

# \$731 MILLION COMMITTED TRANSACTIONS IN 2018

2018 WAS A SUCCESSFUL YEAR for Firm Capital as we completed **\$731 MILLION** in new mortgage financings. Our commitment to excellent client service allowed us to achieve these results. The following pages will offer insight into the various debt financings completed in this past year. **WE THANK OUR LOYAL CLIENT BASE** for using our services in 2018 and look forward to strengthening our existing relationships and building new ones in 2019.

## Sample Transactions - Canada:

### CONVERTIBLE DEBENTURE

**\$20,000,000**

Subordinated Convertible Debenture - Private Placement

**DECEMBER 2018**

FIRM CAPITAL CORPORATION  
Corporate Finance Investment

### BRIDGE LOAN

**\$61,500,000**

#### SECOND MORTGAGE

Land refinancing for an active 861,113 sq. ft. mixed-use construction project

**TORONTO, ON**

### INVENTORY LOAN

**\$13,500,000**

#### FIRST MORTGAGE

38 condominium units

**TORONTO, ON**

### LAND LOAN

**\$3,450,000**

#### FIRST MORTGAGE

16 future residential building lots

**BRAMPTON, ON**

### CONSTRUCTION LOAN

**\$54,000,000**

#### FIRST MORTGAGE

12 storey 239 rental apartment units

**OSHAWA, ON**

### BRIDGE LOAN

**\$12,000,000**

#### SECOND MORTGAGE

68 residential building lots

**STOUFFVILLE, ON**

### BRIDGE LOAN

**\$1,750,000**

#### FIRST MORTGAGE

1,843 sq. ft. luxury condo

**TORONTO, ON**

### CONSTRUCTION LOAN

**\$1,705,000**

#### FIRST MORTGAGE

3,483 sq. ft. custom home

**TORONTO, ON**

### BRIDGE LOAN

**\$1,400,000**

#### FIRST MORTGAGE

2,950 sq. ft. commercial building

**TORONTO, ON**

### LAND & CONSTRUCTION LOAN

**\$4,500,000**

#### FIRST MORTGAGE

5 townhouse units & 1 single family custom home

**TORONTO, ON**

### MEZZANINE LOAN

**\$11,500,000**

#### SECOND MORTGAGE

768 unit residential development site  
**DUNDALK, ON**  
&  
27 unit residential development site  
**RICHMOND HILL, ON**

### CONSTRUCTION LOAN

**\$47,725,000**

#### FIRST MORTGAGE

15 storey 189 unit condominium building

**RICHMOND HILL, ON**

### MARGIN LOAN

**\$13,000,000**

Secured by Reit Units

**SEPTEMBER 2018**

FIRM CAPITAL CORPORATION  
Corporate Finance Investment

### ACQUISITION FACILITY

**\$5,000,000**

Revolving Debenture Acquisition Line

**SEPTEMBER 2018**

FIRM CAPITAL CORPORATION  
Corporate Finance Investment

### MARGIN LOAN

**\$15,000,000**

Secured by Reit Units and Debentures

**DECEMBER 2018**

FIRM CAPITAL CORPORATION  
Corporate Finance Investment

### INVENTORY LOAN

**\$7,500,000**

#### FIRST MORTGAGE

21 condominium units

**MISSISSAUGA, ON**

### LAND LOAN

**\$27,500,000**

#### FIRST MORTGAGE

150 acre future residential development site

**BARRIE, ON**

### INFILL CONSTRUCTION LOAN

**\$1,475,000**

#### SECOND MORTGAGE

5,085 sq. ft. luxury custom home

**TORONTO, ON**

### CONSTRUCTION LOAN

**\$11,700,000**

#### FIRST MORTGAGE

15 townhouses and 1 single family home

**VAUGHAN, ON**

### LAND LOAN

**\$15,000,000**

#### FIRST MORTGAGE

76 unit residential townhouse development

**MARKHAM, ON**

# 2018 REPORT TO CLIENTS

## \$731 MILLION IN 2018 DEBT TRANSACTIONS RESULTING FROM BEING DEDICATED TO EXCELLENT CLIENT SERVICE & BUILDING ENTREPRENEURIAL SPIRIT

### 2018 REPORT TO CLIENTS - FIRM CAPITAL MORTGAGE LENDING GROUP:

In 2018 Firm Capital Corporation celebrated its 30th anniversary. We are very proud to have built a business committed to real estate finance and capital providing solutions for a strong client base. We provide our clients with service excellence and in return we have established a loyal real estate clientele.

Thanks to having built this loyal client base, 2018 saw a successful year, having completed \$731 million in new mortgage financing commitments. Our focus continues to be building solid relationships across Canada and select US cities with real estate owners, builders and developers. These relationships gave us the opportunity to invest and participate with fantastic borrower partners, as their capital provider. The residential and development market has slowed over the last 12-18 months in various markets across Canada. Our objective has been to structure creative transactions that satisfy the clients' interests and at the same time focus on the preservation of capital. 2019 will continue to be a year that will see us become a problem solver for our clients' real estate capital needs. We are committed to growing with our clients and to providing an excellent level of service. Procrastination leads to failure. We are committed to serving our clients' needs expediently, efficiently and with integrity. We will strive to play a key role in seeing our clients succeed.

### MORTGAGE DEBT & REAL ESTATE CAPITAL ACTIVITIES:

The enclosed Transaction Update represents a selection of debt financings that closed in 2018. We continue to specialize in providing financings focused on construction, short term bridge loans and specialized term debt. Our strength is our ability to act fast and provide an innovative approach to each transaction. We have the capital capacity to support our clients' needs in 2019. With respect to our strategic real estate capital partnership programs - Equity, Mezzanine and Direct Investments, we continue to pursue capital partnerships for acquisitions of investment properties and the formulation of development joint ventures, all with experienced developers and landlords. We pride ourselves on being a boutique mortgage bank focused on providing capital efficiently and innovatively, as demonstrated by the \$731 million in mortgage commitments completed in 2018.

We have tremendous capital capacity for investments. Our focus is not yield, rather security with strong sponsors. Mortgage debt and real estate equity under administration is approximately \$3.5 Billion.

### ASSET MANAGEMENT ACTIVITIES & CAPITAL CAPACITY:

In summary:

- In 2018, we saw our Toronto Stock Exchange listed entity Firm Capital Mortgage Investment Corporation provide a respectable return on equity resulting in stable dividends to our Shareholders. This entity has been public since 1999;
- In 2018 and early 2019, Firm Capital Property Trust completed acquisitions totaling \$22 million comprised of industrial and multi-family residential properties, bringing our ownership interests to 63 properties, and increased distributions for its unitholders for the sixth time. We will strive in 2019 to grow income and assets on an opportunistic basis.
- In 2018, Firm Capital American Realty Partners Corp. achieved several important milestones in its evolution to becoming a leading investor and lender in U.S. multi-family residential real estate. The company invested approximately \$15 million of equity into three new joint venture acquisitions, in New Jersey, Texas and New York. The company also completed over \$10 million of common equity raises and generated over \$0.34 EPS of value creation from its existing two joint ventures.

### OUTLOOK:

We have a clear message - **we are focused on being the leaders in providing debt and equity capital to the private and public real estate marketplace.**

As we say every year, "**Follow Your Passion**" - be it building homes, buying great properties or developing land - we want to be our clients capital partner. Align yourself with a committed financial backer that will support you in difficult times and that will provide a high level of service and expertise. We are focused on finding niche lending opportunities where others don't understand the clients' needs. The Firm Capital team is very focused and committed - we are Open For Business. We will continue to strengthen our existing relationships and build new ones. When others are noncommittal, uncertain and concerned, our objective is to be contrarian and lead the way in providing clarity. On behalf of the Firm Capital team, I want to express our gratitude to those strong relationships we have formed. Once again, thank you and we look forward to servicing your requirements in 2019.

Yours truly,  
**FIRM CAPITAL CORPORATION**  
PER:



Eli Dadouch  
President & CEO

# 2018 DEBT TRANSACTION HIGHLIGHTS



## BRIDGE LOAN

861,113 sq. ft. mixed-use building  
**\$61,500,000 - Second Mortgage**  
**TORONTO, ON**



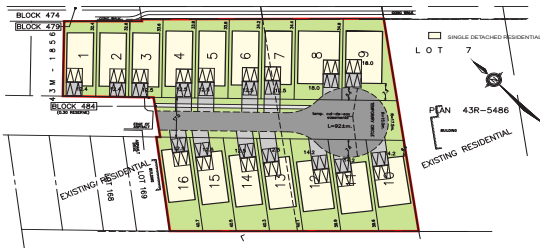
## CONSTRUCTION LOAN

12 storey 239 rental apartment units  
**\$54,000,000 - First Mortgage**  
**OSHAWA, ON**



## INVENTORY LOAN

38 condominium units  
**\$13,500,000 - First Mortgage**  
**TORONTO, ON**



## LAND LOAN

16 future residential building lots  
**\$3,450,000 - First Mortgage**  
**BRAMPTON, ON**



## SINGLE FAMILY HOUSE LOANS

Multiple single family alternative house loans  
**\$60,000,000 - First Mortgages**  
**ACROSS CANADA**



## BRIDGE LOAN

51 three storey townhouse units  
**\$3,000,000 - Second Mortgage**  
**OSHAWA, ON**



# ABOUT FIRM CAPITAL CORPORATION

## OUR CORE PRINCIPLES



### TRUST

Our partners, investors and clients can trust Firm Capital 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.

**IT TAKES EXPERIENCE TO ACHIEVE A GOAL.** Firm Capital has provided real estate capital services for over 25 years in all aspects of the real estate private equity spectrum. As mortgage lenders, principle investors, capital partners, activist and innovative investors, property and asset managers, our ability to execute has been demonstrated by our past performance and our pride in our risk management abilities to protect and preserve capital, while acting as disciplined investors.

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 selected 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.

**ABOUT FIRM CAPITAL:** Firm Capital Corporation is the Mortgage Lending Group within the Firm Capital organization, a real estate merchant bank focused on conventional, tactical and distressed debt and equity investments in the private and public marketplace.

## A BOUTIQUE MORTGAGE BANK PROVIDING REAL ESTATE CAPITAL FOR:

- Bridge Financing
- Land & Construction Financing
- Landlords / Developers /Builders
- Investment Property Financing
- Residential Housing
- Mezzanine Financing
- Distressed Debt / Special Situations
- REITs / Capital Markets
- Real Estate Private Equity / Equity Capital
- Private & Public Market Investments



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