



PRESS RELEASE

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

TSX Symbol: FC

**FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION
ANNOUNCES \$40 MILLION BOUGHT DEAL FINANCING**

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UNITED STATES/

January 18, 2022, TORONTO – Firm Capital Mortgage Investment Corporation (the “Corporation”) (TSX: FC) is pleased to announce that it has entered into an agreement to sell, on a bought deal basis, to a syndicate of underwriters bookrun by TD Securities Inc., National Bank Financial Inc., and CIBC Capital Markets, \$40,000,000 aggregate principal amount of 5.00% convertible unsecured subordinated debentures due March 31, 2029 (the “Debentures”) at a price of \$1,000 per Debenture. The Corporation has granted the underwriters an over-allotment option to purchase up to \$6,000,000 additional aggregate principal amount of Debentures at the same price, exercisable, in whole or in part, at any time until 30 days following the closing of the offering. If the over-allotment option is exercised in full, the gross proceeds of the offering will total \$46,000,000.

The net proceeds of the offering will be used for debt repayment and for general corporate purposes.

The offering of Debentures is expected to close on or about January 27, 2022 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals.

The Debentures will bear interest at a rate of 5.00% per annum, payable semi-annually in arrears on the last day of March and September in each year, commencing on September 30, 2022, and will mature on March 31, 2029 (the “Maturity Date”). The Debentures will be convertible at the holder’s option into common shares of the Corporation (the “Shares”) at any time prior to the close of business on the earlier of the Maturity Date and the business day immediately preceding the date fixed for redemption at a conversion price of \$17.00 per Share (the “Conversion Price”), subject to adjustment in certain circumstances.

The Debentures will not be redeemable before March 31, 2025. On and after March 31, 2025 and prior to March 31, 2027, the Debentures will be redeemable in whole or in part from time to time at the Corporation’s option at par plus accrued and unpaid interest, provided that the weighted average trading price of the Shares on the Toronto Stock Exchange during the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price. On and after March 31, 2027, the Debentures will be redeemable, in whole or in part, from time to time at the Corporation’s option at any time at par plus accrued and unpaid interest.

The Debentures will be direct, unsecured obligations of the Corporation, subordinated to senior indebtedness of the Corporation, ranking *pari-passu* to the Corporation’s existing convertible unsecured subordinated debentures.

Subject to specified conditions, the Corporation will have the right to repay the outstanding principal amount of the Debentures, on maturity or redemption, through the issuance of Shares. The Corporation will also have the option to satisfy its obligation to pay interest through the issuance and sale of Shares.

The Debentures will be issued pursuant to a prospectus supplement that will be filed by no later than January 20, 2022 with the securities regulatory authorities in all provinces of Canada under the Corporation's short form base shelf prospectus dated December 30, 2020.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The securities being offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered, sold or delivered, directly or indirectly, in the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, unless an exemption from registration is available. This news release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Corporation in any jurisdiction.

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-served by large lending institutions. Lending activities to date continue to develop a diversified mortgage portfolio, producing a stable return to shareholders. The Corporation is a mortgage investment corporation (MIC) as defined in the *Income Tax Act* (Canada). Accordingly, the Corporation is not taxed on income provided that its taxable income is paid to its shareholders in the form of dividends within 90 days after December 31 each year. Such dividends are generally treated by shareholders as interest income, so that each shareholder is in the same position as if the mortgage investments made by the Corporation had been made directly by the shareholder. Full reports of the financial results of the Corporation for the year are outlined in the audited financial statements and the related management's discussion and analysis of the Corporation, available on the SEDAR website at www.sedar.com. In addition, supplemental information is available on the Corporation's website at www.firmcapital.com.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of applicable securities laws including, among others, statements associated with the ability to satisfy regulatory, stock exchange and commercial closing conditions of the offering, the expected use of proceeds of the offering, the expected closing date of the offering, the uncertainty associated with accessing capital markets and the statements related to the Corporation's business, including those contained in the Corporation's Annual Information Form for the year ended December 31, 2020, 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 and are based on our estimates and assumptions that are subject to risks and uncertainties, including those described in the Corporation's Annual Information Form for the year ended December 31, 2020 under "Risk Factors" (a copy of which can be obtained at www.sedar.com). Those risks and uncertainties include, among others, risks associated with public health crises (including COVID-19) 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 continued in this new 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.

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Boutique Mortgage Lenders®