2024 Annual Review, President's Message & 2025 Vision Report

We are pleased to share with you the successes of 2024 and the vision for Three Point Capital in 2025. In 2024, Three Point Capital delivered its strongest annual return on investment since inception, increased the company's monthly distribution from an annualized 7.25% to 8.5%. Total loan losses were kept to $133,735 on two properties at year-end, with $56,000 of that amount since recovered this February through the legal process. We welcomed $22 million in new share capital from both existing and new investors and funded $140 million in new mortgages. Default and delinquency, while elevated over previous years, remained manageable and the company significantly exceeded its dividend target for the year by delivering 9.65%. The target yield for 2025 is 8.75-9%, representing an excellent opportunity to include Three Point Capital within your broader investment portfolio.

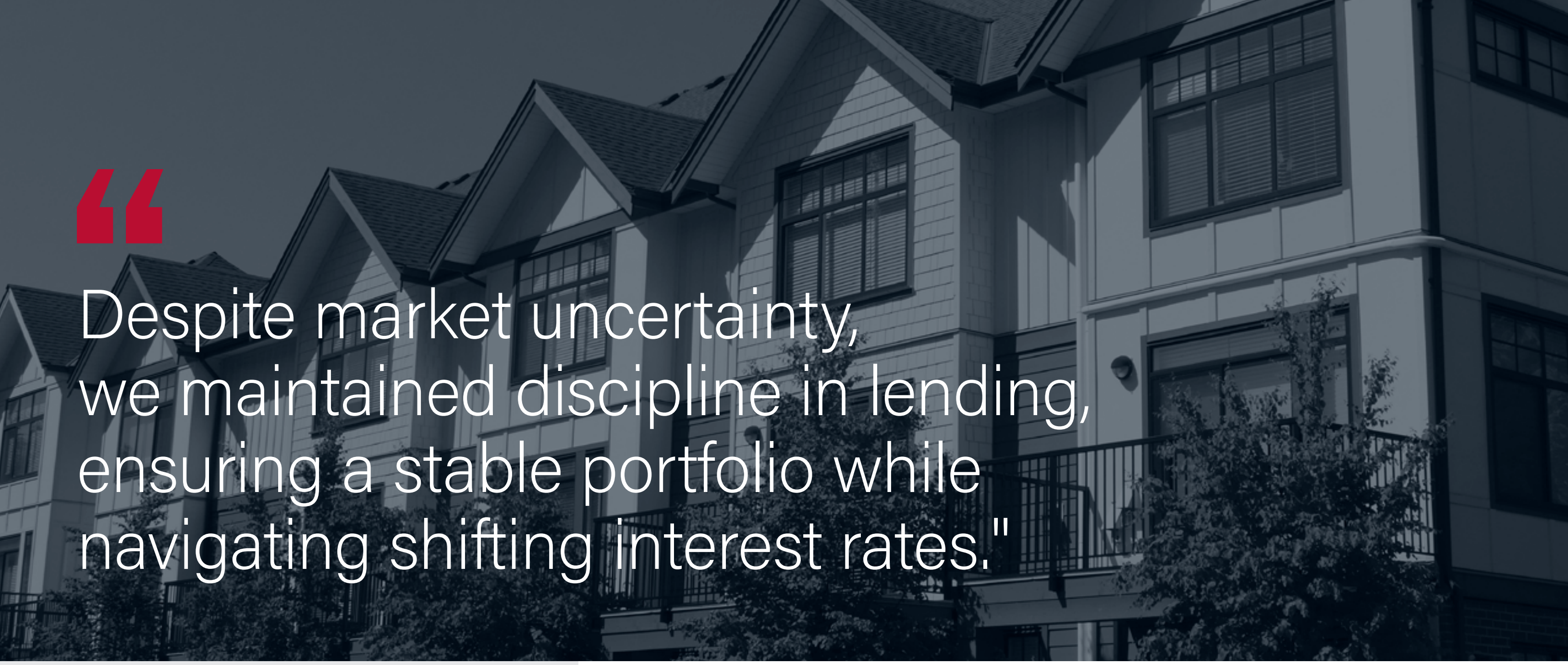
2024 in Review

In the first quarter of 2024 there were two Bank of Canada interest rate announcements and on both occasions, the Bank held its policy rate unchanged. Interest rates appeared to have peaked and then again held steady at the April announcement. In the first quarter of 2024 we funded a total of $29 million in new mortgages and received $23 million in mortgage payouts, resulting in a net increase in portfolio size of $6 million.

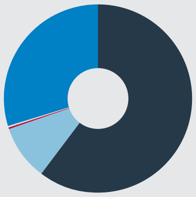
In the second quarter of 2024 we saw the Bank of Canada decrease their policy interest rate on June 5th by 0.25%. This was the bank's first rate cut since March 2020. New mortgage activity, while busier than Q1, remained slower than typical for the company due to a slower spring real estate market. In the second quarter of 2024 we funded a total of $41 million in new mortgages and received $33 million in mortgage payouts, resulting in a net increase in portfolio size of $8 million.

The health of the Canadian real estate market continued to occupy a great deal of our attention in the third quarter as we analyzed the impact of declining interest rates. As in previous years, the lack of housing supply continued to be the biggest driver in real estate stability in 2024 despite still elevated interest rates. In the third quarter of 2024 we funded a total of $34 million in new mortgages and received $44 million in mortgage payouts, resulting in a net decrease in portfolio size of $10 million. While the company does prefer to see steady consistent portfolio growth, the lack of high-quality mortgage opportunities during the quarter resulted in a significant volume of mortgage submissions being declined by our underwriters; this, coupled with a significant number of mortgage payouts during the quarter, resulted in a decrease in portfolio size.

There were two Bank of Canada interest rate announcements in Q4 and on both occasions, including the most recent announcement on January 29th, 2025 the Bank of Canada cut its policy interest rate by 0.5%, 0.5% and 0.25%, marking six consecutive rate cut since June 2024. Throughout the year we remained disciplined in our new lending. We did not expand our risk appetite to attract additional business as we were content to have our portfolio reduce in size during a year of real estate uncertainty. In the fourth quarter of 2024 we funded a total of

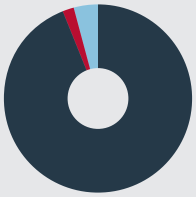


> Despite market uncertainty, we maintained discipline in lending, ensuring a stable portfolio while navigating shifting interest rates."



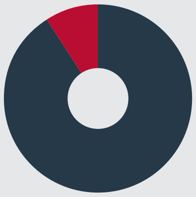
LOCATION

- British Columbia **60.3%**
- Alberta **9.5%**
- Saskatchewan **2%**
- Manitoba **.4%**
- Ontario **29.6%**



TYPE

- Residential Homes **94%**
- Residential Lots **2%**
- Residential Construction **4%**



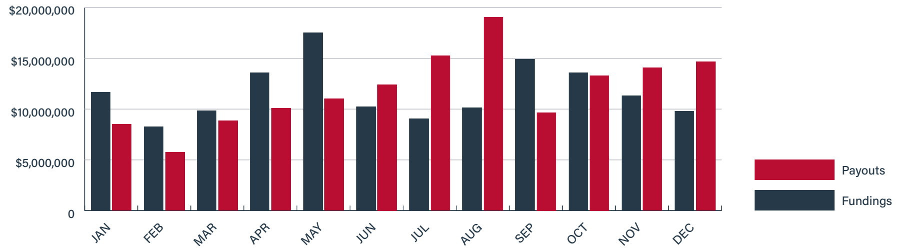
RANK

- First Mortgage **91%**
- Second Mortgage **9%**

$34 million in new mortgages and received $42 million in mortgage payouts, resulting in a net decrease in portfolio size of $8 million, ending the quarter, and the fiscal year, with a total portfolio of $198.9 million ($203 million at 2023 year-end). This was achieved while maintaining the weighted average loan-to-value ratio at 54.5%, the average mortgage size remained stable at $451,100 and we were able to increase the portfolio's average interest rate to 10.33%.

With respect to default and delinquency, 2024 saw an increase to the number of files that required our attention. While a slower real estate market has certainly added time to the resolution process, we feel confident that the over $1 million in reserves set aside in our allowance for doubtful accounts is adequate. At year-end, 97% of the portfolio was performing as expected with only 3% considered in some stage of default or delinquency. The policy of Three Point is, when a file is 35 days in arrears, if there is no agreed upon satisfactory workout plan, the mortgage is demanded and the legal process begins. The company's foreclosure files are progressing through the system. One file is in a forbearance agreement and 4 are in redemption periods. This part of the process allows the borrowers time to resolve before next steps in the legal process occur. If the files are not resolved by the expiry of these time periods, Three Point will apply for conduct of sale which is the right to sell the properties with court approval and be repaid out of sale proceeds.

FUNDINGS VS PAYOUTS



2025 Vision

As 2025 begins to take shape, two main topics have taken a "front seat" in our market outlook, declining interest rates and tariffs, with special attention to how they impact real estate and the security of our portfolio.

Market Outlook

Declining Interest Rates in Canada: Interest rates have been steadily declining in Canada since June of 2024 due to inflation being tamed, yet they again take center stage as a trade war develops. Typically, as a lender, we see declining interest rates leading to home ownership becoming more affordable and when viewed in the absence of tariff uncertainty, should have led to increased demand for homes, increased real estate activity and increased values. Lower interest rates ease financial pressures on borrowers and potentially lead to fewer instances of borrower default and delinquency. Lower interest rates stand to reduce the financial pressure put on borrowers and potentially curtail any widespread foreclosure activity or forced sales in the traditional mortgage sector. Lower interest rates have yet to produce the desired impact due to the threat, and now reality of tariffs.

Challenges do arise with declining interest rates, primarily on the investment side of our business and regardless of tariffs. Yield compression and investor sentiment become more prominent as interest rates drop. As interest rates decline, the return on our mortgage loans will also decrease. As we balance the need to be competitive with interest rates, while maintaining strong investor returns, we do see a potential for investment yield to gradually reduce along with market rates. We do, however, still expect Three Point Capital to remain an attractive opportunity when compared to traditional fixed income investments and especially when compared to the volatility currently seen in the stock market. Managing yield expectations will be key in 2025 and Three Point is well positioned to deliver a strong dividend while still contending with the current economic uncertainty.

Tariffs and Impact on Real Estate: With a trade war looming, we may certainly see the personal finances of many Canadians negatively impacted through layoffs, loss of income, job uncertainty and higher food costs. Of primary concern to Three Point is how these tariffs stand to impact the security of our portfolio. We prefer market stability, wild swings and high values don't lend well to disciplined lending and consistency in yield.

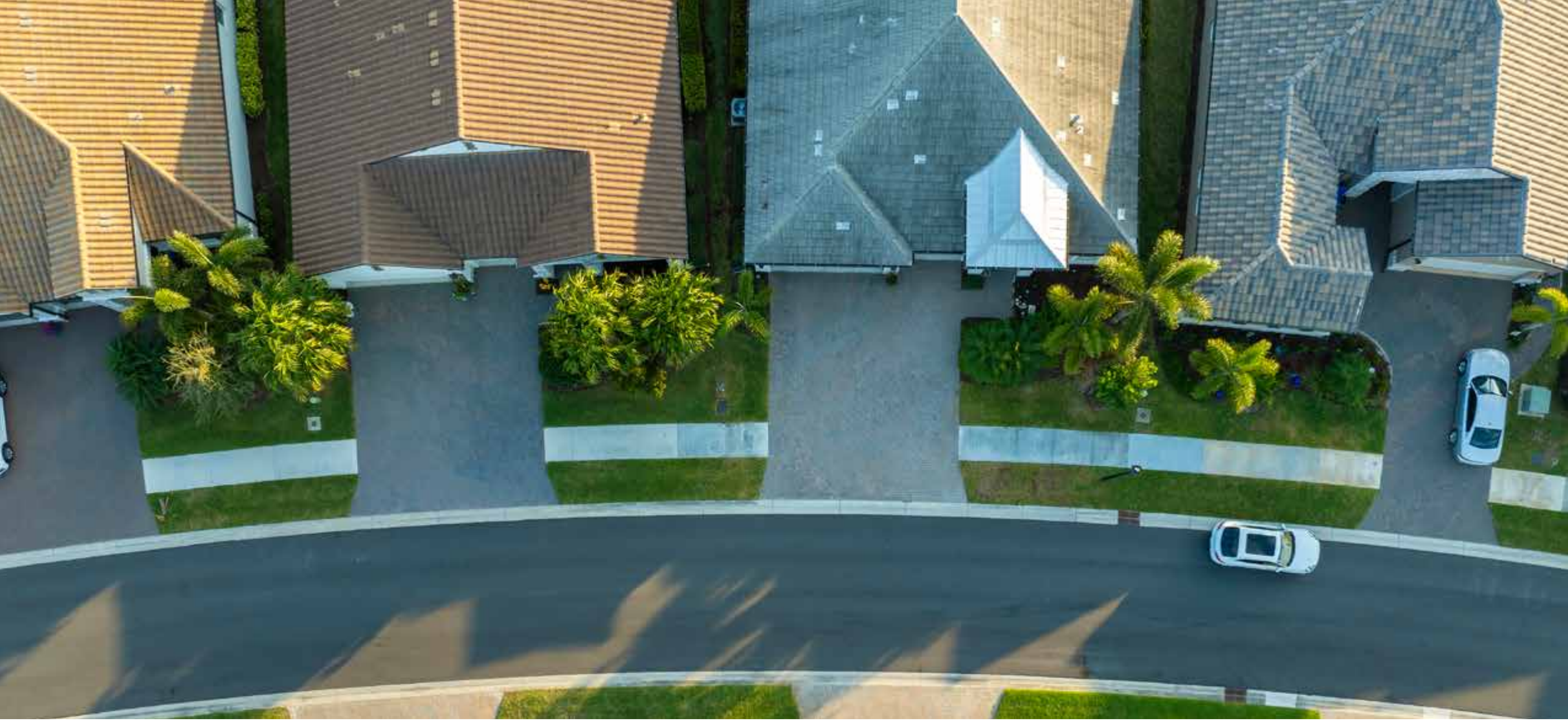
Housing values are largely controlled by three main levers, supply, interest rates and incomes, all of which stand to feel the impact of tariffs. As we continue to operate in this new economic landscape, we maintain a watchful eye to risk and exposure.

To the benefit of housing stability, Canada's shortage of supply remains a nation-wide issue. This shortage has no near, or even medium-term solution and should help support elevated housing values, or at minimum prevent a significant decline, even in the face of tariffs. Certain markets will feel the impact of tariffs more acutely, but a wide-spread market decline in housing values in is currently expected as supply constraints have not yet been adequately addressed.

The US and Canada applying tariffs on each other's products has already put downward pressure on mortgage rates and the Bank of Canada is now widely expected to further cut their policy rate again on March 12th. If a trade war flares up, even further rate reductions are expected. The Bank of Canada has three more chances to adjust rates in the first half of 2025 and cuts can be expected if a tariff battle pushes the country toward recession. Without a trade war, we could be at, or very near the bottom for rates already. With the Bank of Canada's continued reduction in policy rate, provided you are not negatively impacted with job loss or income insecurity, interest rates are no longer a barrier to entry in home ownership, a positive sign for real estate values and Three Point portfolio security.

This brings us to the final lever, income. Wage growth is slowing and would likely stall in a trade war. The threat of widespread layoffs is real and while industry specific, do stand to influence the housing market overall. Not everyone needs to lose their job for housing values to take a hit, certain markets we lend in have some of the most at-risk industries. While the real estate market may not feel immediate or direct effects from tariffs, the indirect consequences such as potential unemployment concerns can influence housing demand and real estate values market-wide. This is perhaps the most influential of the three levers in our analysis. The impact to employment and income will vary depending on the severity and duration of the tariffs, as well as government policies to counteract them, with certain industries disproportionately affected, but threat of unemployment will absolutely impact how mortgage lenders view new lending opportunities. Our mortgage underwriting has always prioritized employment and income and with the cloud of tariffs, this has now become paramount.

The impact of tariffs on the security of our portfolio will be carefully monitored and ultimately mitigated by Three Point's continued disciplined approach to underwriting. Our appetite for mortgage lending in Canada will vary by location, industry concentration and borrower job security. Tariffs will affect our lending practices, they will affect our overall comfort in certain markets, and they will affect how we view and consider the financial outlook of certain borrowers based on their sector of employment.



Investment Outlook: Three Point Capital MIC

With present market uncertainty, investing in a Mortgage Investment Corporation (MIC) such as Three Point Capital offers several potential benefits, particularly in a real estate market shaped by changing interest rates and evolving economic conditions.

We were pleased to receive a very favourable report from investment analyst firm Fundamental Research. While we continue to navigate elevated interest rates and challenging real estate markets across Canada, Three Point Capital earned an improved risk rating of 2 (improved from -2) and maintained its overall rating of 2, providing Three Point with the analyst's strongest rating on both risk and overall score (the scale is 1 - 5 with 1 being the highest available score).

Fundamental Research describes firms with a rating of 2 as "Very Good Return to Risk Ratio and Below Average Risk." We continue to be listed as a "top pick" by Fundamental Research. This full report can be found on our website www.threepointcapital.ca

Expanded Ways to Invest in Three Point Capital: We began exploring this avenue in 2024 and now expect 2025 will see the launch of Three Point Capital on the widely available FundServ platform, making Three Point Capital shares available to certain Financial Advisors that wish to include Three Point Capital in overall financial plans for their clients.

Once approved and launched, there will be 2 ways to invest in Three Point Capital. For BC and AB clients, as we have done for years, you can continue to work with related party Exempt Market Dealer (EMD), Three Point Capital Wealth Management Inc. which is owned and operated by individuals related to the Three Point Capital MIC investment.

Alternatively, with FundServ approval, if you prefer to incorporate your investment in Three Point Capital within a more fulsome financial plan and either already have a financial advisor or would like to inquire about working with a financial advisor that is independent from Three Point Capital, you can contact one of the financial firms that have approved the sale of Three Point Capital MIC shares and inquire about the services of one of their licensed Advisors. These Advisors do charge their clients additional fees for their expertise and service, but you stand to gain a more fulsome financial plan when working with an Advisor that has access to significantly more investment opportunities. Should you wish to receive an introduction to a preferred Financial Advisor, please contact us.

Outlook on Three Point Capital Dividend Yield: 2024 was an excellent year and our outlook for 2025, while clouded with a degree of uncertainty, is favourable. Our dividend target for 2024 was set at 9% and we were pleased to announce that we exceeded that target and delivered a return of 9.65%. The target for 2025 has been set at 8.75-9% with a current monthly distribution set at 8.5% annually, paid monthly. At the time of writing, the year-to-date yield for the company is 9.57%. While we do expect our dividend yield to remain elevated due to higher interest rates over the short-term, we need to remain mindful that we are currently in a declining interest rate environment with significant added uncertainty due to tariffs.

As interest rates continue to lower, over time, we should expect the yield to follow. Granted, this eventual reduction in dividend yield that will follow interest rate reductions may be slow to show in our return, it still warrants our attention as we set expectations for the next 1, 3 and 5 years.

Portfolio	
Total Portfolio Size	$198.9 million
Number of Mortgages	441
Average Mortgage Size	$451,100
Average Portfolio LTV	54.5%
Average Interest Rate	10.33%

Dividends	2025 Target	2024 Actual	2023 Actual	2022 Actual
Annual(1) (net of mgmt. fee)	8.75-9.0%	9.65%	8.13%	5.90%
Declared Monthly(2) (Annualized)	8.5%			
Target Top-Up	0.25-0.5%			

Liquidity*

Share redemptions are permitted monthly on the 1st of each month. Please provide notice of redemption request by the 15th of the preceding month.

* See Sec. 5.1 of the offering memorandum for full policy.

(1) Net dividend yield for past years is the audited return net of all expenses and fees incurred by Three Point. The actual rate of return earned by each investor may depend on the timing of the investor's transactions and how they elect to receive the monthly dividend distribution. Past performance is not indicative of future performance. Please read the Three Point offering memorandum for important information, including a description of the risks, before investing.

(2) Distributed monthly as yield / 365 x n
(where n = number of days in corresponding month)
(where yeild = current monthly distribution rate)

HOW TO INVEST

Three Point Capital Wealth Management (TPCWM), is a company related to Three Point, and launched in order to help investors learn about and invest in Three Point.

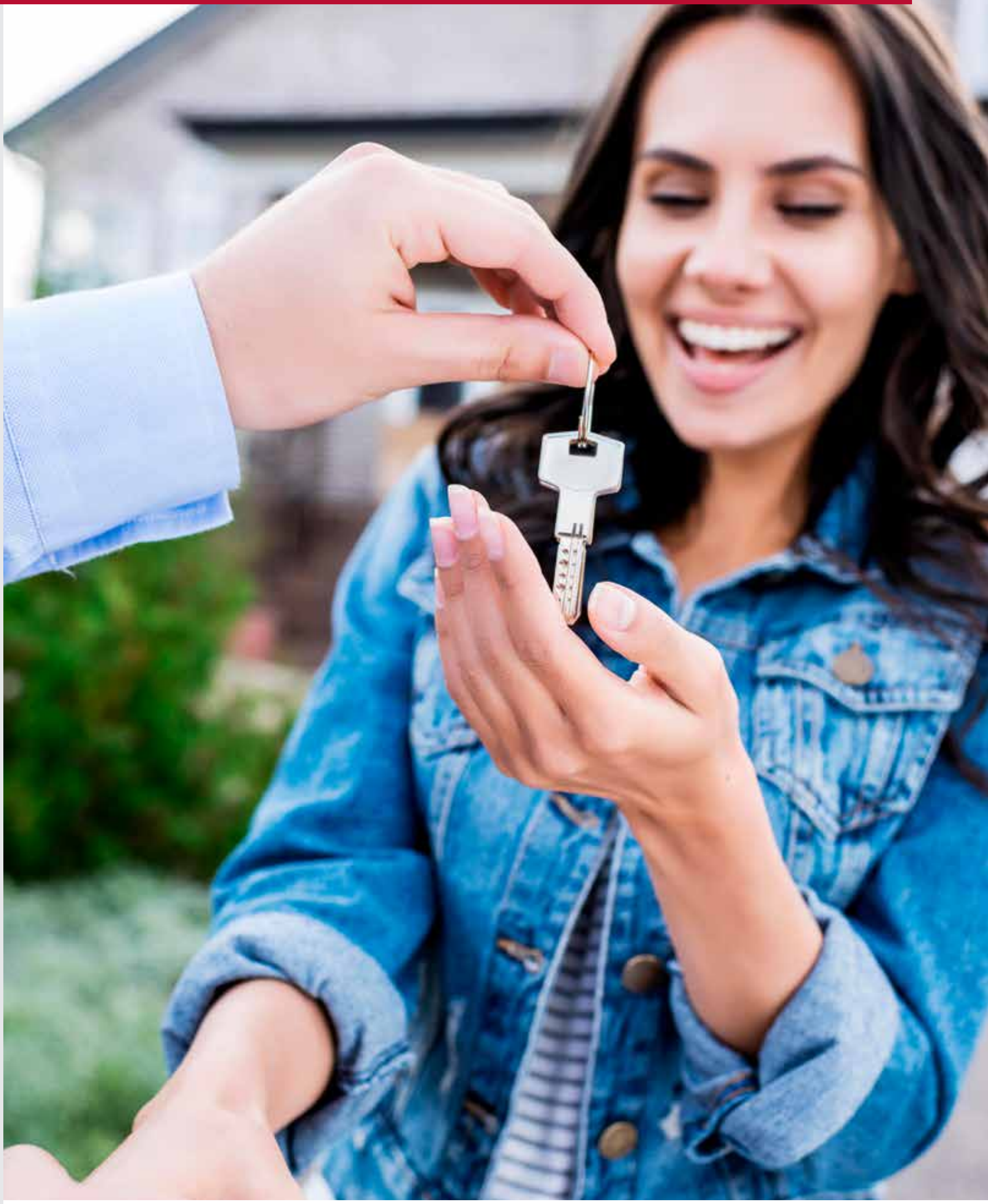
Registered as an exempt market dealer in BC and Alberta, TPCWM works with investors to determine if a new or additional investment in Three Point may be right for them.

Take a look at our website for more information on TPCWM and how to invest in Three Point. As always, we encourage you to read the Three Point offering memorandum for valuable information before considering an investment.

Learn more about Three Point investment opportunities:

1.800.979.2911
wealthsupport@threepointcapital.ca
www.threepointwealth.ca

threepoint CAPITAL WEALTH MANAGEMENT INC.



Summary

As we launch into the remainder of 2025, we are pleased to announce a new addition to the Three Point team. As of March 2025, Three Point will officially have on-the-ground representation in Ontario. Justin Theriault has joined us as Director, Broker Relations – Eastern Canada and will be directly responsible for representing Three Point Capital within the mortgage broker community in Ontario. With this addition we expect to see the portfolio benefit with consistent, stable, high quality mortgage growth that has shaped this company over the years. We expect the dividend yield to remain strong amid a declining rate environment and the real estate market to remain stable. We will be revisiting the monthly dividend distribution on a quarterly basis to ensure our monthly distribution is reflective of anticipated annual return. We are excited for the opportunities that 2025 is sure to bring and we are committed to laser focus as we navigate the impact of tariffs on the security of our portfolio. We have incorporated the potential risks into our disciplined approach to underwriting and we remain confident that whether you are borrowing or investing, Three Point Capital will do it's best to support you as we enter into this new economic landscape.