



Firm Capital Mortgage Investment Corporation

INVESTOR PRESENTATION - Q4 2020

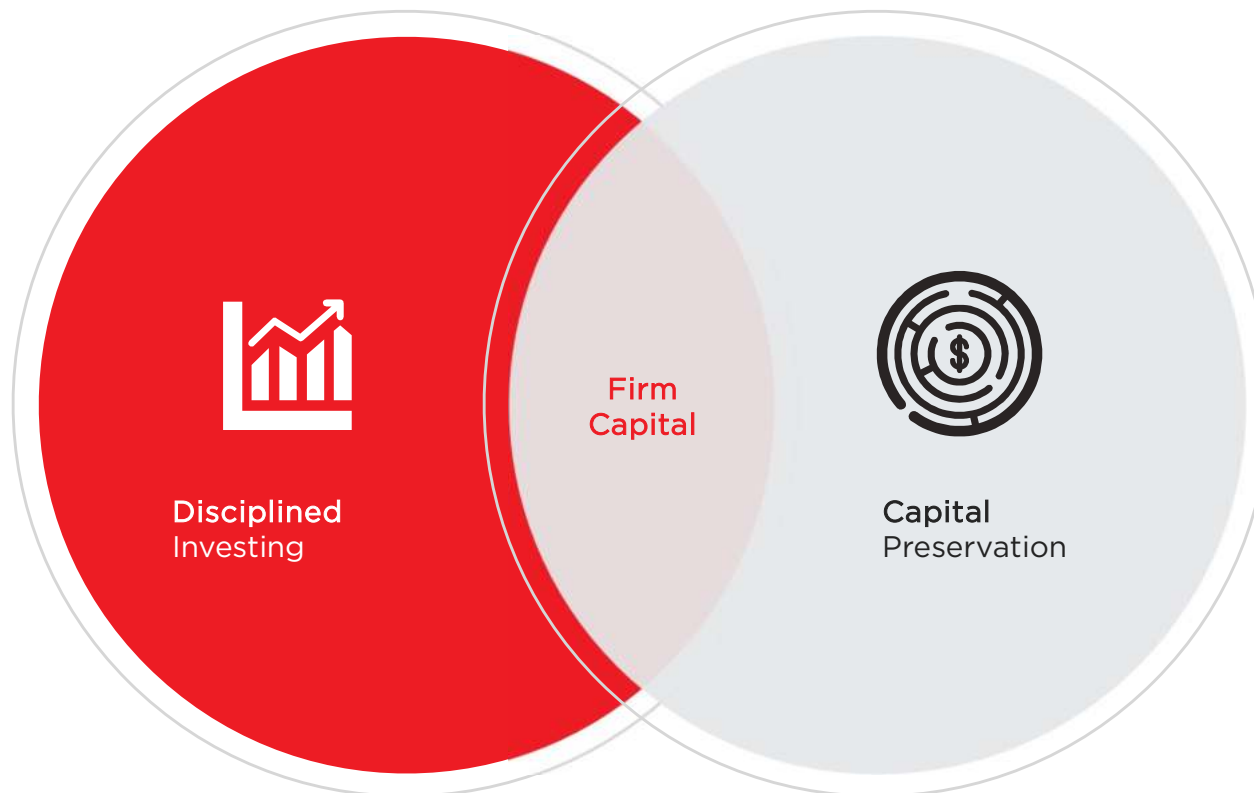
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Introduction

Firm Capital with approximately \$3.6 Billion of assets under management, operates as a boutique real estate and financial services equity investment company deploying capital opportunistically between debt and equity in the real estate private and public markets across Canada and parts of the U.S.

Operating in the same industry for over **32 years**



Since inception in 1988,

Firm Capital has established an exceptional track record demonstrated by past performance and prides itself on its risk management abilities to protect and preserve capital, while acting as a disciplined investor.

PROFICIENT SERVICES PROVIDED BY FIRM CAPITAL:

- Mortgage Lender
- Principal Investor
- Capital Partner
- Activist and Innovative Investor
- Property and Asset Manager

Firm Capital Advantage

Investing Integrity

EXPERIENCE MATTERS

Experienced team managing debt and real estate throughout a real estate cycle

30+ year track record with combined of over 100 years industry experience

DIRECT INVESTMENTS

Strong alignment of interest through direct investment in assets by management team and board members

PUBLIC ENTITIES

Public entities provide transparency, safety & liquidity and are governed by rigid investment & operating policies



DISCIPLINED INVESTING

Disciplined investing focused on capital preservation & consistent returns

PROVEN TRACK RECORD

Long term track record creating value with attractive yields for investors

Investment Highlights

| | |
|--|---|
| <p>Underlying Assets</p> | <ul style="list-style-type: none"> • Portfolio comprised of 183 syndicated mortgage loans |
| <p>Alignment of Interests</p> | <ul style="list-style-type: none"> • Management Team & Board Members co-invested \$66M alongside investors as at December 31, 2020 • Approximately 657,919 shares held by Directors & Officers as at December 31, 2020 • 25% pari-passu investment in all non-conventional mortgages |
| <p>Strategic Portfolio Diversification</p> | <ul style="list-style-type: none"> • Strategically diversified by geography (mainly in Southern Ontario), mortgage type (mainly conventional first mortgages not exceeding 75% LTV), loan amount (majority less than \$2.5M), and by property type (mainly residential construction & land) |
| <p>Compelling Investment Metrics & Fundamental Growth</p> | <ul style="list-style-type: none"> • Monthly distributions of \$0.078/Share plus additional “top up” dividend at year-end • A \$100 investment in Common Shares in October 6, 1999, assuming reinvested dividends, would be worth \$903 as of March 31, 2021 (as opposed to \$460 if invested in S&P/TSX Composite Index) • Loaned more than \$10.8 Billion from 2000-2021 YTD |
| <p>Disciplined Philosophy</p> | <ul style="list-style-type: none"> • Conservative underwriting philosophy & default recovery program (no loan losses since inception) • Have Impairment Allowance (Loan Loss Reserve) in place to soften effects of possible losses • Short-term lending (73% maturing by Dec. 31/21 & additional 23.5% maturing by Dec. 31/22) • Performance driven compensation to Investment Manager (not on cash or non-performing loans) |
| <p>Traded on TSX (as at March 31, 2021)</p> | <ul style="list-style-type: none"> • TSX: FC • CAD\$14.05/Share • Market Capitalization CAD\$433.6 Million • Shares Issued 30,858,555 • TTM yield of 6.7% (includes “top-up” dividend at year end Dec. 31/20) |

Aligned Management Interests

Performance Based Compensation

- FCMIC Manager receives 0.75% per annum on performing investments (not cash balances)
- Mortgage Banker receives 0.1% per annum loan servicing fee on performing investments
- No payment on work outs for any defaulted loans
- Commitment fee income is shared
- Mortgage Banker receives 75% of the commitment & renewal fees and 25% of the special profit income generated from the non-conventional investments after the Corporation has yielded a 10% per annum return on its investments

Substantial Personal Investment

- Management, directors and/or their respective associates maintain 25% pari-passu investment in all non-conventional mortgages
- Management and directors are co-investors in most investments

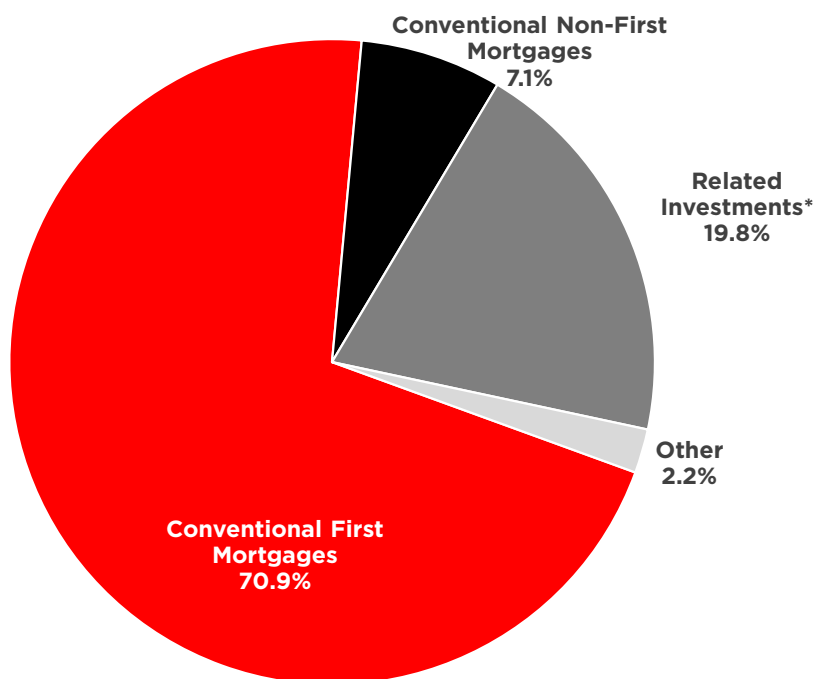
No acquisition or disposition fees charged!

Conservative Lending Approach

Date: 2020/Q4 – December 31, 2020

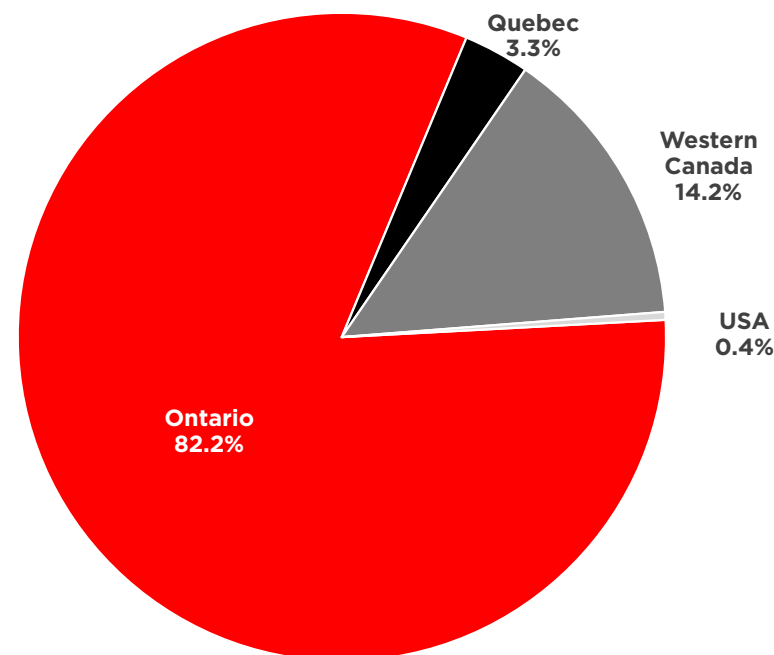
- 70.9% conventional first mortgages
- Experienced borrowers in proven markets
- Conservative lending guidelines restricting investment exposure on loan size and related borrower groups

Investment Portfolio



**The Related Investments category is a basket of investments (i.e. Debenture Loans, etc.) that are all participating in debt investments to a variety of third-party borrowers. Such debt investments are not secured by mortgage charges, and instead have other forms of security or recourse, and could include profit sharing.*

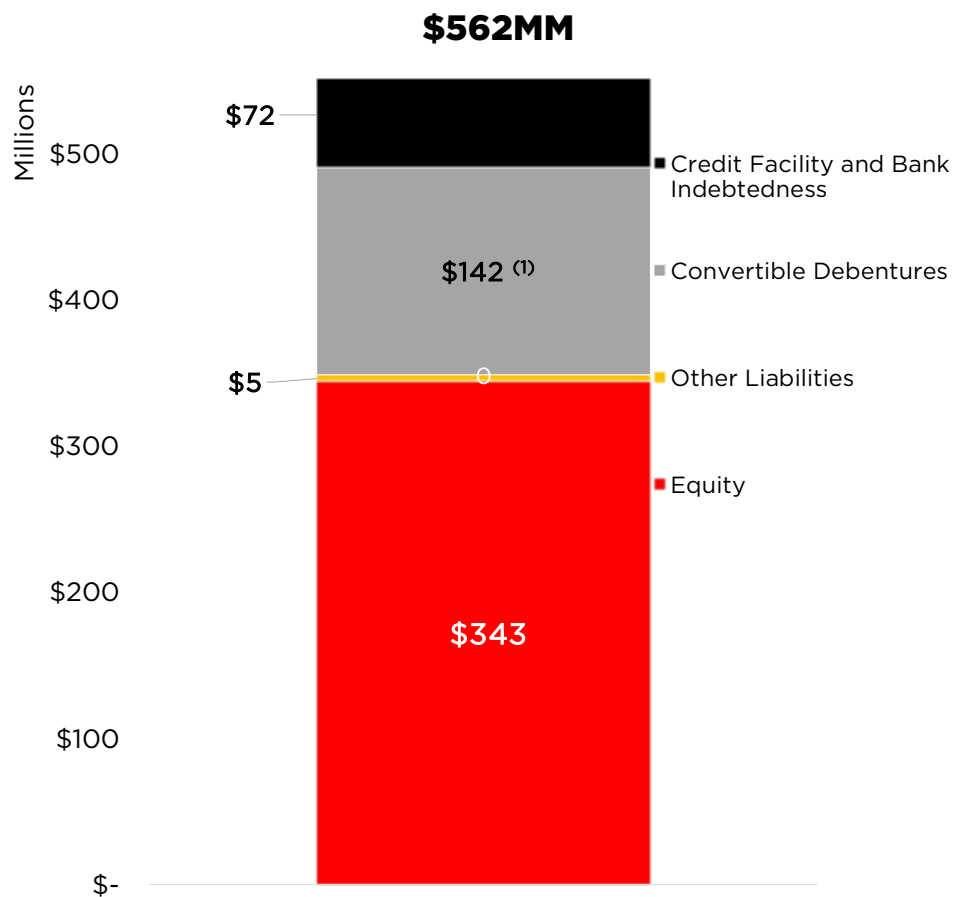
Geographic Diversification**



***Excluding Related Investments*

Capital Stack (in \$MM)

Current Capital Stack Q4/2020



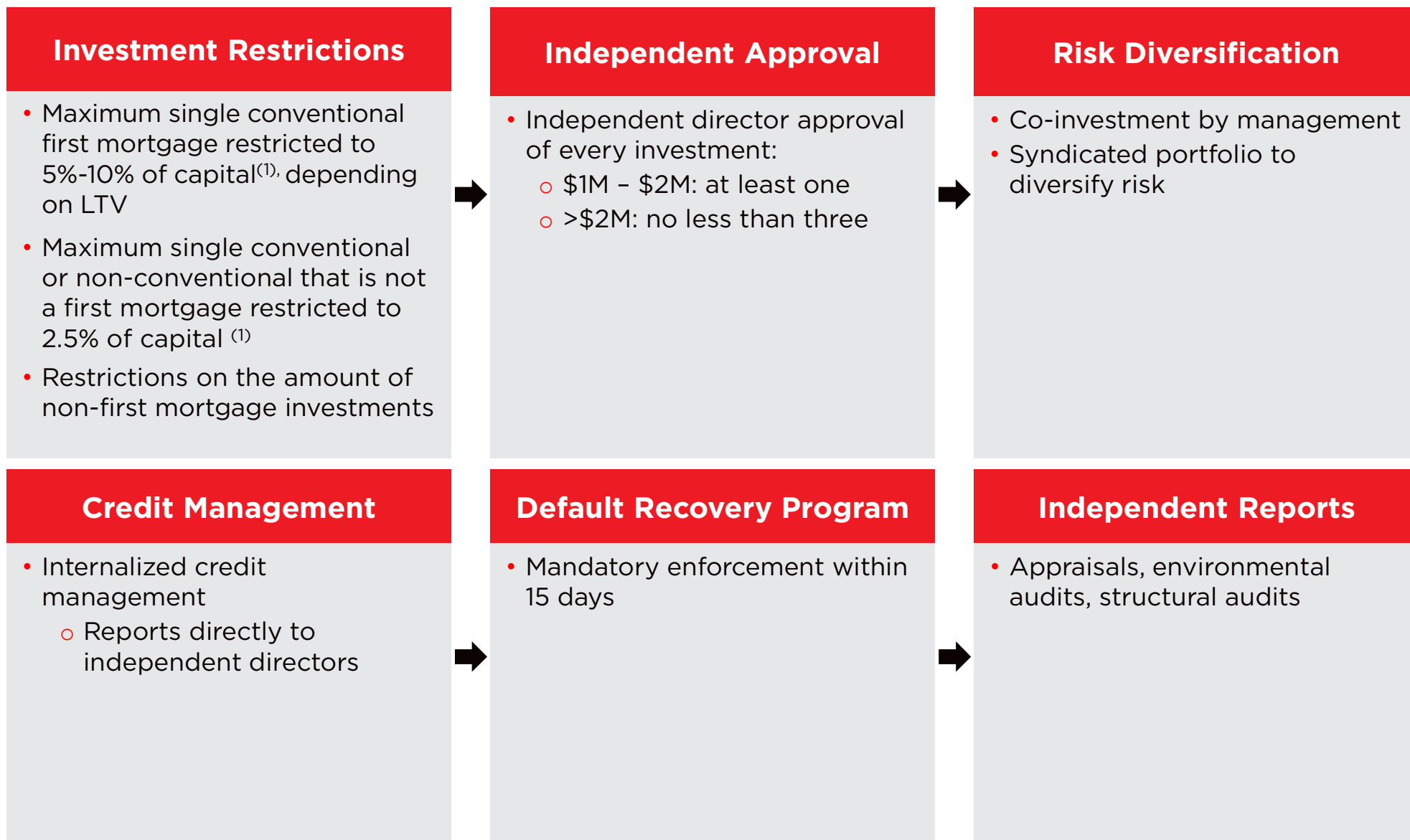
(1) At par value

Convertible Debentures Q4/2020⁽¹⁾



Total: \$141.6M

Rigid Operating Standards



Note: (1) Capital is based on total paid up Shareholder's Equity and Convertible Debentures

2020/Q4 Financial Highlights

| | Quarter Ended Dec. 31, 2020 | Quarter Ended Sept. 30, 2020 | Quarter Ended Jun. 30, 2020 | Quarter Ended Mar. 31, 2020 |
|--|--------------------------------|---------------------------------|--------------------------------|--------------------------------|
| Mortgage Portfolio (millions)⁽¹⁾ | \$559 | \$507 | \$523 | \$521 |
| Basic Profit Per Share | \$0.249 | \$0.207 | \$0.239 | \$0.218 |
| Dividends Per Share | \$0.242 | \$0.234 | \$0.234 | \$0.234 |
| Return on Equity | 8.77% | 7.44% | 8.40% | 7.88% |
| Loan Losses | None | None | None | None |

(1) Gross of impairment provision

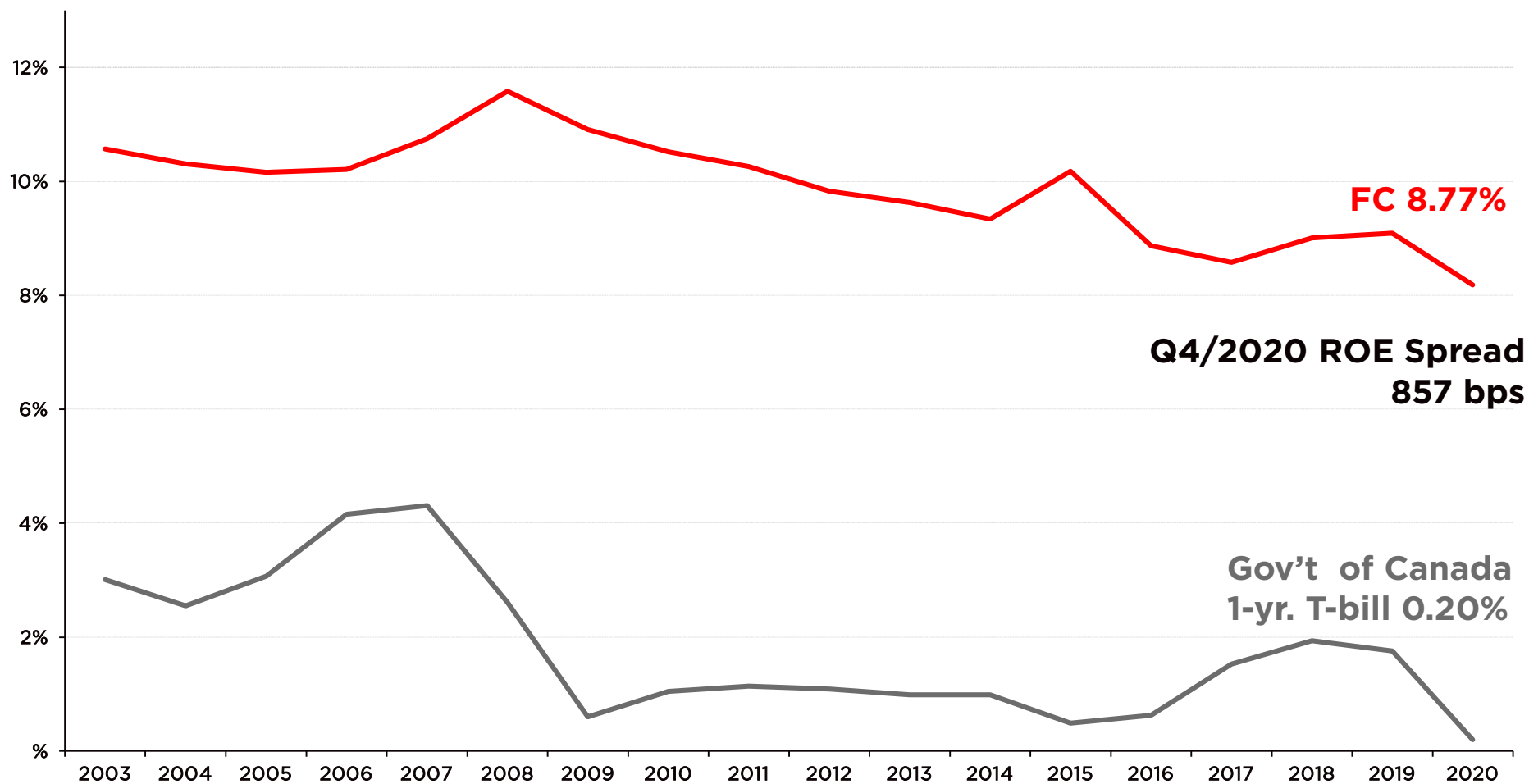
2020/Q4 Results of Operations

| (\$ in millions) | Quarter Ended Dec. 31, 2020 | Quarter Ended Sept. 30, 2020 | Quarter Ended Jun. 30, 2020 | Quarter Ended Mar. 31, 2020 |
|--|--------------------------------|---------------------------------|--------------------------------|--------------------------------|
| Interest and Fees Earned | \$11.72 | \$10.69 | \$11.21 | \$10.55 |
| Interest and Operating Expenses | \$4.40 | \$4.76 | \$4.34 | \$4.31 |
| Profit | \$7.32 | \$5.93⁽¹⁾ | \$6.87 | \$6.24 |
| Dividends to Shareholders | \$7.30 | \$6.72 | \$6.72 | \$6.70 |
| Impairment allowance | \$5.61⁽²⁾ | \$5.58 | \$5.53 | \$5.51 |

(1) Excluding the non-recurring, non-cash share-based compensation expense of \$0.9 million recorded in the third quarter, adjusted income for the three months ended Sept. 30/20 was \$6.8 million.

(2) Impairment allowance of \$5.61 million for Dec. 31/20 do not include allowance for credit losses of \$1.27 million.

Annualized Return on Shareholders' Equity



Stable Cash Dividends

- Steady 7.8¢ dividend
- In addition, spend “top up” dividend at year end

2016
TOTAL: \$0.966

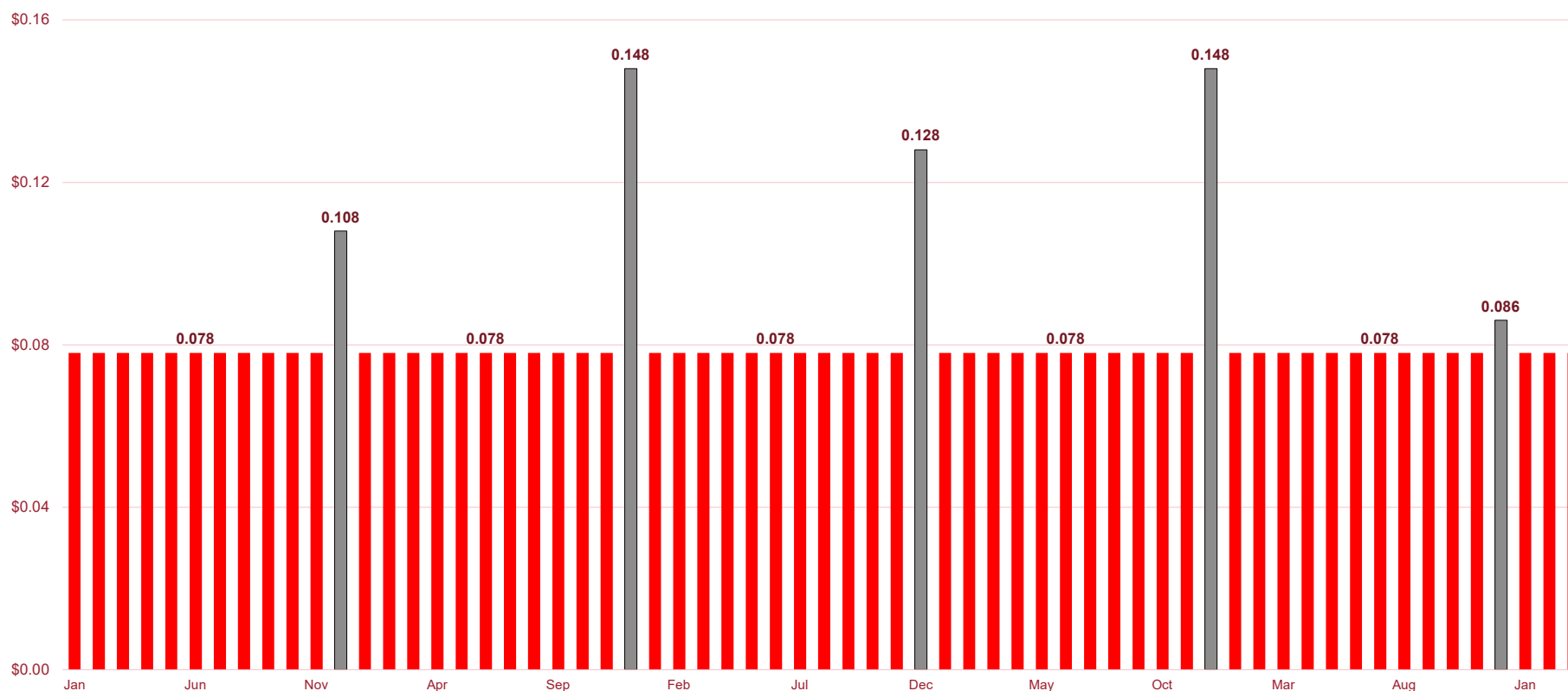
2017
TOTAL: \$1.006

2018
TOTAL: \$0.986

2019
TOTAL: \$1.006

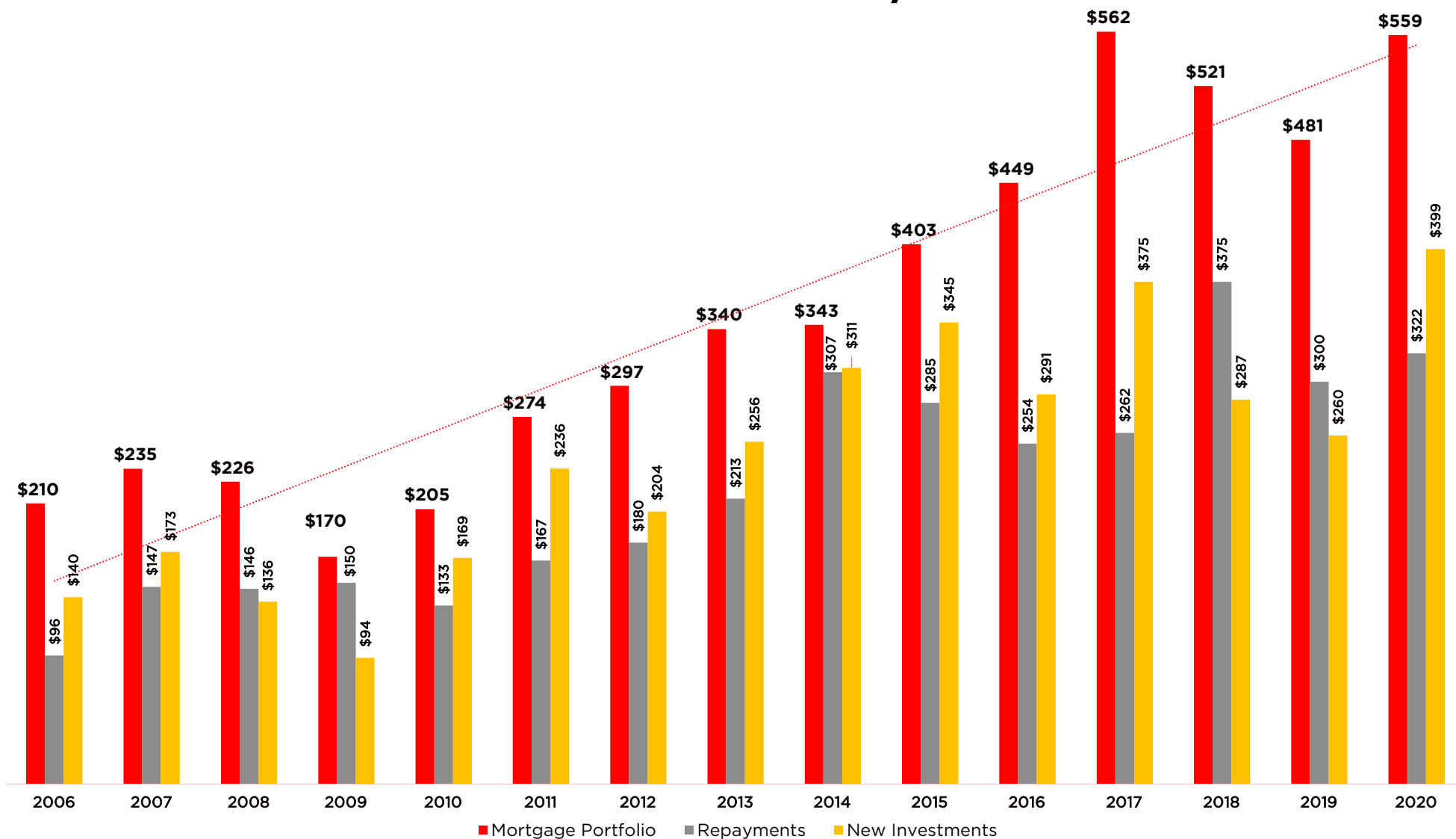
2020
TOTAL: \$0.944

YTD Mar. 2021
TOTAL: \$0.234



Increasing Mortgage Portfolio (in \$MM)

183 Investments in Q4/2020

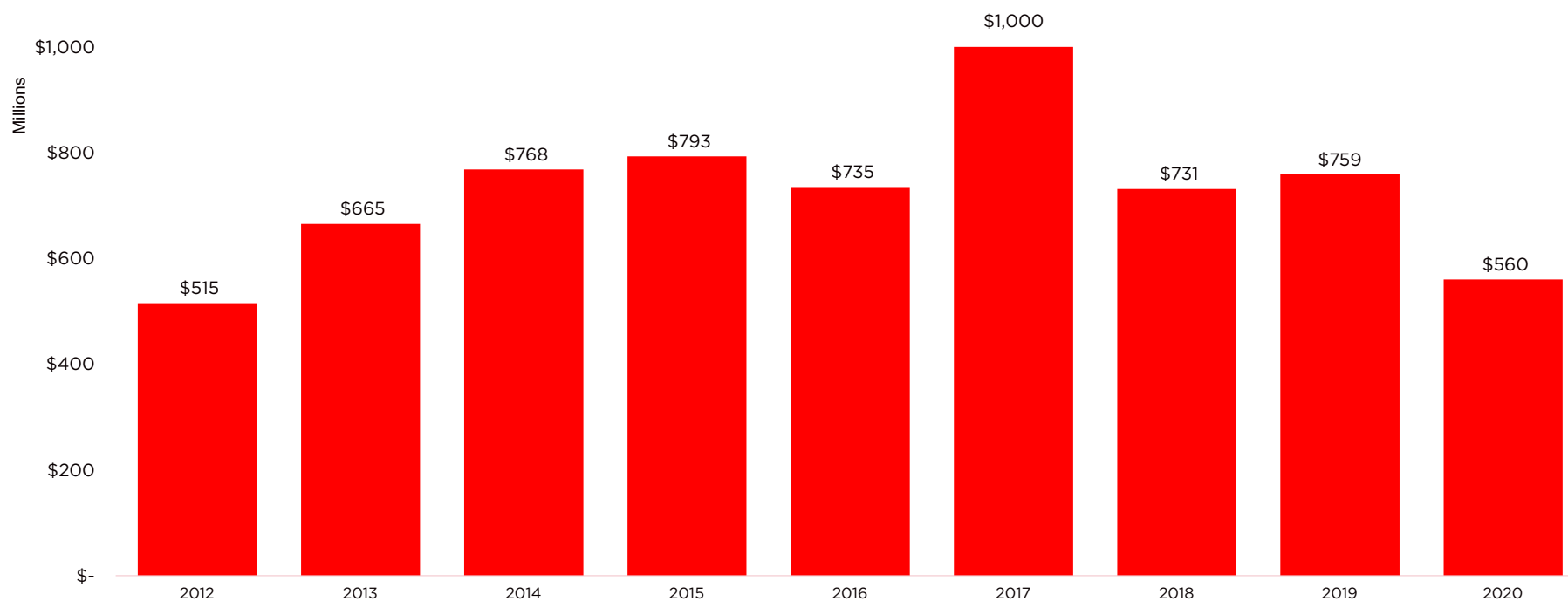


Deal Flow

Significant Origination Capability

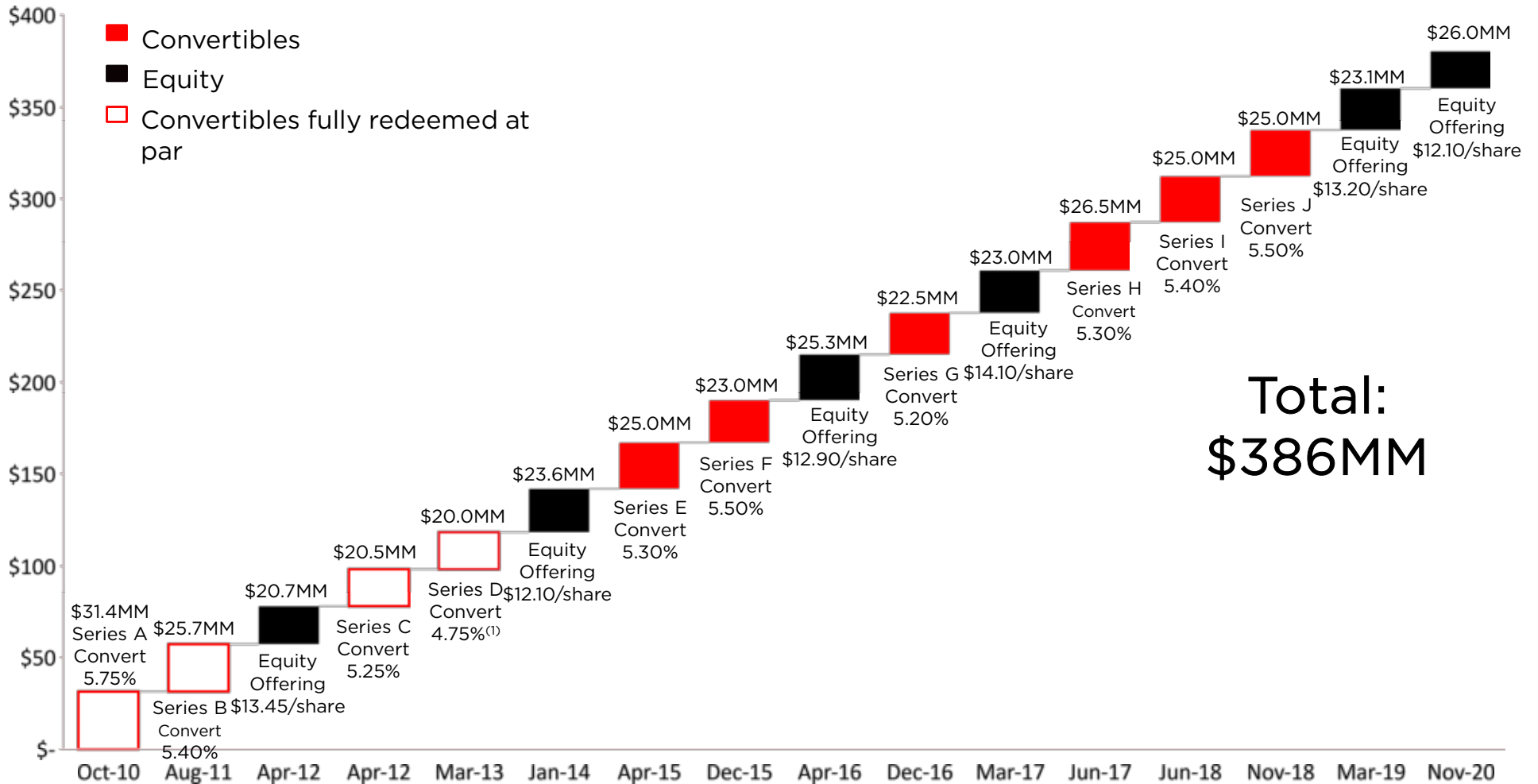
- 30 year track record of mortgage origination
- The mortgage bank experience and strong partners provide steady deal flow with excellent risk mitigation
- Co-investing with knowledgeable real estate partners

Transaction Volume (in \$MM): 2012 – Q4/2020



Accessing The Capital Markets

Accessed the capital market **sixteen** times since October 2010

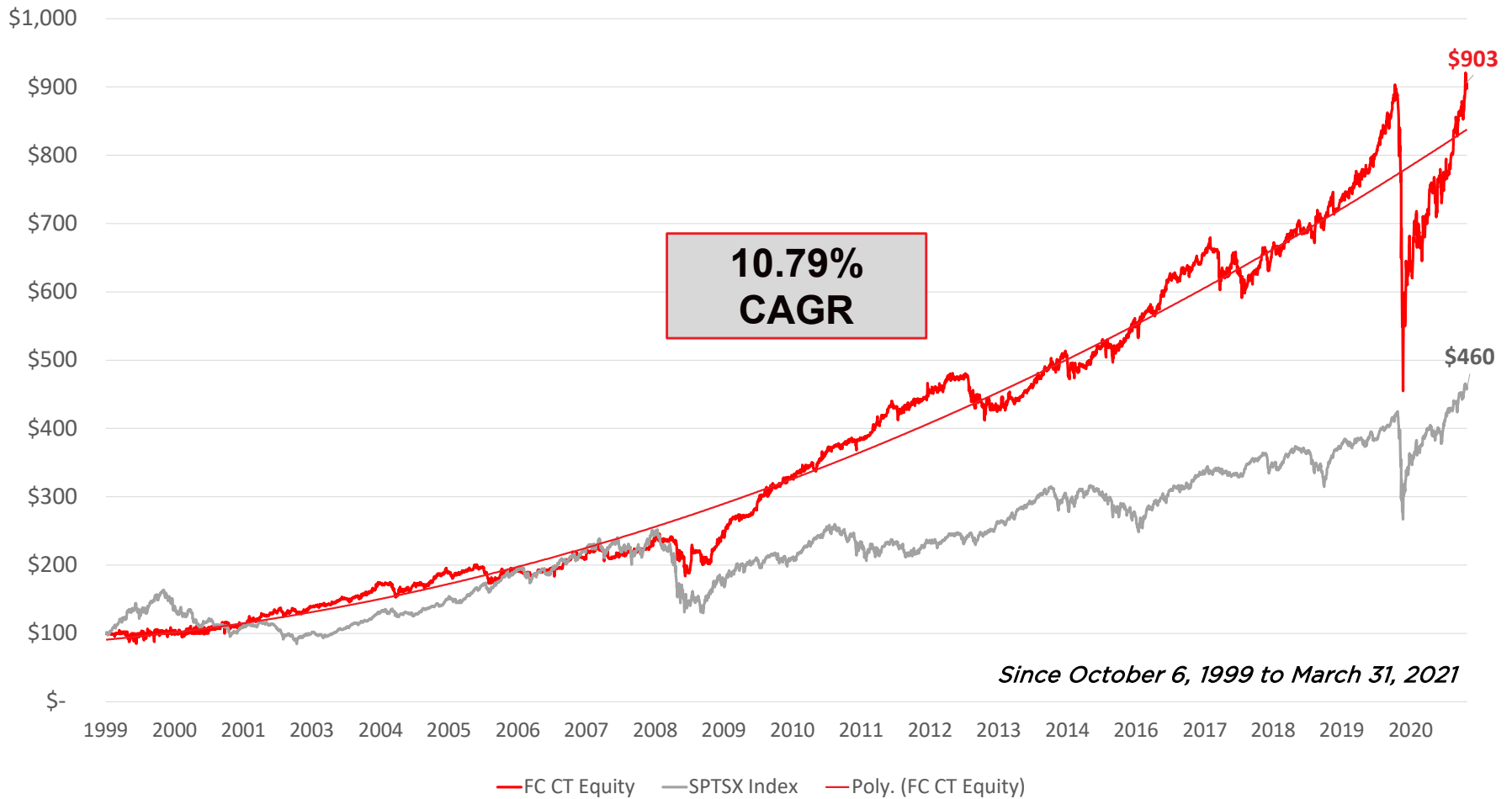


Average Share Price & Trading Volume



An Attractive Investment

A \$100 FC investment in 1999 would be worth \$903 today!



2021 Outlook


- The Corporation's investment portfolio (the "Investment Portfolio") has continued to revolve in 2020 with significant investment repayments. Management's position continues to be that we will turn the Investment Portfolio, if need be, at lower interest rates to ensure we originate solid investments. The three reductions in the Bank of Canada policy rate in March 2020 and the corresponding reduction in the bank prime reduced Investment Portfolio interest rates during 2020 and contributed to a decline in the Corporation's interest revenue for the year. Holding a larger portfolio can compensate for the lower portfolio average interest rate.
- We continue to monitor the COVID-19 crisis and the resulting economic impact on the Investment Portfolio and the Corporation. One of the most significant impacts to date has been a reduction in the portfolio average interest rate (resulting from the drop in bank prime, decreasing some of our floating rate investments) resulting in a decline in interest income earned by the Corporation. It is difficult to predict movements in the average interest rate going forward as it will depend on the rates available on new investments as they arise.
- There have been no material signs of deterioration in the Investment Portfolio during 2020. Borrower repayment performance has remained consistent with pre-COVID-19 performance and no payment deferral arrangements have been granted. At December 31, 2020, the Corporation's loan arrears are not materially different from pre-COVID balances and, to date, we have not experienced defaults attributed to the COVID-19 pandemic. New investment volumes were lower in the first three quarters of 2020 likely as a result of the impact of the pandemic on fewer borrower loan requests.
- The Mortgage Banker does not service or underwrite mortgages on hotels and hospitality properties or on long-term care facilities and as such the Corporation does not have any investments exposure to these asset types. During 2020, the Corporation increased the availability under its credit facility, which is the lowest cost of capital debt available to the Corporation.
- As The Corporation's investment underwriting and loan management team at the Mortgage Banker have been together since the Corporation went public in 1999 and have worked together since the 1990's real estate recession. This management team has over 23 years of experience of working together, in dealing with risk mitigation, collections, and underwriting. Since going public, management has maintained its stated primary objective of "Protecting Shareholders Equity" first. We have always stated our focus is on having a strong balance sheet and we would never grow for the sake of growth.
- As we address this market, we are looking for opportunities. We are reinvesting selectively, with the investment policy of holding a hard line on acceptable exposure levels, borrower quality and warranted interest rate pricing. There are no assurances on achievable new lending interest rates or portfolio size as the primary focus is on security. The Mortgage Banker continues to reject a significant number of potential investments that do not meet our investment criteria and risk tolerance.
- The Corporation has announced the declaration of April, May and June monthly cash dividends of \$0.078 per common share.

Board of Directors

| | | |
|----------------------|--|---|
| Independent Director | Stanley Goldfarb Chairman, Independent Director | <ul style="list-style-type: none"> • CEO of Goldfarb Management Services Limited • Chairman & Trustee of Firm Capital Property Trust (TSXV: FCD.UN) |
| | Anthony Heller Independent Director | <ul style="list-style-type: none"> • President of Plazacorp Investments Limited |
| | Larry Shulman Independent Director | <ul style="list-style-type: none"> • Retired Senior Partner of Goldfarb, Shulman, Patel & Co. |
| | Geoffrey Bledin Independent Director | <ul style="list-style-type: none"> • Corporate Director • Past President and CEO of Equitable Trust Company • Former Partner with Price Waterhouse |
| | Morris Fischtein Independent Director | <ul style="list-style-type: none"> • President of High City Holdings • Past President of Security Trust |
| | Keith L. Ray Independent Director | <ul style="list-style-type: none"> • CEO of Realvest Management • Former Partner with KPMG LLP |
| | The Honourable Joe Oliver, PC Independent Director | <ul style="list-style-type: none"> • Former Minister of Finance, Minister of Natural Resources and Member of Parliament • Chair of The Ontario Independent Electricity System Operator |
| Executive Director | The Honourable Francis (Frank) Newbould Independent Director | <ul style="list-style-type: none"> • Former head of the Commercial List of the Ontario Superior Court of Justice • Counsel to the law firm Thorton Grout Finnigan LLP |
| | Eli Dadouch President & CEO | <ul style="list-style-type: none"> • Founder, President & CEO of Firm Capital Organization • Vice Chairman, Co-CIO & Trustee of Firm Capital Property Trust (TSXV: FCD.UN) • Vice Chairman of Firm Capital Apartment REIT (TSXV: FCA.U/FCA.UN) |
| | Jonathan Mair COO & Director | <ul style="list-style-type: none"> • Vice President, Mortgage Banking of Firm Capital Corporation • Trustee of Firm Capital Property Trust (TSXV: FCD.UN) |
| | Michael Warner Director | <ul style="list-style-type: none"> • Senior VP, Mortgage Lending of Firm Capital Corporation |
| | Victoria Granovski Director | <ul style="list-style-type: none"> • Trustee of Firm Capital Property Trust (TSXV: FCD.UN) |

Contact Information

OUR **CORE** PRINCIPLES



TRUST
Our partners, investors and clients can trust FirmCapital to execute on our commitment.



INNOVATION
Firm Capital brings an innovative approach to structuring a transaction.



RELATIONSHIPS
Firm Capital builds strong, long term relationships with its partners, investors and clients.

Firm Capital is a real estate private equity investment firm and alternative investment manager based in Toronto, Canada. Since 1988, Firm Capital has focused on deploying proprietary and managed capital opportunistically between debt and equity investments in the private and public real estate markets. The organization has established an exceptional track record of successfully lending, financing, owning, investing, joint venturing and managing real estate all across Canada and parts of the US. Firm Capital focuses on a simple culture and goal: to be a client driven organization with impeccable integrity focused on preservation of capital through disciplined tactical investing at the same time as building long term relationships.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

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