

\$790 MILLION COMMITTED TRANSACTIONS IN 2019

2019 WAS A SUCCESSFUL YEAR for Firm Capital as we completed **\$790 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 2019 and look forward to strengthening our existing relationships and building new ones in 2020.

LAND FINANCING

\$10,800,000

FIRST MORTGAGE

2.4 acre residential development site

TORONTO, ON

INVENTORY LOAN

\$10,500,000

FIRST MORTGAGE

6 Custom Homes - New Construction

TORONTO, ON

LAND & CONSTRUCTION LOAN

\$108,000,000

FIRST MORTGAGE

41 storey mixed-use condominium building with 112 luxury residential units

TORONTO, ON

PURPOSE BUILT RENTAL CONSTRUCTION LOAN

\$99,240,000

FIRST MORTGAGE

20 storey rental building with 370 units

OSHAWA, ON

INVENTORY LOAN

\$28,000,000

FIRST MORTGAGE

73 residential condominium units

TORONTO & MISSISSAUGA, ON

INFILL CONSTRUCTION LOAN

\$4,125,000

SECOND MORTGAGE

8 semi-detached units and 1 single family house

TORONTO, ON

SUBORDINATED CORPORATE DEBENTURE

\$30,000,000

Corporate Line of Credit

International real estate development company with Canadian operations

AUGUST 2019

LAND & CONSTRUCTION LOAN

\$4,915,000

FIRST MORTGAGE

4 detached single family homes

OAKVILLE, ON

INFILL CONSTRUCTION LOAN

\$3,585,000

FIRST MORTGAGE

2 luxury semi-detached units comprising 2,760 sq. ft. each

FOREST HILL, TORONTO, ON

SUBORDINATED CONVERTIBLE DEBENTURE

\$20,000,000

PRIVATE PLACEMENT

Corporate Finance Investment

JULY 2019

LAND FINANCING

\$10,000,000

FIRST MORTGAGE

2.81 acre residential condominium development site

TORONTO, ON

BRIDGE LOAN

\$4,750,000

FIRST MORTGAGE

75,400 sq. ft. mixed-use industrial/office building

MONTREAL, QC

CONSTRUCTION LOAN

\$950,000

SECOND MORTGAGE

2 detached single family custom homes

TORONTO, ON

LAND & CONSTRUCTION LOAN

\$4,760,000

FIRST MORTGAGE

2 luxury waterfront cottages

MUSKOKA, ON

CONSTRUCTION LOAN

\$1,500,000

FIRST MORTGAGE

6,015 sq. ft. custom home

RICHMOND HILL, ON

RESIDENTIAL MORTGAGE

\$1,230,000

SECOND MORTGAGE

5,120 sq. ft. single-family dwelling

MONTREAL, QC

BRIDGE LOAN

\$3,600,000

FIRST MORTGAGE

6,000 sq. ft. detached single family house

TORONTO, ON

CONSTRUCTION LOAN

\$20,000,000

SECOND MORTGAGE

100 semi-detached units

MARKHAM, ON

PROJECT LOAN

\$9,000,000

FIRST MORTGAGE

8 Custom Homes New Construction

RICHMOND HILL, ON

BRIDGE LOAN

\$12,000,000

SECOND MORTGAGE

66 residential building lots

STOUFFVILLE, ON

TAILORED MORTGAGE ENGINEERING BY FIRM CAPITAL®

2019 REPORT TO CLIENTS

\$790 MILLION IN 2019 DEBT TRANSACTIONS RESULTING FROM BEING DEDICATED TO EXCELLENT CLIENT SERVICE & BUILDING ENTREPRENEURIAL SPIRIT

FIRM CAPITAL MORTGAGE LENDING GROUP:

In 2019 Firm Capital Corporation celebrated its 31st 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, 2019 saw a successful year, having completed \$790 million in new mortgage financing transactions. Our focus continues to be building solid relationships across Canada 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 stabilized over the last 12 months in the major urban markets across Canada. Our objective has been to structure creative transactions that satisfy the clients' interests and at the same time focus on preservation of capital. 2020 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 2019. 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 2020. 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 \$790 million in mortgage commitments completed in 2019.

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

PUBLICLY TRADED ENTITIES:

Firm Capital Mortgage Investment Corporation (TSX: FC)

In 2019, 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;

Firm Capital Property Trust (TSXV: FCD.UN)

In 2019, Firm Capital Property Trust was able to achieve several significant milestones. The Trust had its most successful year completing four acquisitions consisting of 17 properties with a value of \$214 million. The Trust was able to access the public markets twice during 2019 and finished the year with a market capitalization in excess of \$200 million. Finally, the Trust increased its monthly distribution for the seventh time to \$0.041667 per unit (\$0.50 annually). During 2020 we look forward to continue to grow the Trust's asset base and deliver value to unitholders.

Firm Capital American Realty Partners Trust (TSXV: FCA.U/FCA.UN)

In 2019, 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, including converting into a REIT on January 1, 2020 (now called Firm Capital American Realty Partners Trust). The Trust invested in two new joint venture acquisitions, in Georgia and Connecticut and one preferred capital investment in Texas. The Trust also completed a \$14 million convertible debenture issuance.

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 2020.

Yours truly,

**FIRM CAPITAL CORPORATION
PER:**



Eli Dadouch
President & CEO

2019 DEBT TRANSACTION HIGHLIGHTS



LAND & CONSTRUCTION LOAN

41 storey mixed-use condominium building with 112 luxury residential units

\$108,000,000 - First Mortgage
TORONTO, ON



PURPOSE BUILT RENTAL CONSTRUCTION LOAN

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\$99,240,000 - First Mortgage
OSHAWA, ON



INVENTORY LOAN

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TORONTO & MISSISSAUGA, ON



LAND FINANCING

2.4 acre residential development site

\$10,800,000 - First Mortgage
TORONTO, ON



SINGLE FAMILY HOUSE LOANS

Multiple single family alternative house loans

\$50,000,000 - First Mortgages
ACROSS CANADA



BRIDGE LOAN

75,400 sq. ft. mixed-use industrial/office building

\$4,750,000 - First Mortgage
MONTREAL, QC

ABOUT FIRM CAPITAL CORPORATION

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.

IT TAKES EXPERIENCE TO ACHIEVE A GOAL. Firm Capital has provided real estate capital services for over 30 years in all aspects of the real estate private equity spectrum. As mortgage lenders, principal 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.

TAILORED MORTGAGE ENGINEERING BY FIRM CAPITAL®

A BOUTIQUE MORTGAGE BANK PROVIDING REAL ESTATE CAPITAL FOR:

- Bridge Financing- 1st & 2nd Mortgages
- Land & Construction Financing
- Infill Construction
- Purpose Built Rental Construction
- Residential Mortgages
- Mezzanine Equity Financing
- Joint Venture Equity Capital
- REITs / Capital Markets
- Partnerships for Investment Properties
- Private & Public Market Investments



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