

PRESS RELEASE



FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

TSX Symbol FC

95% OF THE CORPORATIONS' MORTGAGES ARE AT FLOATING RATES STRUCTURED TO CAPTURE THE BENEFIT OF RISING INTEREST RATES

April 13, 2022, TORONTO - Firm Capital Mortgage Investment Corporation (the "**Corporation**") (TSX: FC) is issuing this press release in response to the rising interest rate environment and how it is impacting returns for the Corporation and, ultimately, shareholders.

In summary, the Corporation has for years protected shareholders in the event of rising interest rates by requiring the vast majority of mortgage investments to be floating at the greater of (i) Bank Prime Rate ("**Prime**") plus a spread and, (ii) a Fixed Floor Rate (collectively the "**Floating Rate Investment Feature**"). Therefore, as Prime rises, so does the overall interest rate charged to borrowers.

As at March 31, 2022, Approximately 95% of the Corporations mortgage investments have the Floating Rate Investment Feature.

As of December 31, 2021, the weighted average face interest rate of the Corporation's mortgage investment portfolio stood at 7.91%. As of March 31, 2022, the weighted average face interest rate of the Corporation's mortgage investment portfolio stands at 8.05%, for a 14 basis point increase since the beginning of 2022. This is correlated to the 25 basis point increase in Prime that occurred in March 2022 when Prime went from 2.45% to 2.7%.

With the preservation of Shareholder's Capital at the forefront of our investment strategy, any opportunity cost lost looking for the right investment in an uncertain market has been offset by the rise in bank prime.

The Floating Rate Investment Feature has been a long-term operating strategy of the Corporation as a specialist in bridge financing.

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. 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 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 concerning our objectives, our strategies to achieve those objectives, our performance, our mortgage 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 most recent Annual Information Form under "Risk Factors" (a copy of which can be obtained at www.sedar.com), which could cause our actual results and performance to differ materially from the forward-looking statements contained in this circular. Those risks and uncertainties include, among others, risks associated with mortgage lending, dependence on the Corporation's MIC 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; and adequate bank indebtedness and bank loans are available to the Corporation. 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®