



PRESS RELEASE

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

TSX Symbol FC

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION ANNOUNCES Q3/2022 RESULTS

November 7, 2022, TORONTO, CANADA – Firm Capital Mortgage Investment Corporation (the “Corporation”) (TSX FC, FC.DB.F, FC.DB.G, FC.DB.H, FC.DB.I, FC.DB.J, FC.DB.K and FC.DB.L) released its financial statements for the three and nine months ended September 30, 2022.

NET INCOME

For the three months ended September 30, 2022, net income increased by 8.1% to \$8,179,541 as compared to \$7,565,816 reported for the same period in 2021. Net income for the nine months ended September 30, 2022 increased by 9.1% to \$24,278,981 as compared to \$22,251,107 reported for the same period in 2021. The increase is predominantly a result of higher interest income due to a larger average interest rate on the investment portfolio size (on average \$100 million higher over a similar period in 2021) and increase in the Corporations investment portfolio average interest rate partially offset by an increase in interest expense.

EARNINGS PER SHARE

Basic weighted average profit per share for the three months ended September 30, 2022, was \$0.237, as compared to the \$0.241 per share reported for the three months ended September 30, 2021. Basic weighted average profit per share for the nine months ended September 30, 2022, was \$0.708, as compared to the \$0.716 per share reported for the nine months ended September 30, 2021.

PORTFOLIO

The Corporation’s investment portfolio decreased by \$6.5 million to \$636.0 million as at September 30, 2022, in comparison to \$642.5 million as at December 31, 2021 (in each case, gross of the impairment provision and fair value adjustment). During the nine months ended September 30, 2022, new investment funding was \$326.0 million (2021 – \$346.0 million), and repayments were \$333.0 million (2021 – \$330.0 million).

RETURN ON EQUITY

The Corporation continues to exceed its yield objective of producing a return on shareholders’ equity in excess of 400 basis points over the average one-year Government of Canada Treasury bill yield. Income for the quarter ended September 30, 2022, represented an annualized return on total shareholders’ equity (based on the average of the month end shareholders’ equity in the quarter) of 8.20%, representing an annualized return on total shareholders’ equity of 424 basis points per annum over the average one-year Government of Canada Treasury bill yield of 3.96%.

PRUDENT IMPAIRMENT ALLOWANCE

Management has always taken a proactive approach to the Corporation’s loan impairment allowance. This is a prudent approach that provides stability of dividends to our shareholders in the event there are any future issues with any of the loans within the Corporation’s investment portfolio. The allowance for impairment and fair value adjustment as of September 30, 2022, was \$7,360,000 (December 31, 2021, allowance for impairment – \$5,750,000).

INVESTMENT PORTFOLIO DETAILS

Details on the Corporation's investment portfolio as at September 30, 2022, are as follows:

- Total gross investment portfolio of \$636,050,388 which is 1% lower than the \$642,531,533 reported at December 31, 2021.
- Conventional first mortgages, being those first mortgages with loan-to-values less than 75%, comprise 75% of the total portfolio (73% as at December 2021), and total conventional mortgages with loan-to-values less than 75%, comprise 84% of the total portfolio (82% as at December 2021).
- Approximately 83% of the portfolio matures by December 31, 2023.
- The average face interest rate on the portfolio is 10.36% per annum, as compared to 7.91% on December 31, 2021.
- Regionally, the mortgage investment portfolio is diversified as follows: Ontario (82%), Quebec (10.4%), Western Canada (5.4%), and USA (2.2%).

DIVIDEND AND SHARE PURCHASE PLAN

The Corporation has in place a Dividend Reinvestment Plan (DRIP) and Share Purchase Plan that is available to its shareholders. The DRIP allows participants to have their monthly cash dividends reinvested in additional shares. The price paid per share is 97% (if the share price is higher than \$14.85) of the weighted average trading price calculated five trading days immediately preceding each dividend date with no commission cost. Once registered with the Share Purchase Plan, participants have the right to purchase additional shares, totaling no greater than \$12,000 per year and no less than \$250 per month. Shareholders participating pay no commission.

For the three and nine months ended September 30, 2022, the Corporation declared dividends on the Shares totaling \$8,069,360 and \$24,079,389, respectively, or \$0.234 and \$0.702 per Share, versus \$7,354,997 and \$21,837,073, respectively, or \$0.234 and \$0.702 per Share for the three and nine months ended September 30, 2021. The number of Shares outstanding at September 30, 2022 was 34,485,001, compared to 31,499,314 at September 30, 2021.

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. Full reports of the financial results of the Corporation for the quarter are outlined in the unaudited interim consolidated 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 investment 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 current 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 news release.

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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