

## PRESS RELEASE



### FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

TSX Symbol FC

### FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION ANNOUNCES Q3/2021 RESULTS

November 8, 2021, TORONTO, CANADA – Firm Capital Mortgage Investment Corporation (the “Corporation”) (TSX FC, FC.DB.E, FC.DB.F, FC.DB.G, FC.DB.H, FC.DB.I, FC.DB.J and FC.DB. K) released its financial statements for the three and nine months ended September 30, 2021.

#### NET INCOME

For the three months ended September 30, 2021, net income increased by 27.6% to \$7,565,816 as compared to \$5,931,168 reported for the same period in 2020. Net income for the nine months ended September 30, 2021, increased by 16.9% to \$22,251,107 as compared to \$19,035,107 for the nine months ended September 30, 2020. The increase is mainly a result of higher interest income due to a larger average investment portfolio size (on average, \$58 million higher in the third quarter of 2021 relative to the third quarter of 2020), offset by a decrease in average interest rate of 0.28% per annum. Excluding the non-recurring, non-cash share-based compensation expense recorded in third quarter of 2020, for the three and nine months ended September 30, 2021, net income increased by 10.7% and 11.6% respectively when compared to a similar period in 2020.

#### EARNINGS PER SHARE

Basic weighted average profit per share for the three months ended September 30, 2021, was \$0.241, as compared to the \$0.207 per share reported for the three months ended September 30, 2020. Basic weighted average profit per share for the nine months ended September 30, 2021 was \$0.716, compared to the \$0.664 per share reported for the nine months ended September 30, 2020.

#### PORTFOLIO

The Corporation’s investment portfolio increased by \$16 million to \$575.2 million as at September 30, 2021, in comparison to \$559.0 million as at December 31, 2020 (in each case, gross of the impairment provision and fair value adjustment). During the nine months ended September 30, 2021, new investment funding was \$346.2 million (2020 – \$269.8 million), and repayments were \$330.0 million (2020 – \$244.1 million). However, on average during the two comparable periods, the Investment Portfolio was \$58 million higher in the third quarter of 2021 compared to the same period in 2020.

#### RETURN ON EQUITY

The Corporation continues to exceed its yield objective of producing a return on shareholders’ equity in excess of 400 basis points over the average one-year Government of Canada Treasury bill yield. For the quarter ended September 30, 2021, the annualized return on total shareholders’ equity (based on the average of the month end total shareholders’ equity in the quarter) of 8.71%, representing a return on total shareholders’ equity of 842 basis points per annum over the average one-year Government of Canada Treasury bill yield of 0.29%.

#### PRUDENT IMPAIRMENT ALLOWANCE

Management has always taken a proactive approach to the Corporation’s loan impairment allowance. This is a prudent approach that provides stability of dividends to our shareholders in the event there are any future issues with any of the loans within the Corporation’s investment portfolio. The provision for impairment and fair value adjustment as of September 30, 2021, was \$5,625,000 (December 31, 2020, provision for impairment only – \$5,609,000).

## **INVESTMENT PORTFOLIO DETAILS**

Details on the Corporation's investment portfolio as at September 30, 2021, are as follows:

- Total gross investment portfolio of \$575,195,947 which is higher than the \$559,007,922 reported at December 31, 2020.
- Conventional first mortgages, being those first mortgages with loan-to-values less than 75%, comprise 67% of the total portfolio (71% as at December 2020), and total conventional mortgages with loan-to-values less than 75%, comprise 78% of the total portfolio, same as at December 2020.
- Approximately 20% of the portfolio matures by December 31, 2021, and 70% of the portfolio will mature in the next twelve months.
- The average face interest rate on the portfolio is 7.92% per annum, as compared to 8.20% at December 31, 2020.
- Regionally, the mortgage investment portfolio is diversified as follows: Ontario (85%), Western Canada (8.5%), Quebec (4.8%), and USA (1.7%).

Borrower repayment performance has remained consistent with pre-COVID-19 performance and no payment deferral arrangements have been implemented.

## **DIVIDEND AND SHARE PURCHASE PLAN**

The Corporation has in place a Dividend Reinvestment Plan (DRIP) and Share Purchase Plan that is available to its shareholders. The DRIP allows participants to have their monthly cash dividends reinvested in additional shares. The price paid per share is 97% (if the share price is higher than \$14.10) of the weighted average trading price calculated five trading days immediately preceding each dividend date with no commission cost. Once registered with the Share Purchase Plan, participants have the right to purchase additional shares, totaling no greater than \$12,000 per year and no less than \$250 per month. Shareholders participating pay no commission.

For the three months ended September 30, 2021, the Corporation declared dividends on its common shares totaling \$7,354,997 or \$0.234 per share, versus \$6,716,397 or \$0.234 per share for the three months ended September 30, 2020. The number of common shares outstanding at September 30, 2021, was 31,499,314, as compared to 28,702,970 at September 30, 2020.

## **ABOUT THE CORPORATION**

### ***Where Mortgage Deals Get Done®***

The Corporation, through its mortgage banker, Firm Capital Corporation, is a non-bank lender providing residential and commercial short-term bridge and conventional real estate financing, including construction, mezzanine, and equity investments. The Corporation's investment objective is the preservation of shareholders' equity, while providing shareholders with a stable stream of monthly dividends from investments. The Corporation achieves its investment objectives through investments in selected niche markets that are under-serviced by large lending institutions. Lending activities to date continue to develop a diversified mortgage portfolio, producing a stable return to shareholders. Full reports of the financial results of the Corporation for the quarter are outlined in the unaudited interim consolidated financial statements and the related management discussion and analysis of the Corporation, available on the SEDAR website at [www.sedar.com](http://www.sedar.com). In addition, supplemental information is available on the Corporation's website at [www.firmcapital.com](http://www.firmcapital.com).

## **FORWARD-LOOKING STATEMENTS**

This news release contains forward-looking statements within the meaning of applicable securities laws including, among others, statements concerning our objectives, our strategies to achieve those objectives, our performance, our investment portfolio and our dividends, as well as statements with respect to management's beliefs, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance, or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intent", "estimate", "anticipate", "believe", "should", "plans", or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

These statements are not guarantees of future performance and are based on our estimates and assumptions that are subject to risks and uncertainties, including those described in our current Annual Information Form under “Risk Factors” (a copy of which can be obtained at [www.sedar.com](http://www.sedar.com)), which could cause our actual results and performance to differ materially from the forward-looking statements contained in this news release.

Those risks and uncertainties include, among others, risks associated with the impact of existing or future waves of the COVID-19 pandemic, mortgage lending, dependence on the Corporation’s manager and mortgage banker, competition for mortgage lending, real estate values, interest rate fluctuations, environmental matters, shareholder liability, and the introduction of new tax rules. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information include, among others, that the Corporation is able to invest in mortgages at rates consistent with rates historically achieved; adequate mortgage investment opportunities are presented to the Corporation; adequate bank indebtedness and bank loans are available to the Corporation; and a non-material impact resulting from the COVID-19 pandemic. Although the forward-looking information contained in this news release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results and performance will be consistent with these forward-looking statements.

All forward-looking statements in this news release are qualified by these cautionary statements. Except as required by applicable law, the Corporation undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

For further information, please contact:

Firm Capital Mortgage Investment Corporation  
Eli Dadouch  
President & Chief Executive Officer  
(416) 635-0221

*Boutique Mortgage Lenders®*