice of the change of control to holders of Debentures, all of the Debentures at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest.

Purchase for Cancellation:

The Corporation will have the right at any time to purchase the Debentures in the market, by tender, by private contract or otherwise.

Rank:

Subordinate in right of payment of principal and interest to the prior payment in full of all senior obligations of the Corporation.

Listing:

Application will be made to list the Debentures (and the Shares to be issued upon conversion) on the Toronto Stock Exchange.

Form of Offering:	Public offering in all provinces and territories of Canada by way of a prospectus supplement. Private placement in the United States to “qualified institutional buyers” pursuant to Rule 144A of the U.S. Securities Act of 1933 if agreed to by the Corporation.
Form of Underwriting:	Bought deal, subject to syndication and a mutually acceptable underwriting agreement containing “disaster out”, “regulatory out” and “material adverse change out” clauses running to Closing.
Underwriting Fee:	4.00%.
Closing:	On or about May 28, 2024.