



TERRA
PROPERTY
TRUST

TERRA PROPERTY TRUST QUARTERLY INVESTOR CALL – Q3 2024
NOVEMBER 21, 2024

STRICTLY CONFIDENTIAL

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FORWARD-LOOKING STATEMENTS

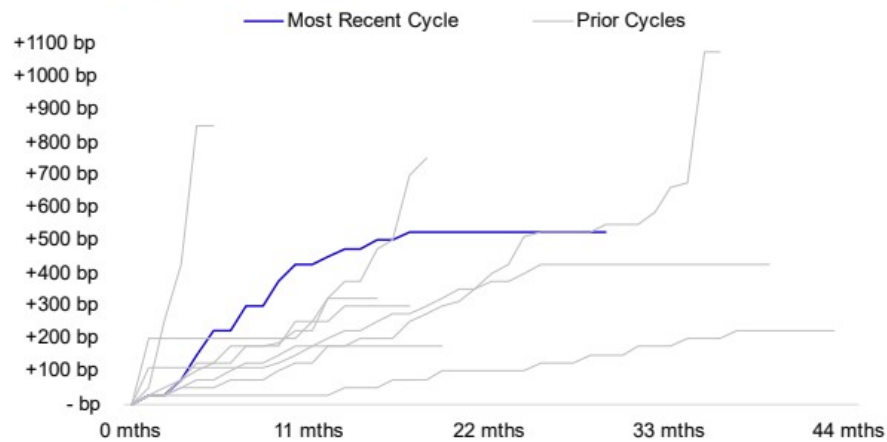
THIS PRESENTATION INCLUDES "FORWARD-LOOKING STATEMENTS," AS SUCH TERM IS DEFINED IN SECTION 27A OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SUCH STATEMENTS ARE INTENDED TO BE COVERED BY THE SAFE HARBORS PROVIDED BY THE SAME. THESE FORWARD-LOOKING STATEMENTS ARE BASED ON CURRENT ASSUMPTIONS, EXPECTATIONS AND BELIEFS OF TPT ARE SUBJECT TO A NUMBER OF TRENDS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DESCRIBED IN THE FORWARD-LOOKING STATEMENTS. TPT CANNOT GIVE ANY ASSURANCE THAT THESE FORWARD-LOOKING STATEMENTS WILL BE ACCURATE. THESE FORWARD-LOOKING STATEMENTS GENERALLY CAN BE IDENTIFIED BY USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY," "WILL," "TARGET," "SHOULD," "EXPECT," "ATTEMPT," "ANTICIPATE," "PROJECT," "ESTIMATE," "INTEND," "SEEK," "CONTINUE," OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. SIMILARLY, STATEMENTS HEREIN THAT DESCRIBE CERTAIN PLANS, EXPECTATIONS, GOALS, PROJECTIONS AND STATEMENTS, AND OTHER STATEMENTS OF MANAGEMENT'S BELIEFS, INTENTIONS OR GOALS ALSO ARE FORWARD-LOOKING STATEMENTS. IT IS UNCERTAIN WHETHER ANY OF THE EVENTS ANTICIPATED BY THE FORWARD-LOOKING STATEMENTS WILL TRANSPIRE OR OCCUR, OR IF ANY OF THEM DO, WHAT IMPACT THEY WILL HAVE ON TPT'S RESULTS OF OPERATIONS AND FINANCIAL CONDITION. THERE ARE A NUMBER OF RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND TPT'S CONTROL, THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE FORWARD-LOOKING STATEMENTS INCLUDED HEREIN, INCLUDING, BUT NOT LIMITED TO, THE ABILITY TO RETAIN KEY PERSONNEL; CONDITIONS IN THE MARKET FOR MORTGAGE-RELATED INVESTMENTS; AVAILABILITY OF SUITABLE INVESTMENT OPPORTUNITIES; CHANGES IN INTEREST RATES; CHANGES IN THE YIELD CURVE; CHANGES IN PREPAYMENT RATES; THE AVAILABILITY AND TERMS OF FINANCING; FUTURE LIQUIDITY, INCLUDING CASH FLOW, AND LIQUIDITY EVENTS; RISKS RELATED TO POTENTIAL STRATEGIC TRANSACTIONS, INCLUDING BUT NOT LIMITED TO UNCERTAINTIES REGARDING SUCCESSFUL COMPLETION AND INTEGRATION, AND REALIZATION OF ANTICIPATED BENEFITS FROM ANY SUCH TRANSACTIONS; GENERAL ECONOMIC CONDITIONS; MARKET CONDITIONS; INFLATIONARY PRESSURES ON THE CAPITAL MARKETS AND THE GENERAL ECONOMY; CONDITIONS IN THE MARKET FOR COMMERCIAL AND RESIDENTIAL LOANS, SECURITIES AND OTHER INVESTMENTS; LEGISLATIVE AND REGULATORY CHANGES THAT COULD ADVERSELY AFFECT THE BUSINESS OF TPT; RISKS RELATED TO THE ORIGINATION AND OWNERSHIP OF LOANS AND OTHER ASSETS, WHICH ARE TYPICALLY SHORT-TERM LOANS THAT ARE SUBJECT TO HIGHER INTEREST RATES, TRANSACTION COSTS AND UNCERTAINTY ON LOAN REPAYMENTS; RISKS RELATING TO ANY FUTURE IMPACT OF THE COVID-19 PANDEMIC, INCLUDING THE RESPONSES OF GOVERNMENTS AND INDUSTRIES, ON THE REAL ESTATE SECTOR; CREDIT RISKS; SERVICING-RELATED RISKS, INCLUDING THOSE ASSOCIATED WITH FORECLOSURE AND LIQUIDATION; THE STATE OF THE U.S. AND TO A LESSEER EXTENT, INTERNATIONAL ECONOMY GENERALLY OR IN SPECIFIC GEOGRAPHIC REGIONS; THE GENERAL VOLATILITY OF THE SECURITIES MARKETS IN WHICH TPT PARTICIPATES; TPT'S ABILITY TO MAINTAIN ITS QUALIFICATION AS A REAL ESTATE INVESTMENT TRUST FOR U.S. FEDERAL INCOME TAX PURPOSES; AND TPT'S ABILITY TO MAINTAIN ITS EXEMPTION FROM REGISTRATION UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED. ALL SUCH FACTORS ARE DIFFICULT TO PREDICT, INCLUDING THOSE RISKS SET FORTH IN TPT'S ANNUAL REPORTS ON FORM 10-K, QUARTERLY REPORTS ON FORM 10-Q, AND CURRENT REPORTS ON FORM 8-K THAT ARE AVAILABLE ON TPT'S WEBSITE AT [HTTP://WWW.TERRAPROPERTYTRUST.COM](http://www.terrapropertytrust.com) AND ON THE SEC'S WEBSITE AT [HTTP://WWW.SEC.GOV](http://www.sec.gov). THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS PRESENTATION ARE MADE ONLY AS OF THE DATE HEREOF. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS THAT SPEAK ONLY AS OF THE DATE HEREOF. TPT DOES NOT UNDERTAKE ANY OBLIGATION TO UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT SUBSEQUENT EVENTS OR CIRCUMSTANCES, EXCEPT AS REQUIRED BY APPLICABLE LAW.

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MARKET OVERVIEW

- One of steepest and longest Fed tightening cycles in history has depressed CRE transaction activity
- US Treasury near pre-cut levels as budget deficit grows and uncertainty remains after election
- Cap rates expanded, but spread over Treasury remains tight

FED TIGHTENING CYCLES



Source: Federal Reserve

US TREASURY VS. CAP RATES

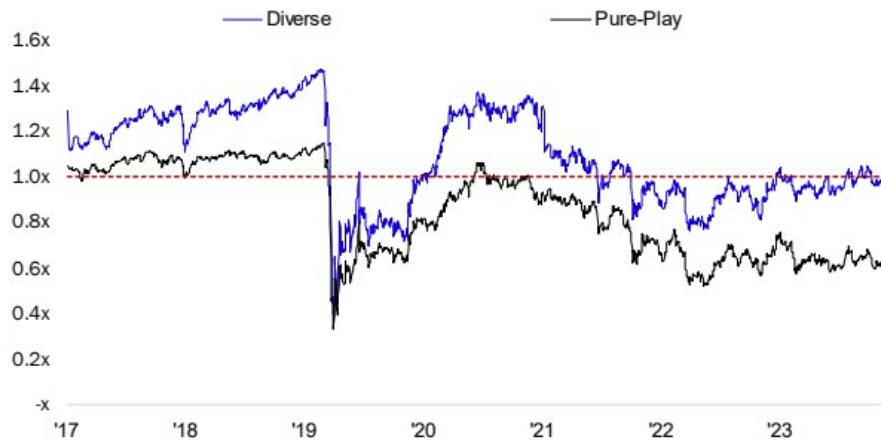


Source: US Treasury, Green Street Advisors; cap rate is nominal equal weighted for all property types

MARKET OVERVIEW

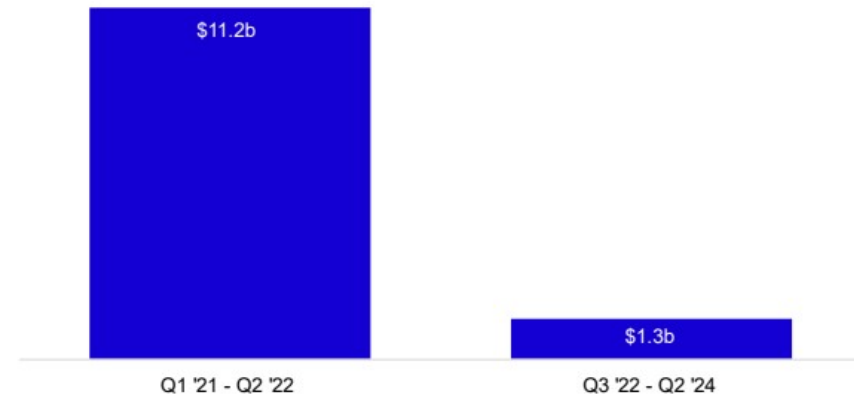
- MREITs remain in defensive mode as they can't raise capital accretively, remain in protracted workouts, increase reserves, and cut dividends

CMREIT P / BV



Source: Bloomberg; distinction based on diversity of investment portfolio securities: Diverse includes STWD, LADR; Pure-Play includes ARI, BXMT, CMTG, GPMT, KREF

MREIT AVG QUARTERLY ORIGINATIONS



Source: CRE News; sample set includes ACRE, ACRES, ARI, BRSP, BXMT, FBSP, GPMT, KREF, STWD, TRTX

COMPANY OVERVIEW



HISTORY

- Terra Property Trust, Inc. (and, together with its consolidated subsidiaries, “Terra Property Trust” or “TPT”) is a real estate investment trust (“REIT”) that originates, invests in and manages a diverse portfolio of real estate and real estate-related assets.
- Terra Property Trust commenced operations on January 1, 2016, following its creation in connection with the merger of the predecessor private Reg D Terra Secured Income Funds.
- In June 2021, Terra Property Trust issued \$85.1 million in aggregate principal amount of its 6.00% senior notes due June 2026
- On October 1, 2022, Terra Income Fund 6, Inc. (“Terra BDC”) merged with and into TPT, adding \$70+MM of additional equity to TPT. In connection with this merger, TPT assumed \$38.4 million in aggregate principal of 7.00% senior notes due March 2026
- As an SEC-registered fund, Terra/Mavik is restricted under Reg F-D in what can be communicated outside of the SEC filings and public statements

COMPANY OVERVIEW (CONTINUED)

STRATEGY

- Terra Property Trust originates, invests in and manages a diverse portfolio of real estate and real estate-related assets.
- TPT aims to direct source investments
- We focus primarily on commercial real estate credit investments, with the following characteristics:

Loan Size	\$10MM to \$50MM
Structure	First mortgage loans, subordinated loans (including B-notes, mezzanine and preferred equity) and credit facilities
Property Type	Commercial
Geography	United States
Duration	2 to 5 years

COMPANY OVERVIEW (CONTINUED)



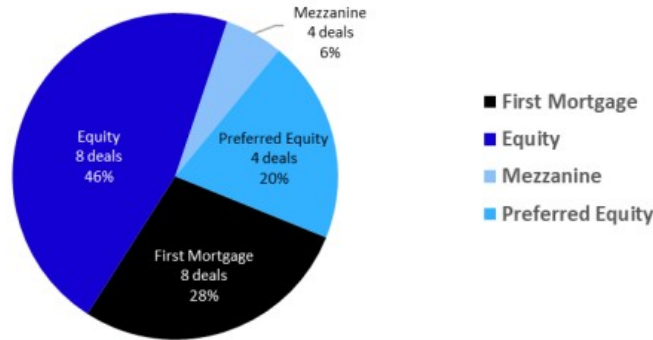
HIGHLIGHTS

- From inception through September 30, 2024, Terra Property Trust has made 105 consecutive monthly distributions
- Total value of cumulative distributions is approximately 75% of aggregate contributed capital
- Low leverage – Debt to Equity of 1.5x
- Avg cost of debt 7.6% (down approx. 50 bps as compared to June 30, 2024) vs Avg (gross) loan portfolio yield of 13.06% (relatively unchanged as compared to June 30, 2024)

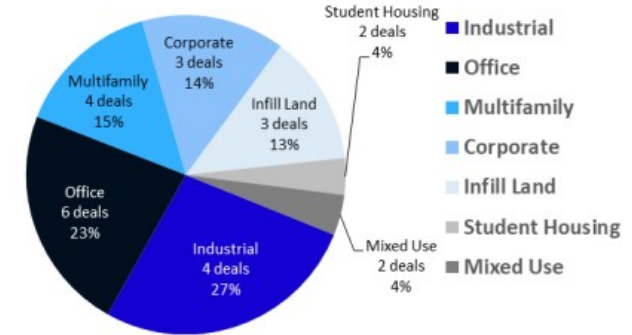
TERRA PROPERTY TRUST PORTFOLIO

- As of September 30, 2024, TPT has a portfolio of 24 assets with the following diversification characteristics:

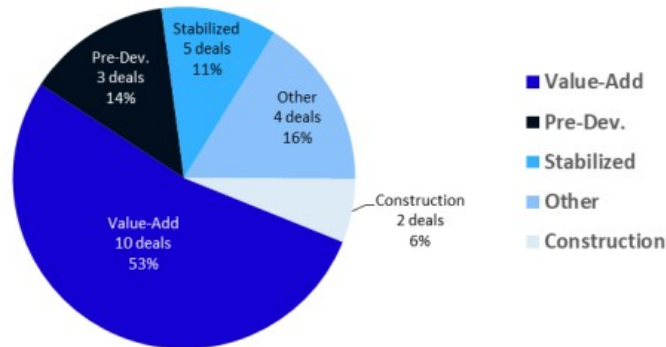
TPT PORTFOLIO BY INVESTMENT STRUCTURE



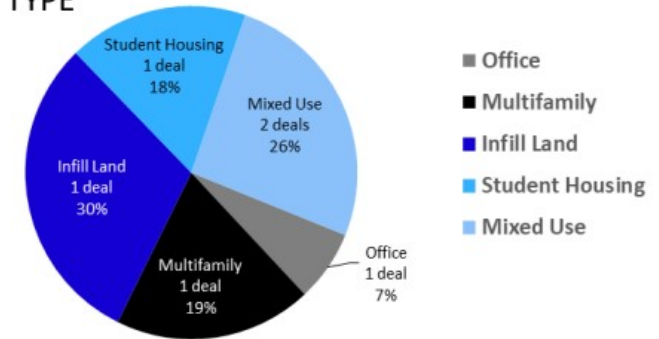
TPT PORTFOLIO BY PROPERTY TYPE



TPT PORTFOLIO BY INVESTMENT PROFILE



TPT PORTFOLIO – MATURITIES OVER NEXT 12 MONTHS BY PROPERTY TYPE



TERRA PROPERTY TRUST PORTFOLIO (CONTINUED)



As of September 30, 2024:

Weighted average interest rate
across the portfolio is:
13.1% gross
15.0% net of leverage

Avg remaining term ~12 months

\$297MM of \$313M our loan
portfolio (or 95%)
is floating rate

Leverage ratio at 1.5

Non-performing loans decreased in
Q3 to 4 from 6. As compared to
12/31/2023, the related CECL
reserve on NPLs decreased by
\$23MM to \$32MM

RESULTS OF OPERATIONS – Q3 2024



GAAP Net loss of \$7.8MM or
\$0.32/share
(basic and fully diluted).

The loss was driven primarily by
reductions in interest income as a result
of non-performing loans, as well as non-
cash charges (\$5.6MM loss on loan
repayment).

Depreciation and Amortization
(including unconsolidated
investments)
of \$2.3MM or \$0.095/share

Maintained our Distribution.
Paid (monthly) cash dividend of
\$0.19/share in Q3 2024

CECL reserve reversal of \$0.7MM or
\$0.03/share

LIQUIDITY CONSIDERATIONS



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- As discussed in both public filings and investor letters:
 - TPT voluntarily registered its common stock with the SEC, in part to provide its investors with enhanced visibility and transparency and to improve TPT's ability to efficiently pursue an IPO, direct listing or other potential transactions that would provide liquidity to its stockholders
 - In 2022, TPT acquired via merger Terra Income Fund 6, to enhance TPT's diversification and scale, thereby creating more favorable conditions for a successful IPO or direct listing
 - In June 2023, TPT entered into a merger agreement with Western Asset Mortgage Capital Corporation ("WMC"). In August 2023, WMC terminated the merger agreement to pursue what the WMC board of directors deemed a superior unsolicited acquisition proposal from Angelo Gordon sponsored AG Mortgage Investment Trust, Inc.
 - Potential future liquidity transactions include:
 - Direct listing of TPT
 - IPO
 - Strategic transactions to add scale and/or pursue a direct listing (e.g., WMC type merger)
 - Converting TPT into a traditional "non-traded REIT," including the adoption of a share repurchase plan

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