

Firm Capital

Firm Capital Mortgage Investment Corporation

Firm Capital Mortgage Investment Corporation is a non-bank lender providing residential and commercial real estate financing.



ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TUESDAY, JUNE 14, 2022

[Register to listen to the FCMIC Annual And Special Meeting of Shareholders live
\(click here to dial-in details\)](#)

ELI DADOUCH

PRESIDENT & CEO

INTRODUCTION

Formal Part of the Meeting led by:

STANLEY GOLDFARB

CHAIRMAN

- Notice of Meeting
- Election of Directors
- Re-Appointment of Auditors
- Re-Approve the stock option plan

Corporations' Financial Performance led by:

RYAN LIM

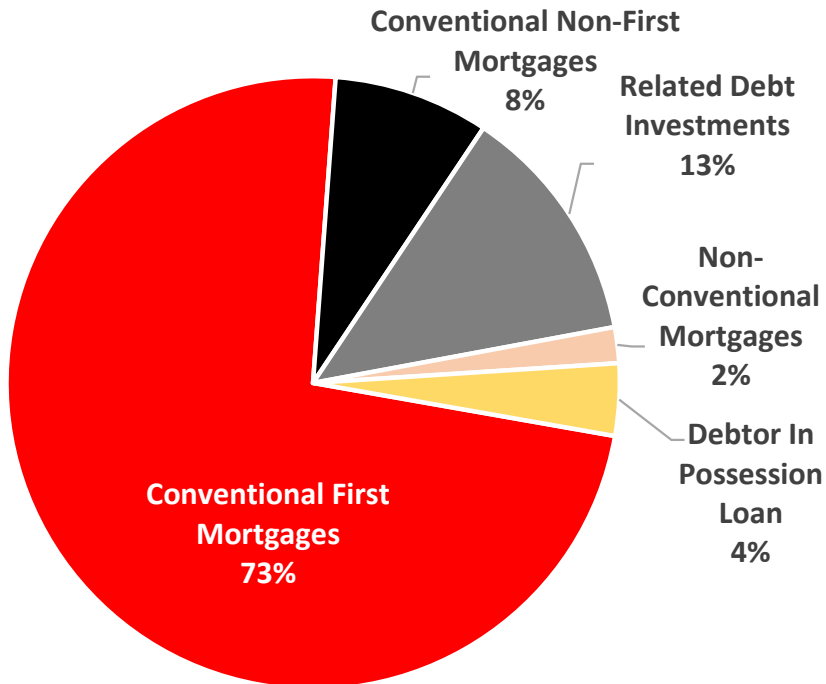
CHIEF FINANCIAL OFFICER

	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Investment Portfolio (millions) (1)	\$642.5	\$559.0
Dividends (per share)	\$0.948	\$0.944
Return on Equity	8.46%	8.18%
Loan Losses	none	none

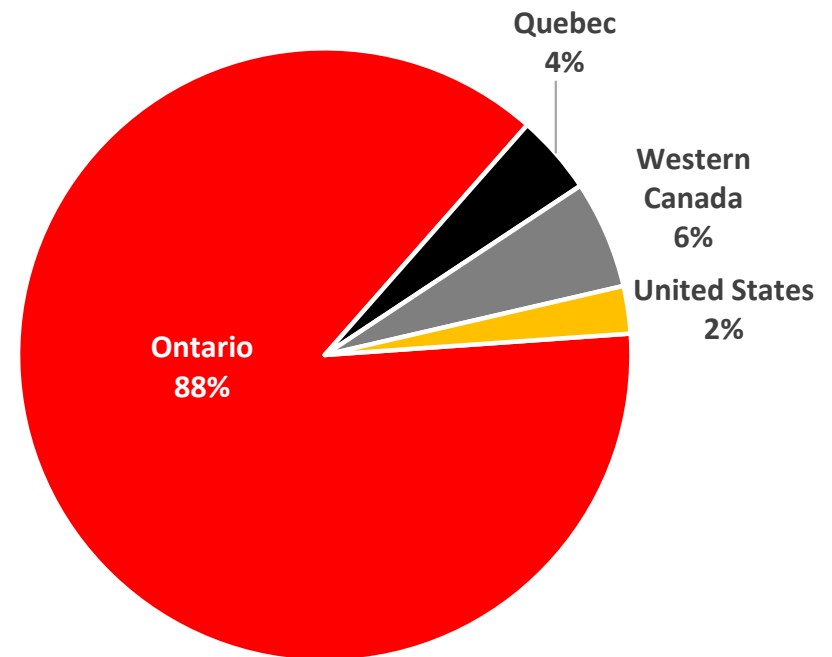
(1) Gross of impairment provision and fair market value adjustment.

- Diversification in terms of investments and geographies
 - 224 investments as of December 31, 2021
 - 66% mature by December 31, 2022

Investment Portfolio

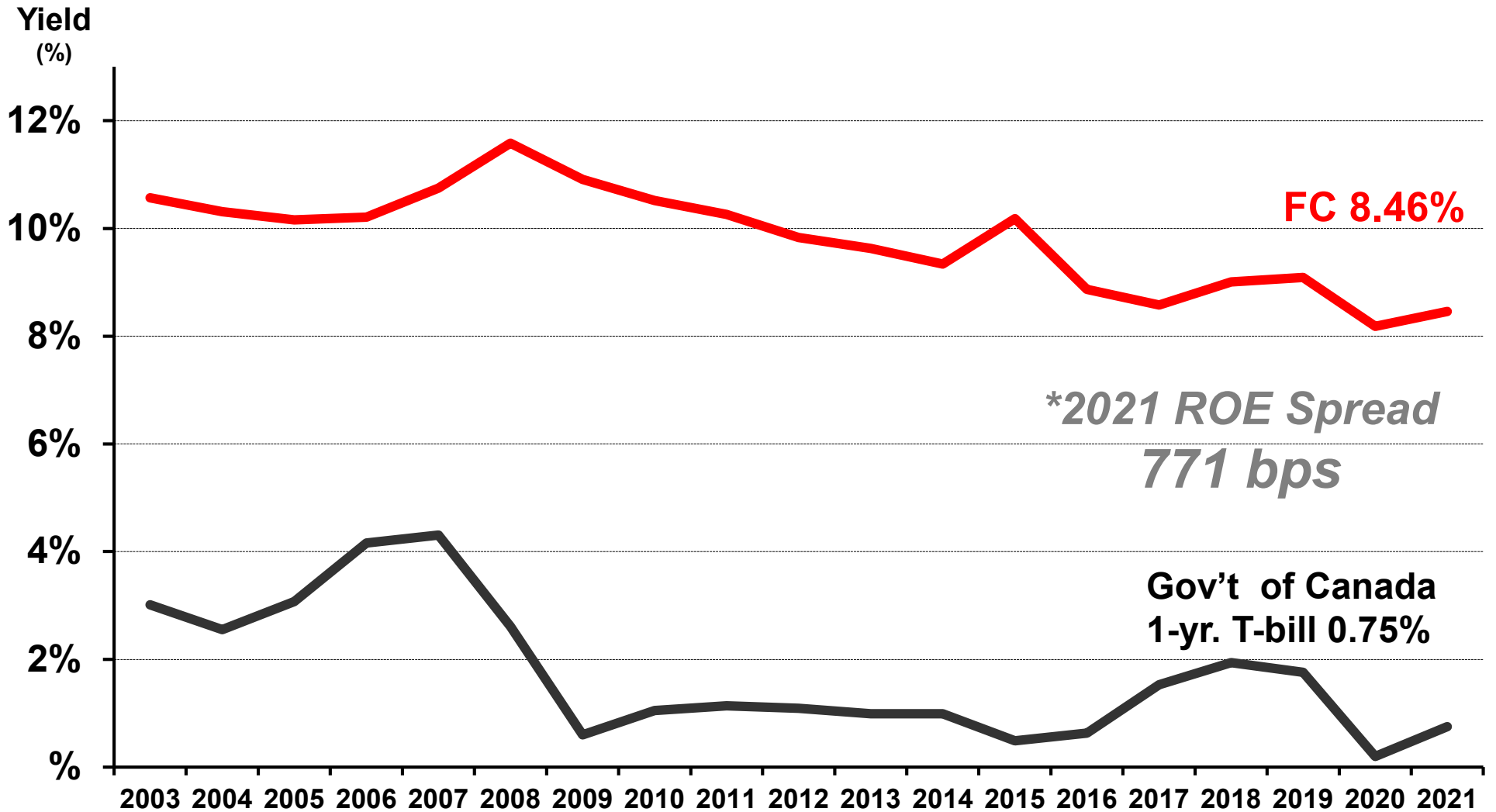


Geographic Diversification*

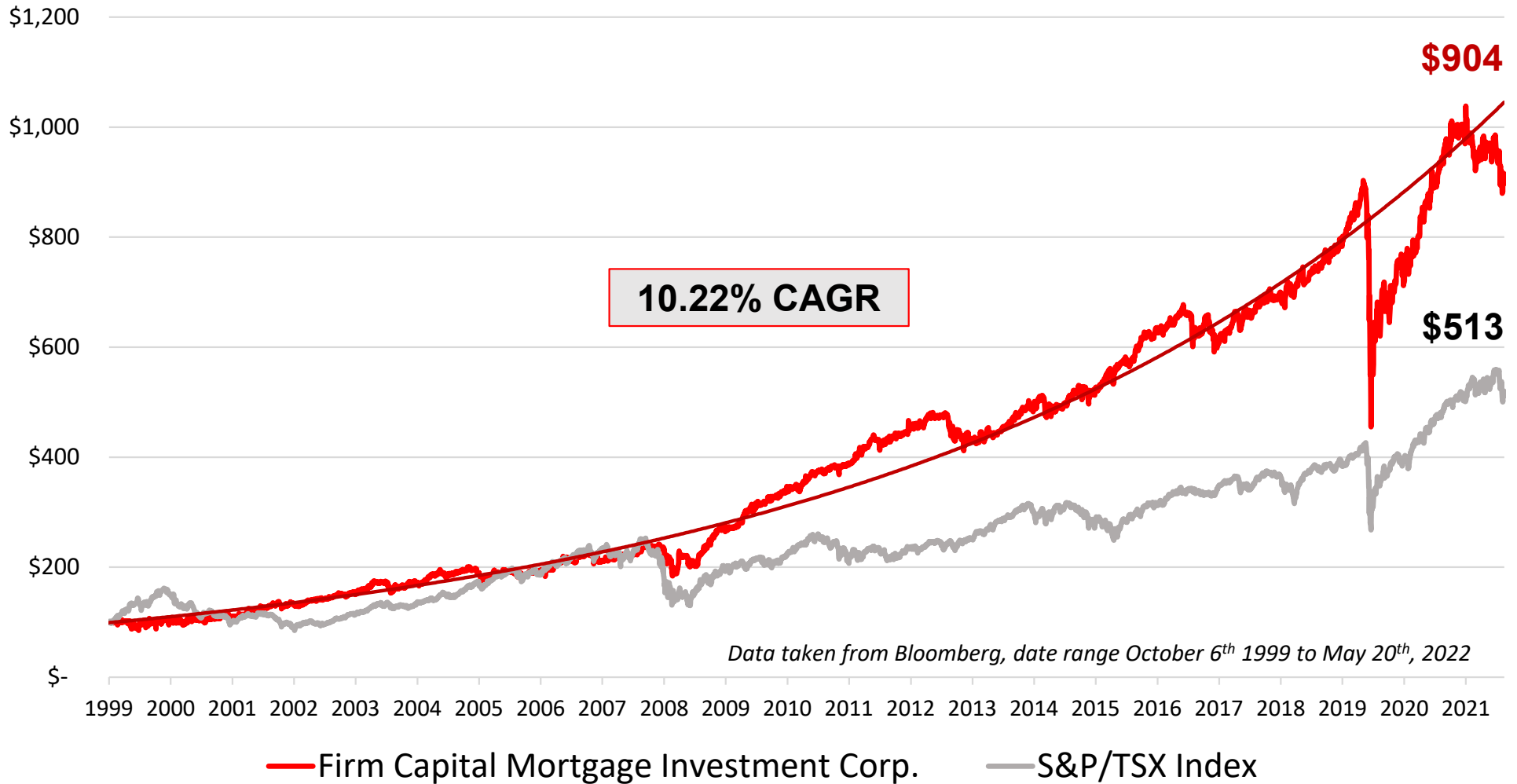


*(excluding 17 Related Debt Investments totaling \$81 million)

Annualized Return on Shareholders' Equity



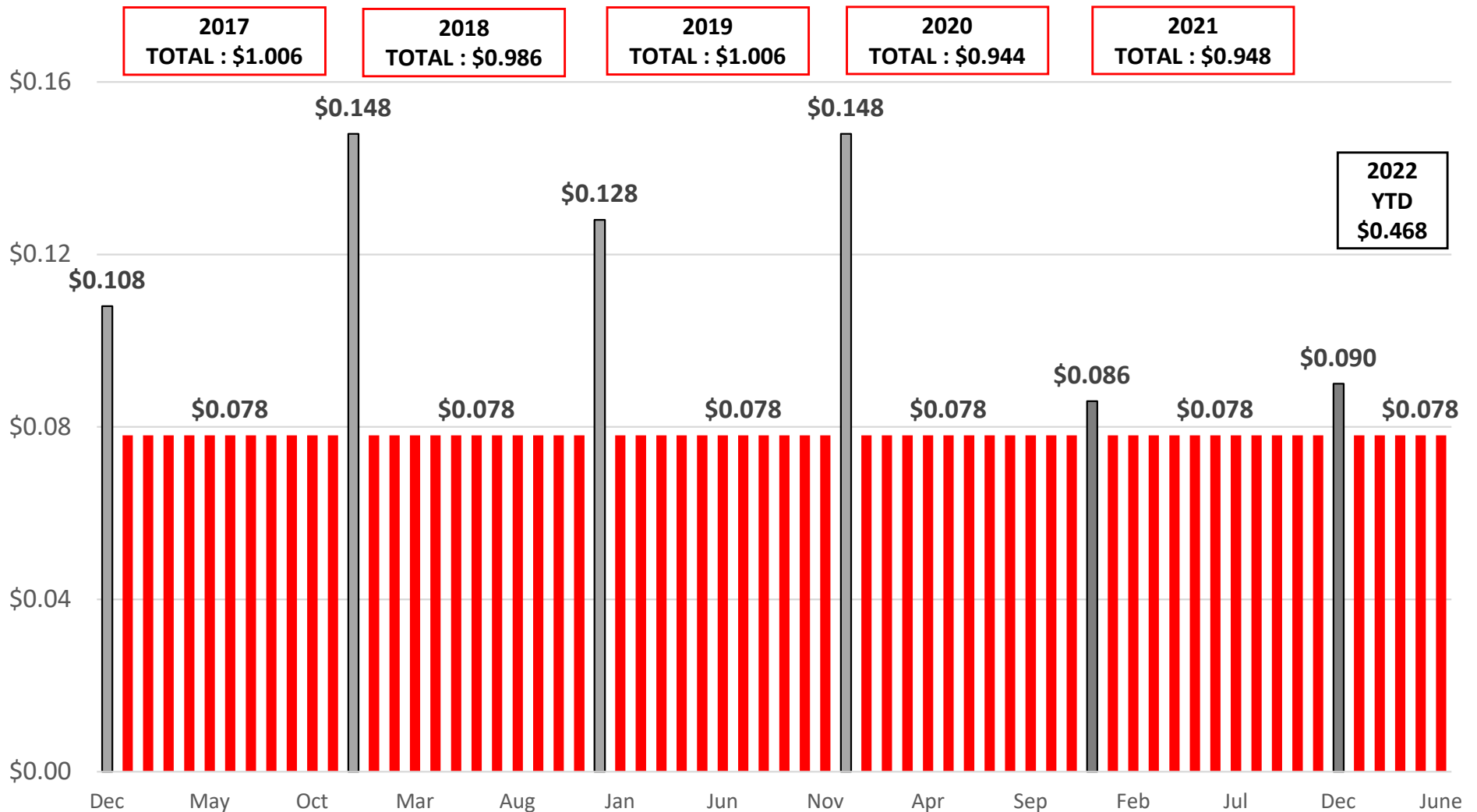
A \$100 investment in 1999 would be worth **\$904**



Results of Operations - 2021

	Year Ended Dec. 31, 2021	Year Ended Dec. 31, 2020
Interest and Fees Earned (millions)	\$47.9	\$44.2
Interest and Operating Expenses (millions)	\$17.9	\$17.8
Profit (millions)	\$30.0	\$26.4
Profit per Share	\$0.950	\$0.913
Dividends per Share	\$0.948	\$0.944
Loan Loss Provision (% of gross portfolio)	1.00%	1.00%

- Consistent \$0.078 dividend
- Additional special “top up” dividend at year end

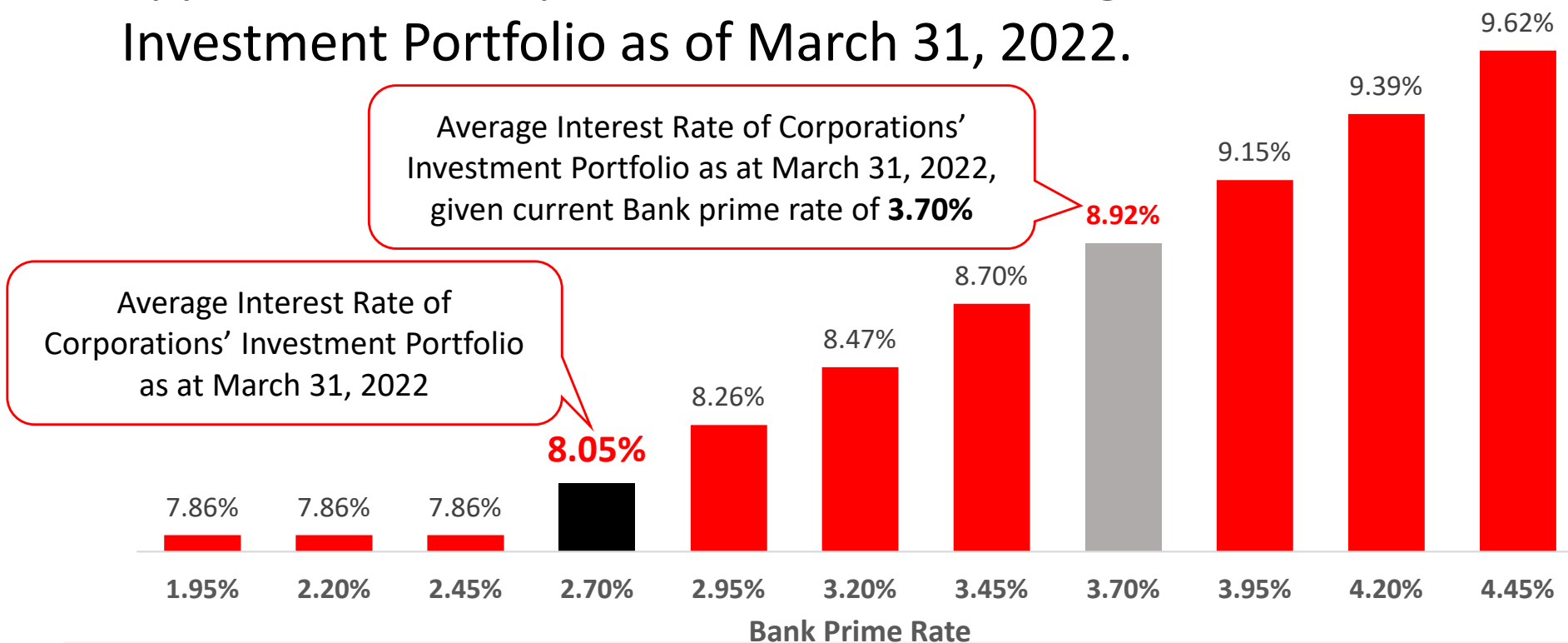


	Quarter Ended Mar. 31, 2022	Quarter Ended Mar. 31, 2021	Change
Investment Portfolio (millions) (1)	\$614	\$547	+12.2%
Profit (millions)	\$7.86	\$7.31	+7.5%
Profit/Share	\$0.232	\$0.237	-2.1%
Portfolio Face Rate	8.05%	8.18%	-13 bps
Return on Equity ₍₂₎	8.06%	8.50%	-44 bps
Loan Losses	none	none	

(1) Gross of impairment provision and fair market value adjustment.

(2) An annualized return on shareholders' equity based on the month end average shareholders' equity in the quarter.

- **95%** of the Corporations' invested capital is structured as floating interest rates with a floor, to capture the benefit of rising interest rates and protect downside from decreases.
- A **50** bps increase in the Bank Prime Rate translated into an approximate **45** bps increase in the average interest rate on the Investment Portfolio as of March 31, 2022.



Highlights and General Overview led by:

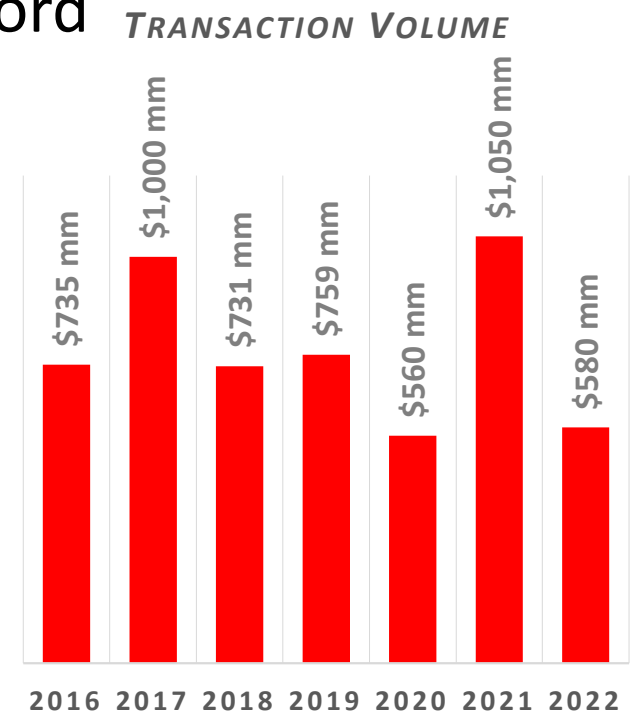
ELI DADOUCH

PRESIDENT & CEO

- Top-up dividend of 1.2 cents & total 2021 dividend of \$0.948/Share
- Diversified and well managed investment portfolio that produces a stable stream of dividends
- Key focus on preservation of Shareholder's Equity
- Focus on lending in large liquid markets and source strong transactions
- Specialize in short term bridge financings with clear exit strategies and ability to revolve our portfolio to a safer asset base
- Take advantage of the rising interest rates and possible shifts in the market for growth opportunities
- Twenty-three years of stable dividends with yearly special top ups

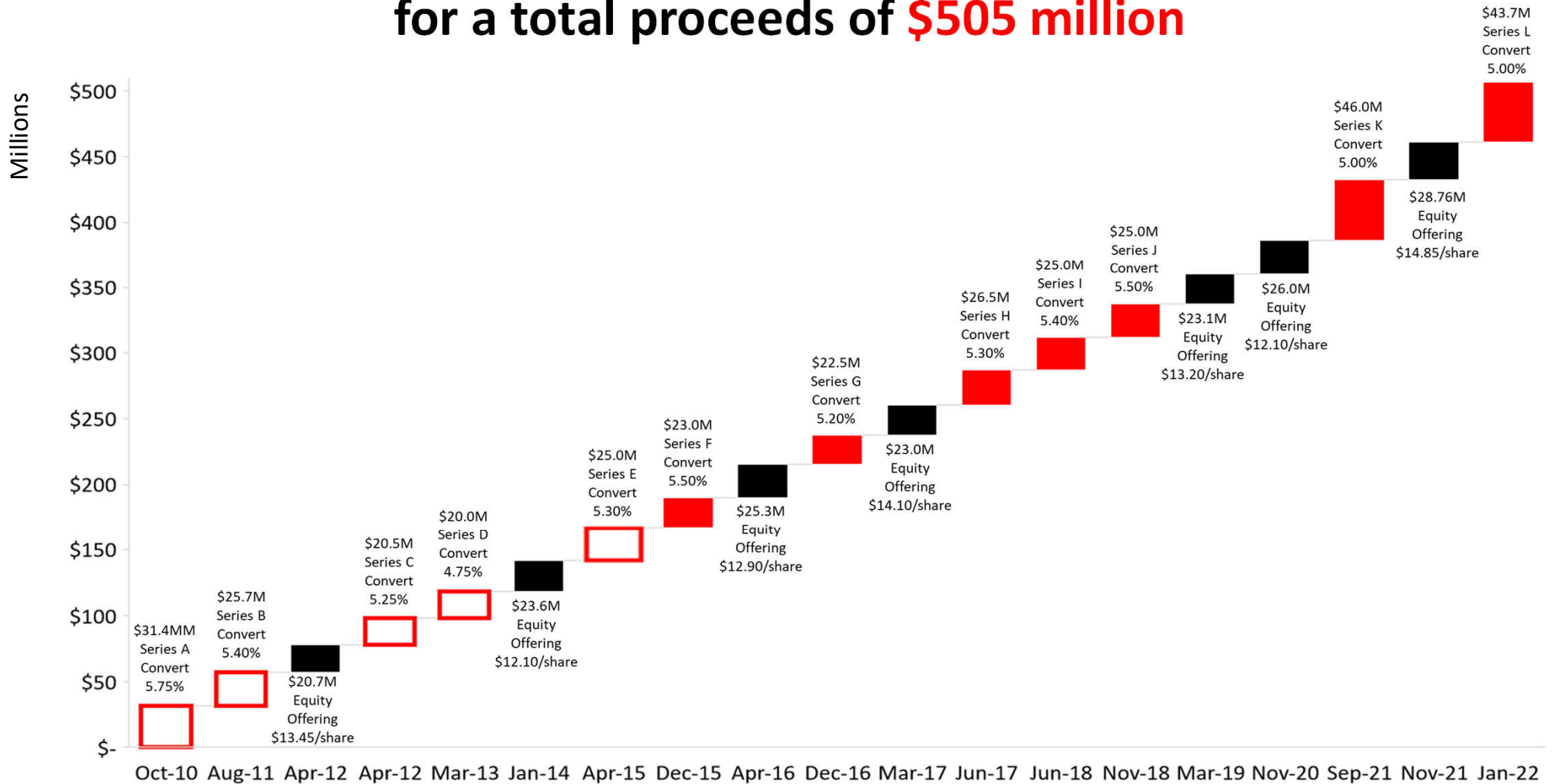
- Firm Capital Corporation has been in operation for 35 years.
 - Provides innovative real estate financing for all types of properties
 - Focuses on long term investors and borrower relationships
 - Focuses on risk management and diversification
 - Deep value lenders and investors
- Continue to be original “**out of the box**” thinkers looking for niche, safe investments
- Our principal focus is to:
 - ✓ **KEEP IT SIMPLE**
 - ✓ **LEND ON GENERIC REAL ESTATE**
 - ✓ **STICK TO LIQUID MARKETS**
 - ✓ **FOCUS ON THE RETURNS**
 - ✓ **WATCH FOR EXIT STRATEGIES**
 - ✓ **DO PROPER CREDIT RISK ADJUDICATION**

- Mortgage Banker (FCC) 35 years of track record
- 35 years of building client relationships
- 2021 transaction volume – **\$1,050** million
- 2022 YTD transaction volume – **\$580** million
- Experienced real estate syndicate partners
- Investing in niche markets and opportunities



Accessed the capital market **nineteen** times since October 2010

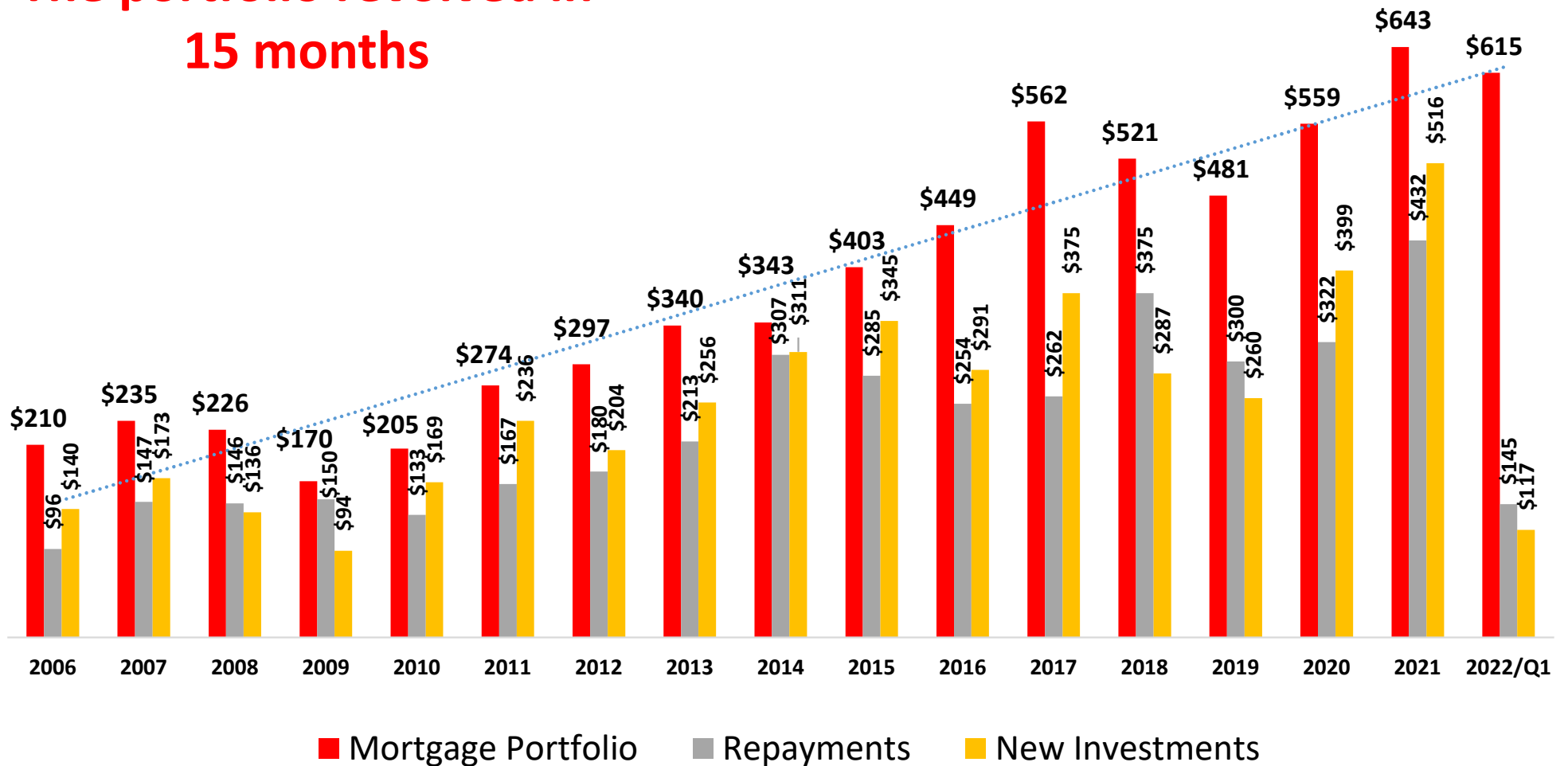
for a total proceeds of **\$505 million**



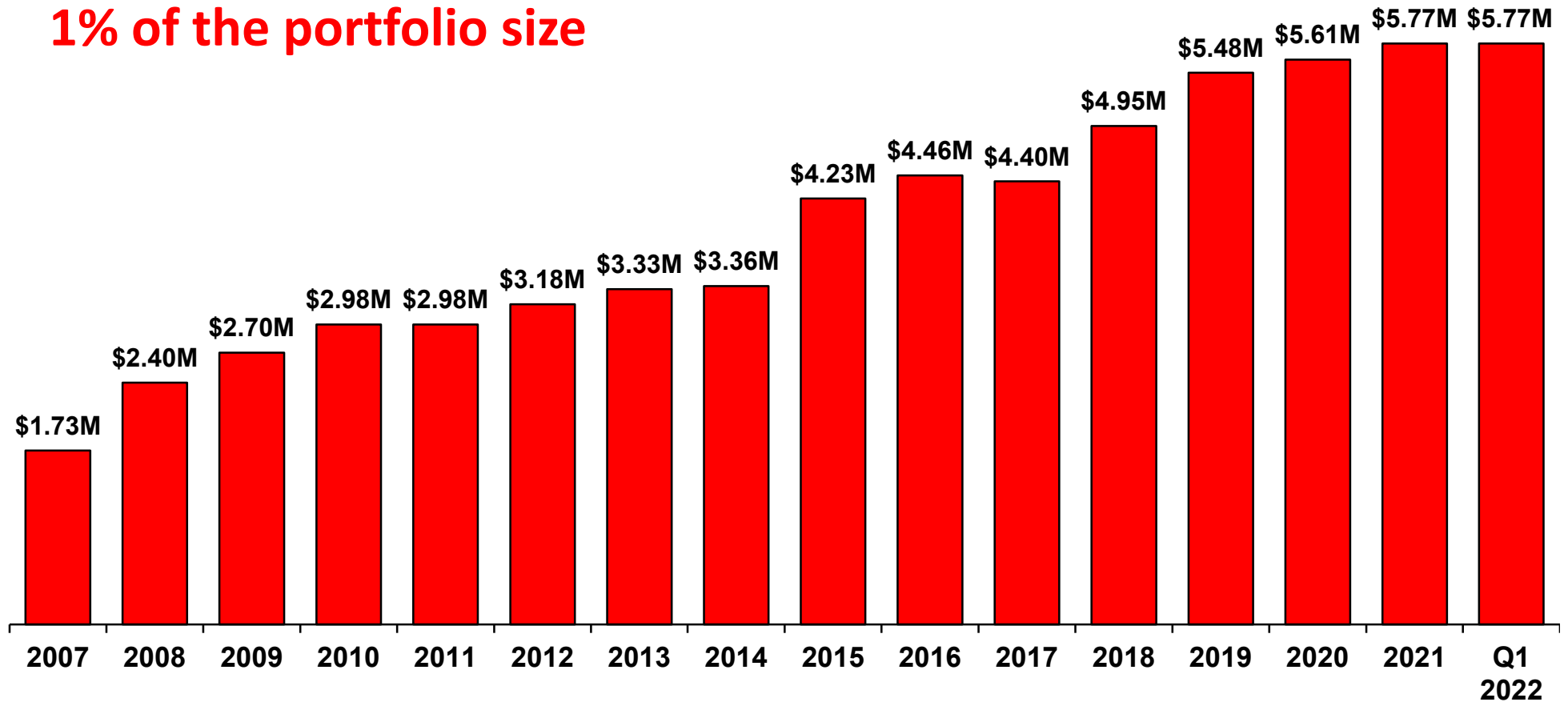
Wide Investment Dealer Distribution Network

224 Investments as at Q1/2022

The portfolio revolved in
15 months



1% of the portfolio size



Prudent Loan Loss Provisions (principal only)

- We see the rest of 2022 as being a solid, yet simple, year for us
- We do not bet on the real estate market appreciating, so caution and risk management comes first
- Focusing on liquid and solid assets and secure good and well priced investments
- A contrarian approach. Be fearful when others are greedy and greedy when others are fearful

- Honoring our commitments
- Holding our borrower clients to their commitments
- Providing straight, clear and concise communication in what we can deliver on
- Experienced Board and Management team

OUR OPERATING PHILOSOPHY IS SIMPLE:

BE SMART

BE ENTREPRENEURIAL

BUT ABOVE ALL DON'T LOSE CAPITAL

**DISCIPLINED INVESTMENT
CAPITAL PRESERVATION**

THANK YOU!

TO OUR SHAREHOLDERS,
OUR BONDHOLDERS,
OUR BORROWER PARTNERS,
OUR INVESTMENT BANKERS,
OUR INVESTMENT PARTNERS



TRUST • INNOVATION • RELATIONSHIPS

BOUTIQUE MORTGAGE LENDERS®

WHERE MORTGARE DEALS GET DONE®

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Q&A

DISCIPLINED INVESTING • CAPITAL PRESERVATION