

# \$1,050,000,000 COMMITTED TRANSACTIONS IN 2021

**2021 WAS A SUCCESSFUL YEAR** for Firm Capital as we completed over \$1 Billion 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 2021 and look forward to strengthening our existing relationships and building new ones in 2022.

<p><b>ACQUISITION LOAN</b> <b>\$2,485,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>138 acres of future residential development lands</p> <p><b>OTTAWA, ON</b></p>	<p><b>INVENTORY LOAN</b> <b>\$7,300,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>23 residential condominium units &amp; 1 commercial unit</p> <p><b>MONTREAL, QC</b></p>	<p><b>DIP FINANCING</b> <b>\$35,000,000</b></p> <p><b>INTERIM FINANCING</b></p> <p>\$35 Million Debtor in Possession (DIP) Financing</p> <p><b>LAURENTIAN UNIVERSITY, ON</b></p>	<p><b>LAND &amp; CONSTRUCTION LOAN</b> <b>\$1,110,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>2,850 sq. ft. residential triplex building</p> <p><b>OTTAWA, ON</b></p>	<p><b>BRIDGE LOAN FOR A CANADIAN REIT</b> <b>\$44,000,000</b></p> <p><b>SECOND MORTGAGE</b></p> <p>71 residential apartment buildings having 1,538 units</p> <p><b>ALBERTA/SASKATCHEWAN</b></p>
<p><b>CONSTRUCTION LOAN</b> <b>\$4,150,000</b></p> <p><b>SECOND MORTGAGE</b></p> <p>Luxury custom home on a corner lot comprising 6,192 sq. ft. above grade</p> <p><b>FOREST HILL, TORONTO, ON</b></p>	<p><b>LAND LOAN</b> <b>\$15,600,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>3.84 acre site draft plan approved for 69 conventional townhouse units and 7 live/work units</p> <p><b>MARKHAM, ON</b></p>	<p><b>BRIDGE LOAN</b> <b>\$2,100,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>3,500 sq. ft. newly constructed home on a 45' x 145' lot</p> <p><b>TORONTO, ON</b></p>	<p><b>CONSTRUCTION LOAN</b> <b>\$5,600,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>Construction loan facility for a 14 unit-65 bedroom student rental building</p> <p><b>WATERLOO, ON</b></p>	<p><b>LAND LOAN</b> <b>\$5,200,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>2 waterfront lots comprising 1.77 acres and 39 acres each</p> <p><b>MUSKOKA LAKES, ON</b></p>
<p><b>LAND &amp; SERVICING LOAN</b> <b>\$7,450,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>13 residential detached lots on a 1.97 acre residential development site</p> <p><b>RICHMOND HILL, ON</b></p>	<p><b>50% JOINT VENTURE PARTNER</b> <b>\$6,350,000</b></p> <p>Subordinated Debt: \$4,750,000 Firm Capital Equity: \$1,600,000</p> <p>26 detached residential lots</p> <p><b>KLEINBERG, ON</b></p>	<p><b>ACQUISITION LOAN</b> <b>\$9,000,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>126 unit residential apartment building</p> <p><b>SAULT STE. MARIE, ON</b></p>	<p><b>LAND LOAN</b> <b>\$38,000,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>Multi-phased development site</p> <p><b>NIAGARA FALLS, ON</b></p>	<p><b>LOT DEPOSIT LOAN</b> <b>\$16,828,000</b></p> <p><b>MEZZANINE EQUITY FACILITY</b></p> <p>Purchase for 94 single family lots &amp; 163 townhome/semi units</p> <p><b>GTA, ON</b></p>
<p><b>BRIDGE LOAN</b> <b>\$5,000,000</b></p> <p><b>SECOND MORTGAGE</b></p> <p>135 unit newly constructed residential apartment building</p> <p><b>POINTE CLAIRE, QC</b></p>	<p><b>ACQUISITION LOAN</b> <b>\$8,000,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>72,100 sq. ft. industrial building located on a 3.77 acre parcel of land</p> <p><b>TORONTO, ON</b></p>	<p><b>LAND LOAN</b> <b>\$6,300,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>Draft plan approved site for 33 single-detached residential lots</p> <p><b>INNISFIL, ON</b></p>	<p><b>BRIDGE LOAN PURCHASE/VALUE ADD</b> <b>\$70,000,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>43.73 acre property improved with an enclosed shopping mall and stand alone pads</p> <p><b>HAMILTON, ON - EASTGATE MALL</b></p>	<p><b>CONSTRUCTION LOAN</b> <b>\$21,475,000</b></p> <p><b>FIRST MORTGAGE</b></p> <p>0.9 acre development site to be improved with a six-storey, 129 unit apartment building (Security includes collateral properties)</p> <p><b>WELLAND, ON</b></p>

TAILORED MORTGAGE ENGINEERING BY FIRM CAPITAL®

# 2021 REPORT TO CLIENTS

## \$1,050,000,000 IN 2021 DEBT TRANSACTIONS RESULTING FROM BEING DEDICATED TO EXCELLENT CLIENT SERVICE & BUILDING ENTREPRENEURIAL SPIRIT

### FIRM CAPITAL MORTGAGE LENDING GROUP:

In 2021 Firm Capital Corporation celebrated its 33rd 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, 2021 saw a record year, having completed \$1,050,000,000 in new mortgage financing transactions. Our lending volumes were up significantly over 2020 levels. 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 new condo and development market has recovered in the major urban markets across Canada as developers and builders adjusted to increased demand for condo units in core markets. However, COVID-19 has exacerbated the timeliness when it comes to development approvals and construction timelines. Our objective has been to structure creative transactions that satisfy the clients' interests and at the same time focus on preservation of capital. The continued impact of COVID-19 on developer cash flows will see 2022 as 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 client's 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 2021. 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 2022. 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 our \$1,050,000,000 in mortgage commitments completed in 2021.

We have tremendous capital capacity for new investments. Our focus is not yield, rather security with strong sponsors. Mortgage debt, real estate equity and capital under administration is approximately \$5 Billion.

### PUBLICLY TRADED ENTITIES:

#### Firm Capital Mortgage Investment Corporation (TSX:FC)

During 2021, Firm Capital Mortgage Investment Corporation ("FCMIC") delivered to shareholders a 20% total return, leading all other comparable MICs in the TSX universe. The total return was due to a combination of stock price appreciation and dividends. For 2021, FCMIC delivered to shareholders total dividends of \$0.948 per common share, which was a combination of normal course dividends of \$0.936 per common share along with a special year-end dividend of \$0.012 per common share. In addition, FCMIC raised approximately \$69 million of new capital through the capital markets in the form of convertible unsecured debentures and common shares that was fully deployed for new investments. During 2021, FCMIC has grown the investment portfolio by approximately 15% to \$643 million.

#### Firm Capital Property Trust (TSXV: FCD.UN)

During 2021, Firm Capital Property Trust delivered to unitholders a 33% total return. The total return was due to a combination of stock price appreciation and distributions. Highlights included the following: (i) \$124 Million in Announced Acquisitions, while recycling \$28 Million of Capital away from Non-Core Assets: Increased exposure to industrial manufactured housing, drug-store anchored retail and multi residential properties; (ii) NAV has grown to \$8.21 an 8% increase (iii) \$28.8 Million Public Equity Offering: 4,107,800 Trust Units were issued at a price of \$7.00 per Trust Unit; (iv) \$31 Million in New Mortgage Financings: Completed four separate mortgage financings at an approximate 2.4% weighted average interest rate and four year term ; and (v) Ninth consecutive distribution increase. Monthly Distributions Commencing in 2022: distributions increased to \$0.0433 per Trust Unit from \$0.0425 per Trust Unit. On an annualized basis this equates to annual distributions of \$0.52 per unit, up from \$0.51 per unit. This is the Trust's ninth distribution increase in nine years and represents a cumulative increase of 48.6% since the Trust's inception in 2012.

#### Firm Capital Apartment REIT (TSXV: FCA.U/FCA.UN)

During 2021, Firm Capital Apartment REIT delivered to unitholders a 7% total return. The total return was due to a combination of stock price appreciation and distributions. Highlights included the following: (i) Acquisition of 50% Investment in Irvington, NJ: The REIT acquired the remaining 50% interest of its Equity Accounted Investment in Irvington, New Jersey for \$2.5 million; ; (ii) \$21.6 Million Mortgage Refinancing: The REIT refinanced the first mortgage on the Bronx, NY Equity Accounted Investment gross proceeds of \$21.6 million. With the \$3.1 million net proceeds received from the refinancing and the \$2.0 million of capital contributed by the Trust and its third-party investors, the \$5.1 million of Preferred Equity was repaid in full. The mortgage is a 3.51%, \$21.6 million first mortgage with a 12-year term amortizing over 30 years; (iii) Normal Course Issuer Bid: On June 14, 2021, The REIT received approval from the TSXV to commence a Normal Course Issuer Bid to purchase up to 619,750 of Trust Units, being equal to 10% of the public float. The REIT purchased 110,300 Trust Units costing approximately \$0.7 million; and (iv) \$2 Million Credit Facility: The REIT entered into a \$2.0 Million Revolving Operating Facility (the "Facility") with a Canadian Chartered Bank. The Facility is a \$2.0 million demand credit facility under which the REIT may obtain on a revolving basis US Dollar overdrafts, LIBOR Loans and Letters of Credit.

### 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 2022.

Yours truly,

### FIRM CAPITAL CORPORATION

PER:



Eli Dadouch  
President & CEO

# 2021 DEBT TRANSACTION HIGHLIGHTS



## CONSTRUCTION LOAN

0.9 acre development site to be improved with a six-storey, 129 unit apartment building (Security includes collateral proeprties)

**\$21,475,000 - First Mortgage**  
**WELLAND, ON**



## BRIDGE LOAN

71 residential apartment buildings having 1,538 units

**\$44,000,000 - Second Mortgage**  
**ALBERTA & SASKATCHEWAN**



## ACQUISITION FINANCING

126 unit residential apartment building

**\$9,000,000 - First Mortgage**  
**SAULT STE MARIE, ON**



## LAND LOAN

Multi-phased development site

**\$38,000,000 - First Mortgage**  
**NIAGARA FALLS, ON**



## SINGLE FAMILY HOUSE LOANS

Multiple single family alternative house loans

**First & Second Mortgages**  
**ACROSS CANADA**



## BRIDGE LOAN - PURCHASE/VALUE ADD

43.73 acre property improved with an enclosed shopping mall and stand alone pads

**\$70,000,000- First Mortgage**  
**HAMILTON, ON - EASTGATE MALL**

# 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 33 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



T: (416) 635-0221  
[www.FirmCapital.com](http://www.FirmCapital.com)



Where Mortgage Deals Get Done®