2022 Annual Review, President's Message & 2023 Vision Report.

In 2022, rather than COVID-19, it was rapidly rising interest rates, cooling real estate values and steep inflation that dominated the headlines. Interest rates increased 7 times in 2022 for a total of 4%, settling at 4.25% as the year ended. With the overheated real estate market peaking in March and stock markets continuing to mount losses, Three Point Capital increased the company's monthly distribution from 5% to 5.5%, achieved a loan loss rate of zero for the year, welcomed $15.5 million in new share capital and funded a record setting $162 million in new mortgages. We are pleased to announce that the company met its dividend target for the year by delivering 5.9%. The target yield for 2023 is 7%.

2022 in Review

In the first quarter of 2022 the Bank of Canada increased their policy interest rate for the first time since 2018. We continued to experience strong mortgage activity in both new fundings and mortgage payouts, funding a total of $45.9 million in new mortgages and receiving $29.5 million in mortgage payouts resulting in net portfolio growth of $17 million.

In the second quarter of 2022, as interest rates were increased 2 more times, we continued to experience strong mortgage activity in both new fundings and mortgage payouts. Much of this activity was from mortgage approvals in Q1 now funding in Q2, as you can see from the Funding vs Payout chart on the next page. In the second quarter we funded a total of $55 million in new mortgages and received $37.5 million in mortgage payouts, resulting in net portfolio growth of $17.5 million.

We took the third quarter of 2022 as an opportunity to slow our new lending activity while we monitored the pace of cooling in the real estate market. We further tightened our disciplined approach to underwriting in the third quarter. We lowered the loan-to-value ratio on mortgages we were prepared to lend on, which lowered our weighted average loan-to-value of the portfolio. We reduced the size of mortgage that we were prepared to lend on, which decreased the average mortgage size within the portfolio and we modestly increased our contingency reserves to account for the cooling real estate market. With this more cautious approach, we funded a total of $35 million in new mortgages and received $32 million in mortgage payouts resulting in net portfolio growth of only $2.8 million for the quarter. We were also able to increase the monthly dividend distribution from an annualized 5% to 5.5% in Q3.

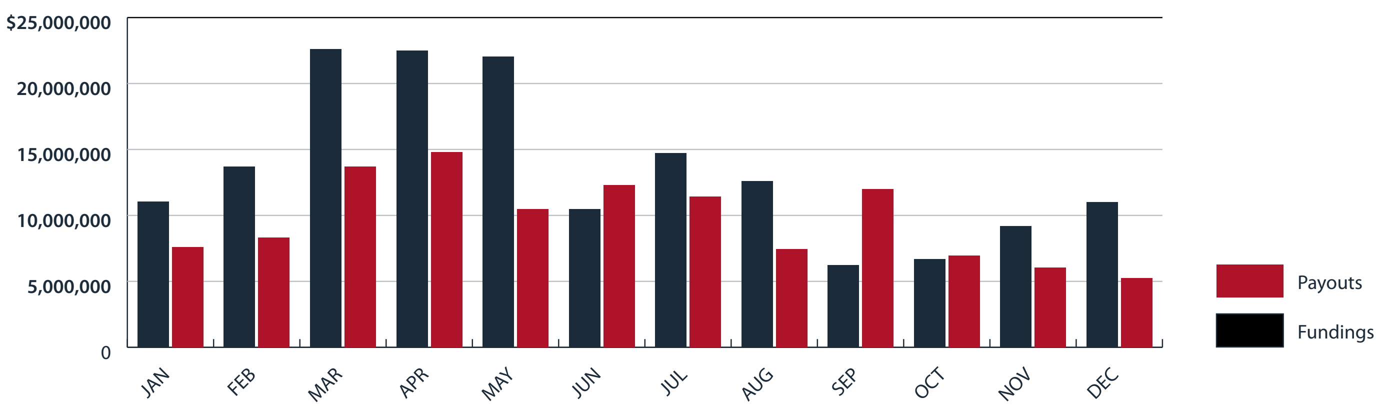
The fourth quarter of 2022 saw us maintain our cautious lending volume as we continued to watch the pace in which real estate values were adjusting to the higher interest rates. We funded a total of $26 million in new mortgages and received $18 million in mortgage payouts, resulting in net portfolio growth of $8 million, ending the quarter and the year, with a total portfolio of $181 million (up from $173 million in Q3 2022 and up from $136 million at 2021 year-end). We managed to accomplish this while also maintaining both the portfolio's conservative weighted average loan-to-value at 52.7% and the concentration of first position mortgages at 92% of the portfolio.

At year-end 61% of the portfolio was in BC, 34% in Ontario, 4% in Alberta and 0.5% in each Saskatchewan and Manitoba.

Default in the portfolio remained low and stable throughout the year. Beyond unrecoverable legal expenses, there were zero portfolio losses during the year. In Q4, we demanded the arrears on two Ontario files and both borrowers brought their accounts current. Two foreclosures (one in BC and one in ON) commenced during the second half of 2022 and those are continuing through due process with lawyers, one of them now in a 6 month redemption period and listed for sale by the borrowers (BC). Early in 2023, we have only one Ontario file where we may proceed to legal action. At this point, we are comfortable with our exposure on each of these properties.

Given the steep pace at which interest rates rose, we are watching for any trends in default and delinquency. It is too early to see any overall trends, but given increased interest rates, inflation, and resulting pressures on Canadian families, more challenges for borrowers to manage financially is expected. The overall loan-to-value of the portfolio at 52.7% positions the company well to manage through a softening market.

FUNDINGS VS PAYOUTS



2023 Vision Looking Forward

Dividend Yield

Looking forward as we work to establish targets and expectations for 2023, we needed to understand how much of the portfolio was still at our previously low interest rates and at what point this year they would either renew at today's higher rates or payout and provide us those funds back to re-lend at higher rates. We then needed to analyze how long this portfolio turnover would take to impact our dividend in a meaningful way . With that in mind, as we continue to manage this mortgage portfolio with discipline and care and not seek out higher risk for higher rate mortgages in an attempt to increase our return, we are pleased to report that we have set our overall target dividend for 2023 at 7%.

We can also confirm that in 2023, provided Director approval, the company intends to maintain its monthly dividend distribution to shareholders at 5.5% per annum and fully anticipates paying another top-up dividend to shareholders as at December 31, 2023 to reflect the actual performance of the company for the year. As our dividend yield is expected to rise as our portfolio continues to incorporate more higher rate mortgages, we will monitor the 5.5% monthly dividend as the year progresses to see if there is an opportunity to again increase that monthly distribution.

This yield target of 7% for 2023 is a result of the strength and stability of the predominantly 1st position mortgage portfolio, coupled with rising interest rates as we continue to prioritize lower loan-to-value ratios to higher quality borrowers.

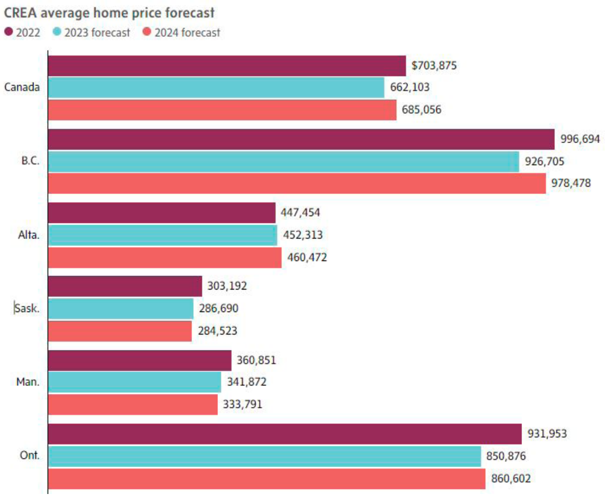
> "We have set our overall target dividend for 2023 at 7%."

Interest Rates & Real Estate Market

If 2021 was considered the year of historically low interest rates, 2022 would be considered the year of historically steep interest rate increases. Over the past eleven months the Bank of Canada has increased its policy rate 7 times, to 4.25% from 0.25% with single minded determination. Yet still, the Canadian economy has more momentum than the bank would like to see. Provided the January 25th increase is the final rate increase by the bank, we expect market stability to begin to settle in. Rates are likely to remain high until mid to late 2024, resulting in a more stable real estate market where tighter qualification standards at traditional lenders are expected to lead to a heighted demand for our product and positive impact on our dividend yield.

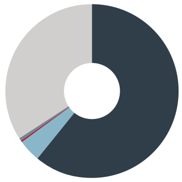
Predicting a bottom or rebound point in the housing market is difficult. Many reports suggest that home prices are expected to bottom out in early 2023 with a peak-to-trough decline of around 20%. Although prices have dropped, with more downward pressure still expected, they are still higher than pre-pandemic levels. We feel the fundamentals of the housing market are still very strong. Aggressive immigration targets will keep demand strong and due to higher interest rates, which lead to higher cost of construction, coupled with the shortage of supply of labour and trades, more new projects required to supply the new demand are being cancelled. As we have always stated, we prefer stability in the housing market. The market needed a reset and this was good for lenders like Three Point. As you can see on the next page graphic, both values and activity in the markets we lend in are expected to rise in 2024.

We still do expect to see an increase in forced sales, some homeowners will simply not be able to afford their mortgage payments at these new rates. Investment properties may no longer have rental income covering mortgage payments. All of this will result in some pain for Canadian borrowers but at its core, we remain very confident in the Canadian housing market and more specifically, the Three Point portfolio.



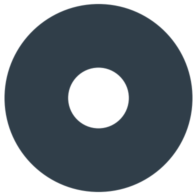
Portfolio

Within the portfolio in 2023, as real estate values begin to settle, we do expect our average mortgage size to remain stable at the $395,000 - $415,000 range. We also expect to see our weighted average loan-to-value remain conservative in the 52% - 58% range. We expect more of the portfolio will be located in Ontario as we build more balanced diversification between BC and Ontario. The portfolio is 100% secured against residential homes, 92% of which is in the first position; we expect this continue throughout 2023.



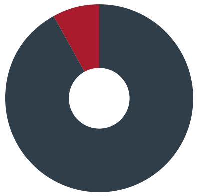
LOCATION

- British Columbia **61%**
- Alberta **4%**
- Saskatchewan **.5%**
- Manitoba **.5%**
- Ontario **34%**



TYPE

- Residential **100%**



RANK

- First **92%**
- Second **8%**

Share Capital & Growth

The growth in assets under management held by the country's leading MICs significantly outpaced that of conventional lenders in 2022. There has been a surge in well qualified borrowers in Canada that due to the increasing difficulty in qualifying with a traditional lender have turned to MICs like Three Point. As we see the stability return to the real estate market in 2023, while interest rates remain high, we are in an enviable position to accept new share capital and take advantage of these strong opportunities as they present themselves. As the year progresses and our dividend yield grows stronger, we expect to become increasingly more attractive than the current high rate GICs and the wild volatility in the stock markets.

In 2023 we are looking to actively grow our share capital base and as always, our preference is to grow our fund by working closely with those that have supported us over the years. We welcome the opportunity at Three Point Capital Wealth to continue to meet with your friends and family and we would be pleased to meet with your younger generations should they have interest.

Summary

Three Point's discipled approach to lending will continue to anchor the company's growth in 2023. High interest rates will hold for the balance of the year and the anticipated pause in rate increases by the Bank of Canada should provide added stability to the markets. As our dividend yield continues to rise with the turnover of lower rate mortgages within the portfolio, we expect to attract additional new share capital from the community that will contribute to modest portfolio growth during the year.