



Diversified Mortgage & Credit Investments

Inception Date: October 1999

# Firm Capital Mortgage Investment Corporation

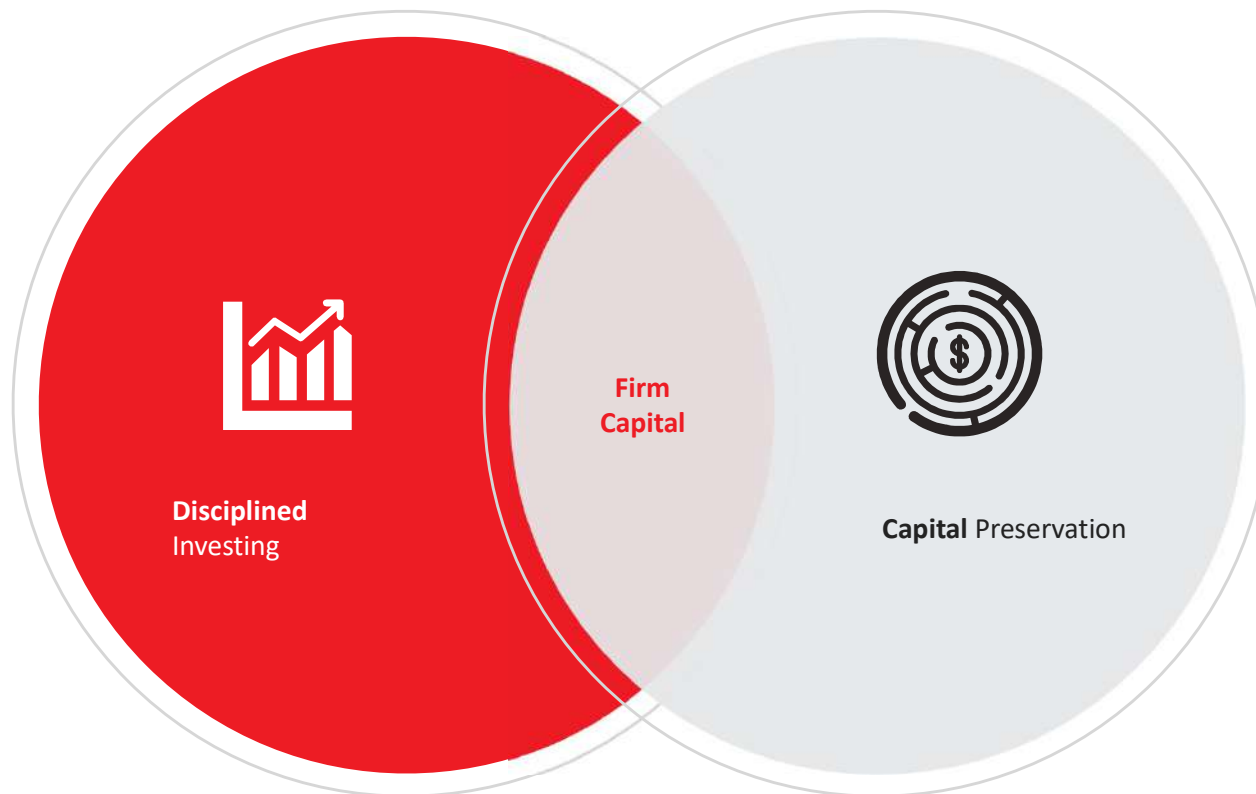
**INVESTOR PRESENTATION – Q4 2022**

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Firm Capital operates as a boutique real estate and financial services equity investment company deploying capital opportunistically between debt and equity in the real estate private and public markets across Canada and parts of the U.S.

Operating in the same industry for over 35 years



# Since inception in 1988,

Firm Capital Organization has established an exceptional track record demonstrated by past performance, and prides itself on its risk management abilities to protect and preserve capital, while acting as a disciplined investor.

#### PROFICIENT SERVICES PROVIDED BY FIRM CAPITAL:

- Mortgage Lender
- Real Estate Owner
- Principal Investor
- Capital Partner
- Activist and Innovative Investor
- Property and Asset Manager

**Firm Capital Advantage**  
Investing Integrity

**EXPERIENCE MATTERS**

Experienced team managing debt and real estate throughout a real estate cycle

35+ year track record with management industry experience in excess of 100 years

**DIRECT INVESTMENTS**

Strong alignment of interest through direct investment in assets by management team and board members

**PUBLIC ENTITIES**

Public entities provide transparency, safety & liquidity and are governed by rigid investment & operating policies



**DISCIPLINED INVESTING**

Disciplined investing focused on capital preservation & consistent returns

**PROVEN TRACK RECORD**

Long term track record creating value with attractive yields for investors

## Investment Highlights

<p><b>Underlying Assets</b></p>	<ul style="list-style-type: none"> <li>Portfolio comprised of 252 investments</li> </ul>
<p><b>Alignment of Interests</b></p>	<ul style="list-style-type: none"> <li>Management Team &amp; Board Members co-invested alongside investors \$62M with the Corporation in its Investment Portfolio as at December 31, 2022</li> <li>802,967 shares are held by Directors and Officers as at December 31, 2022</li> <li>Management, directors and/or their respective associates invest on a pari-passu basis in all non-conventional mortgages</li> </ul>
<p><b>Strategic Portfolio Diversification</b></p>	<ul style="list-style-type: none"> <li>Strategically diversified by <b>geography</b> (mainly in Southern Ontario), <b>mortgage type</b> (mainly conventional first mortgages not exceeding 75% LTV), <b>loan amount</b> (majority less than \$2.5M), and by <b>property type</b> (mainly residential construction &amp; land)</li> </ul>
<p><b>Compelling Investment Metrics &amp; Fundamental Growth</b></p>	<ul style="list-style-type: none"> <li>Monthly distributions of \$0.078/Share plus additional “top up” dividend at year-end</li> <li>A \$100 investment in Common Shares in October 6, 1999, assuming reinvested dividends, would be worth \$821 as of March 30, 2023 (as opposed to \$518 if invested in S&amp;P/TSX Composite Index) for a 9.37% CAGR</li> <li>Firm Capital Organization loaned more than \$12.3 Billion from 2000-2023 YTD</li> </ul>
<p><b>Disciplined Philosophy</b></p>	<ul style="list-style-type: none"> <li>Conservative underwriting philosophy &amp; default recovery program</li> <li>Have Impairment Allowance of \$5.46M &amp; Fair Value Loss Adjustment of \$4.70M as at Q4/2022 in place to soften effects of any possible losses</li> <li>Short-term lending: 68.3% maturing by Dec. 31/23 &amp; additional 23.9% maturing by Dec. 31/24 (not tied to a single borrower for a long period of time)</li> <li>Performance driven compensation to Investment Manager (not on cash or non-performing loans)</li> </ul>
<p><b>Traded on TSX (as at March 28, 2023)</b></p>	<ul style="list-style-type: none"> <li>TSX: FC</li> <li>CAD\$11.06/Share</li> <li>Market Capitalization CAD\$381.4 Million</li> <li>Shares Issued 34,486,331</li> <li>TTM yield of 8.59% (includes “top-up” dividend of CAD <math>\phi</math>1.4/share at year-end Dec. 31/22)</li> </ul>

## Aligned Management Interests

### Performance Based Compensation

- FCMIC Manager receives 0.75% per annum on performing investments (not cash balances)
- Mortgage Banker receives 0.1% per annum loan servicing fee on performing investments
- Commitment fee income is shared
- Mortgage Banker receives 75% of the commitment & renewal fees and 25% of the special profit income generated from the non-conventional investments after the Corporation has yielded a 10% per annum return on its investments

### Substantial Co-Investment

- Management, directors and/or their respective associates invest on a pari-passu basis in all non-conventional mortgages
- Management and directors are co-investors in most investments
- Loan syndication to diversify risk

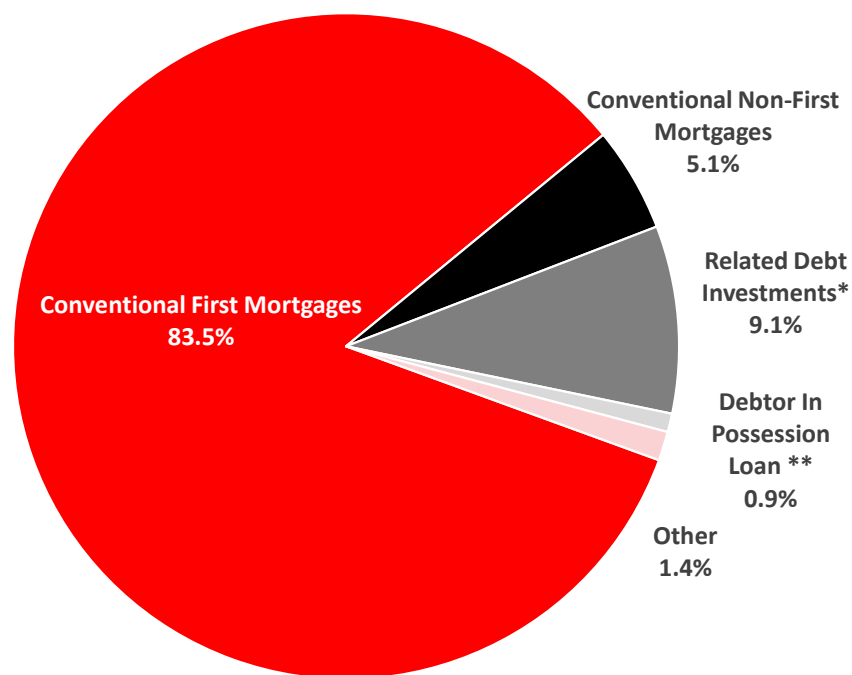
**No acquisition or disposition fees charged!**

## Conservative Lending Approach

Date: Q4/2022

- 83.5% conventional first mortgages
- Experienced borrowers in proven markets
- Conservative lending guidelines restricting investment exposure on loan size and related borrower groups

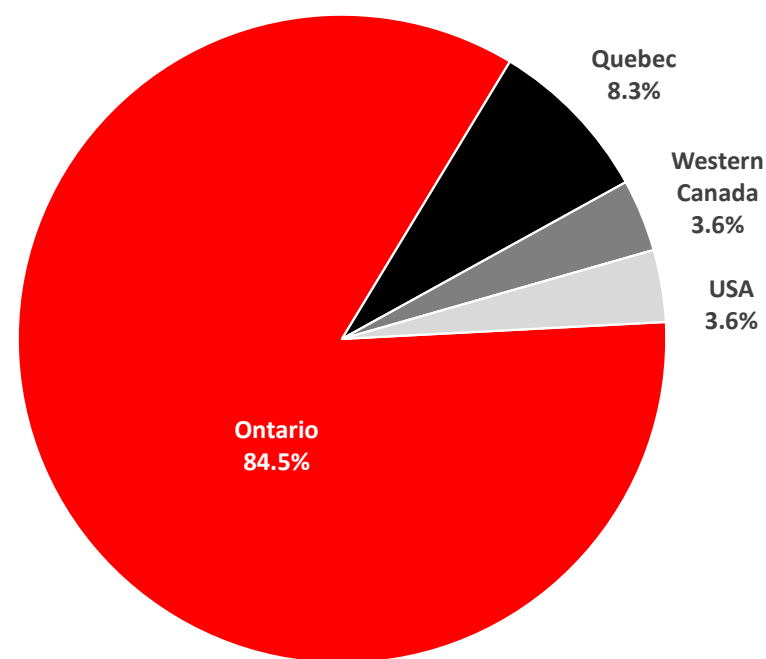
### Investment Portfolio



\*The **Related Debt Investments** category is a basket of investments (i.e. Debenture Loans, etc.) that are all participating in debt investments to a variety of third-party borrowers. Such debt investments are not secured by mortgage charges, and instead have other forms of security or recourse, and could include profit sharing.

\*\*A **Debtor In Possession loan** ("DIP Loan"), is a loan obtained by an insolvent debtor while that debtor is restructuring its business under the Companies' Creditors Arrangement Act (Canada). A DIP Loan has "super-priority" security on the assets of the debtor company awarded by the court.

### Geographic Diversification\*\*\*

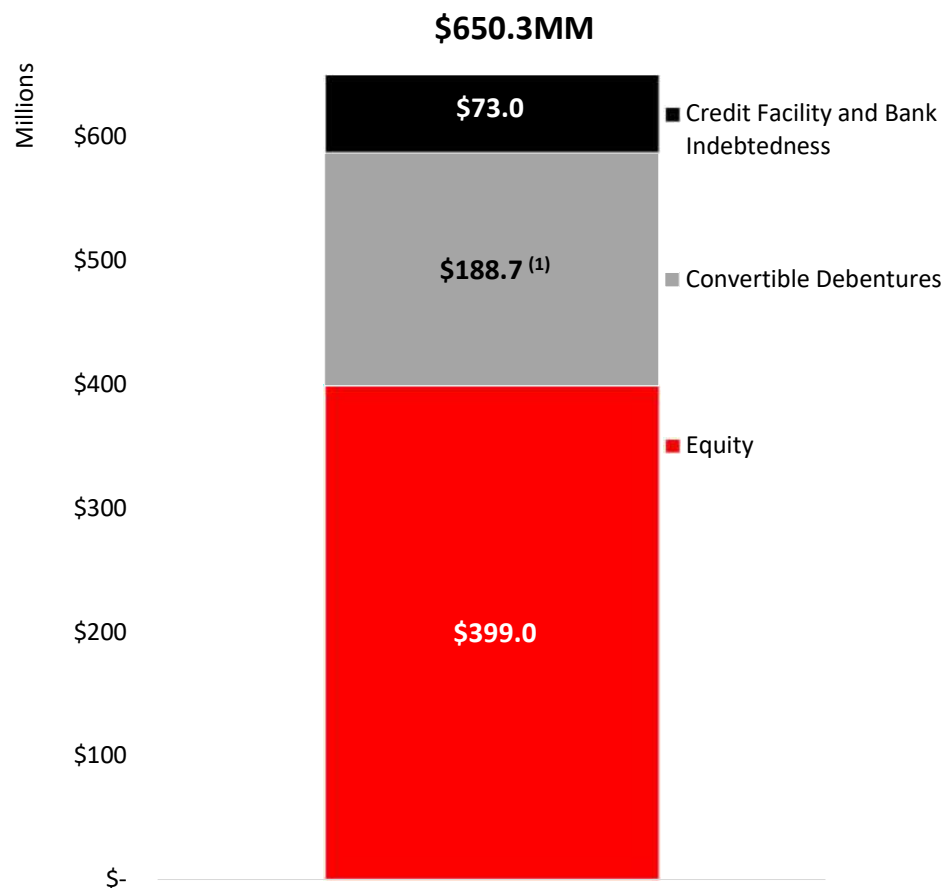


\*\*\*Excluding Related Debt Investments



Capital Stack (in \$MM)

**Current Capital Stack  
Q4/2022**

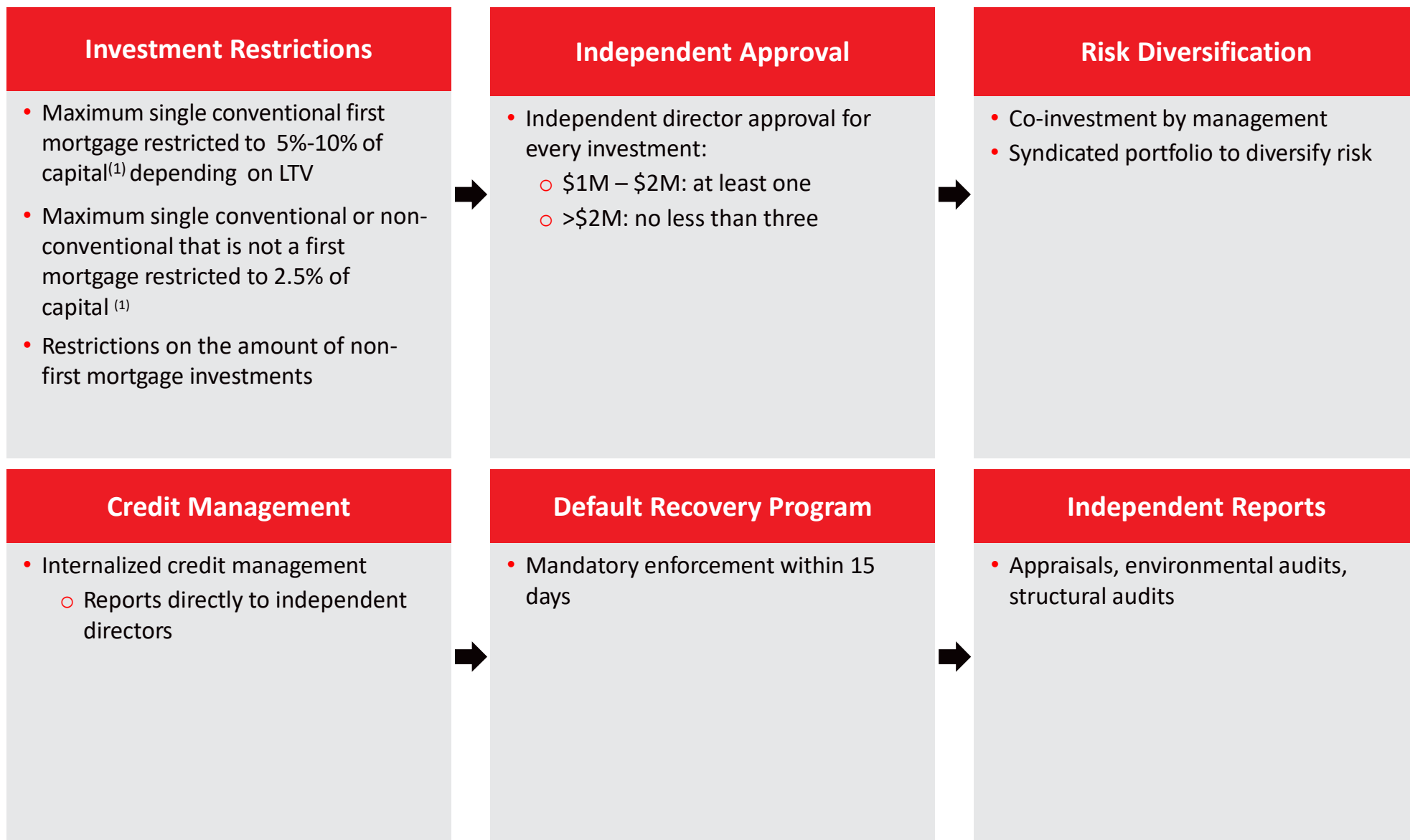


**Convertible Debentures<sup>(1)</sup>  
Q4/2022**



(1) At par value

## Rigid Operating Standards



Note: (1) Capital is based on total paid up Shareholder's Equity and Convertible Debentures

## Q4/2022 Financial Highlights

	Quarter Ended Dec. 31, 2022	Quarter Ended Sept. 30, 2022	Quarter Ended Dec. 31, 2021
<b>Mortgage Portfolio (millions)<sup>(1)</sup></b>	<b>\$661.0</b>	<b>\$636.0</b>	<b>\$642.5</b>
<b>Basic Profit Per Share</b>	<b>\$0.231</b>	<b>\$0.237</b>	<b>\$0.234</b>
<b>Dividends Per Share</b>	<b>\$0.248</b>	<b>\$0.234</b>	<b>\$0.246</b>
<b>Return on Equity</b>	<b>8.12%</b>	<b>8.20%</b>	<b>8.46%</b>
<b>Impairment allowance</b>	<b>\$10.16<sup>(4)</sup></b>	<b>\$7.36<sup>(3)</sup></b>	<b>\$5.75<sup>(2)</sup></b>

(1) Gross of impairment provision and fair market value adjustments

(2) Impairment allowance of \$5.75 million for December 31/21 includes a fair value adjustment of \$2.6 million on investments carried at fair value, and excludes an impaired loan interest allowance of \$1.95 million

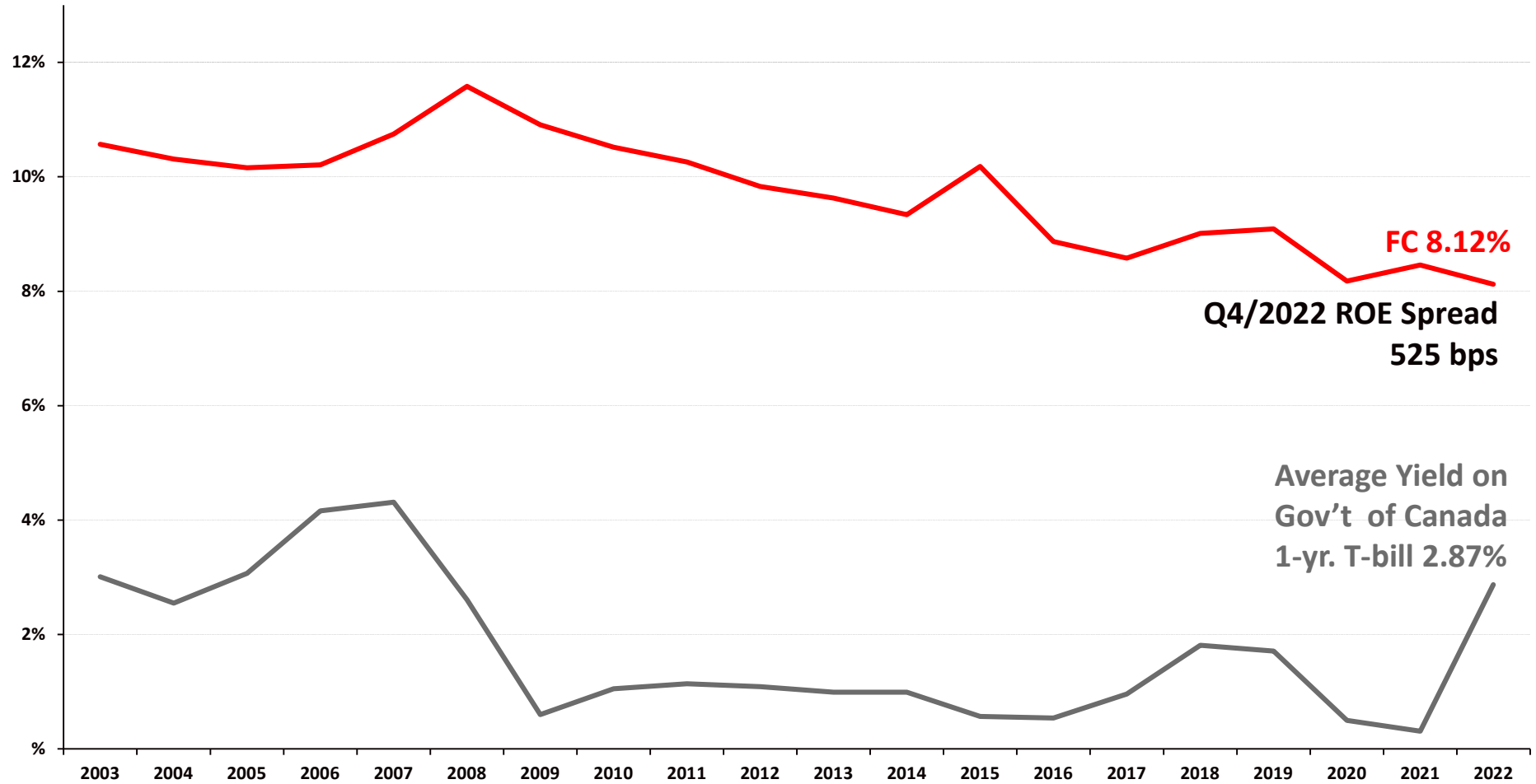
(3) Impairment allowance of \$7.36 million for September 30/22 includes a fair value adjustment of \$1.4 million on investments carried at fair value, and excludes an impaired loan interest allowance of \$181.7K.

(4) Impairment allowance of \$10.16 million for December 31/22 includes a fair value adjustment of \$4.7 million on investments carried at fair value, and excludes an impaired loan interest allowance of \$1.23 million.

## Q4/2022 Results of Operations

(\$ in millions)	Quarter Ended Dec. 31, 2022	Quarter Ended Sept. 30, 2022	Quarter Ended Dec. 31, 2021
<b>Interest and Fees Earned</b>	<b>\$17.26</b>	<b>\$16.37</b>	<b>\$13.05</b>
<b>Interest and Operating Expenses</b>	<b>\$5.95</b>	<b>\$6.60</b>	<b>\$5.31</b>
<b>Profit</b>	<b>\$7.96</b>	<b>\$8.18</b>	<b>\$7.74</b>
<b>Dividends to Shareholders</b>	<b>\$8.55</b>	<b>\$8.07</b>	<b>\$8.15</b>
<b>W.A. Interest Rate</b>	<b>10.99%</b>	<b>10.36%</b>	<b>7.91%</b>

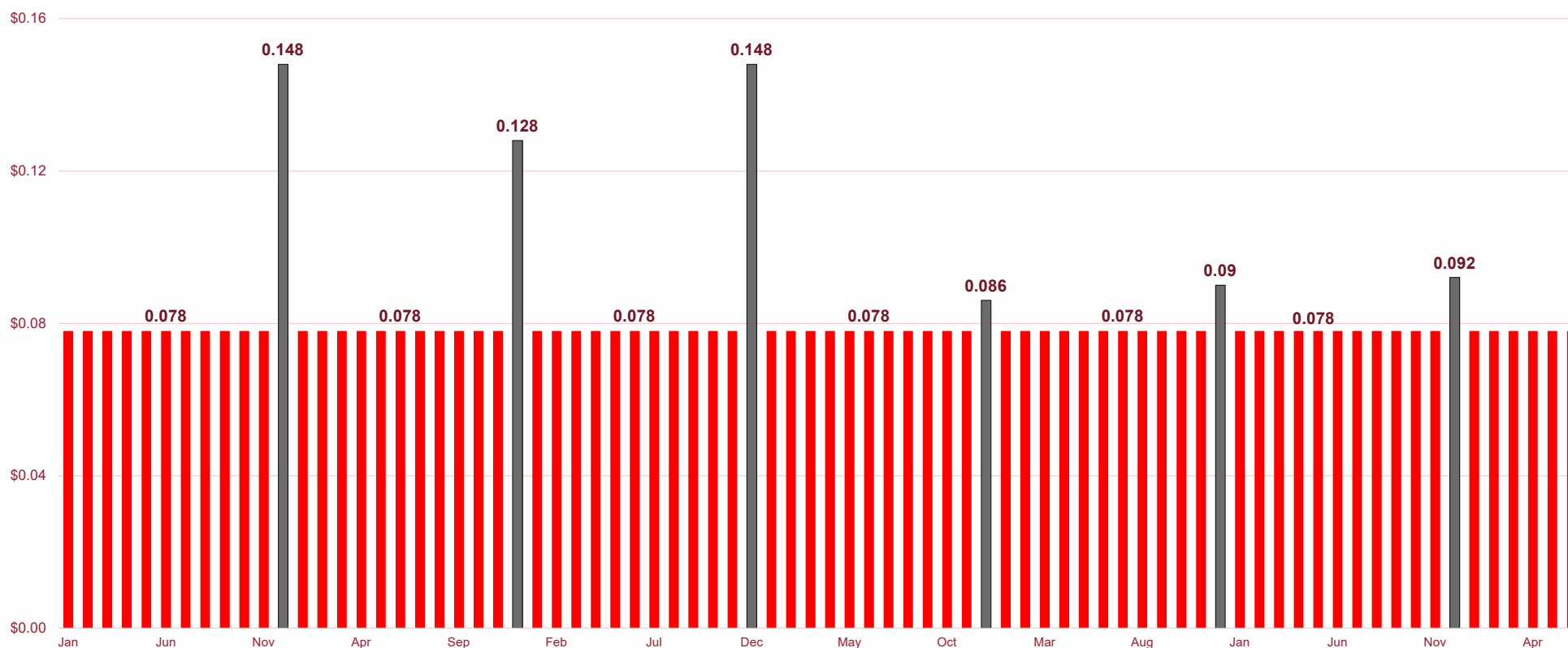
## Annualized Return on Shareholders' Equity



## Stable Cash Dividends

- Steady ¢7.8 monthly dividend
- In addition, to a “top-up” dividend at year-end

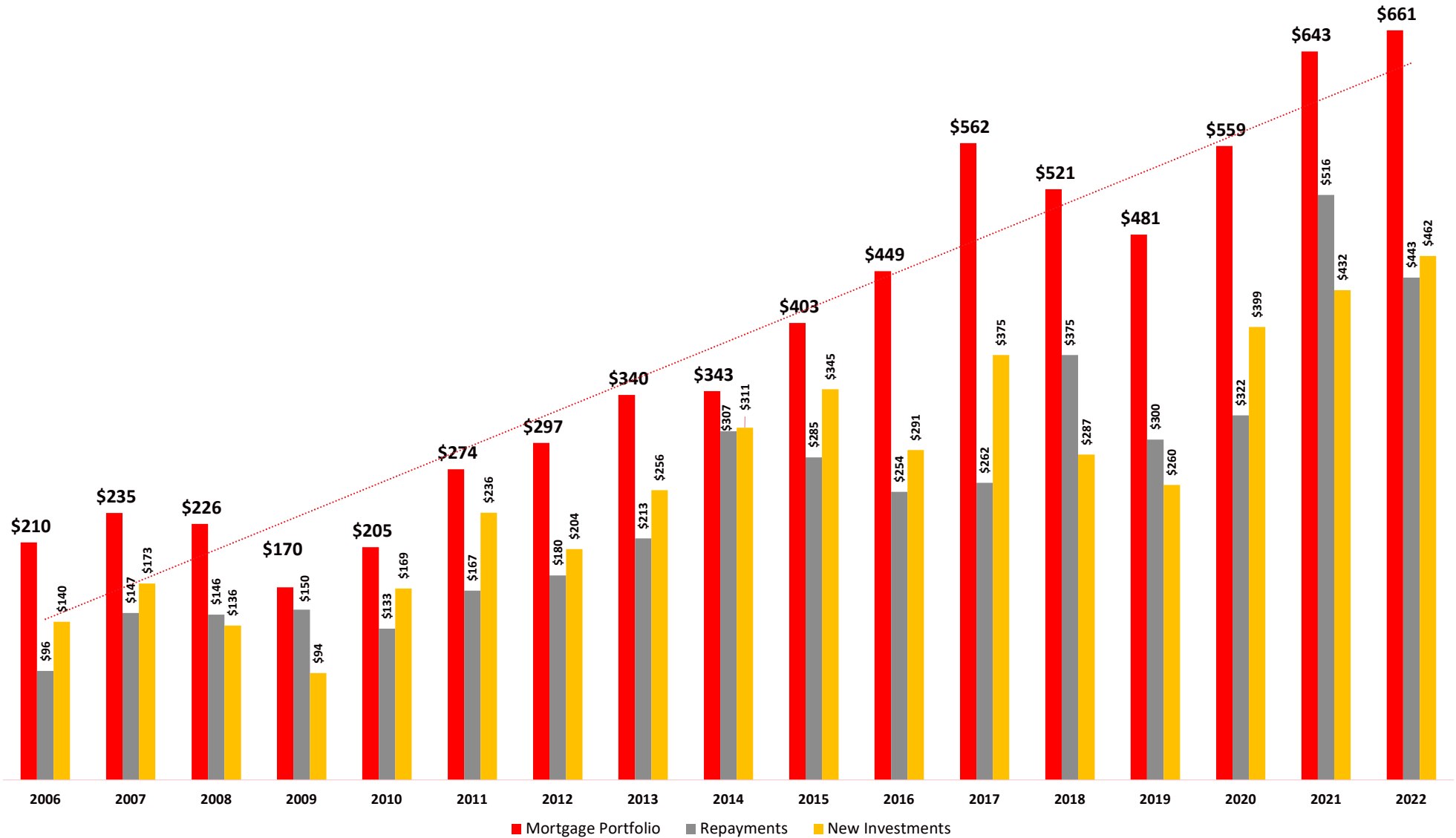
<b>2017</b> TOTAL: \$1.006	<b>2018</b> TOTAL: \$0.986	<b>2019</b> TOTAL: \$1.006	<b>2020</b> TOTAL: \$0.944	<b>2021</b> TOTAL: \$0.948	<b>2022</b> TOTAL: \$0.950	<b>2023 YTD*</b> TOTAL: \$0.468
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\* Includes declared dividends for Shareholders on record as at April 30/23, May 31/23 and June 30/23, payable on or about May 16/23, June 15/23 and July 17/23.

Increasing Mortgage Portfolio (in \$MM)

**252 Investments in Q4/2022**

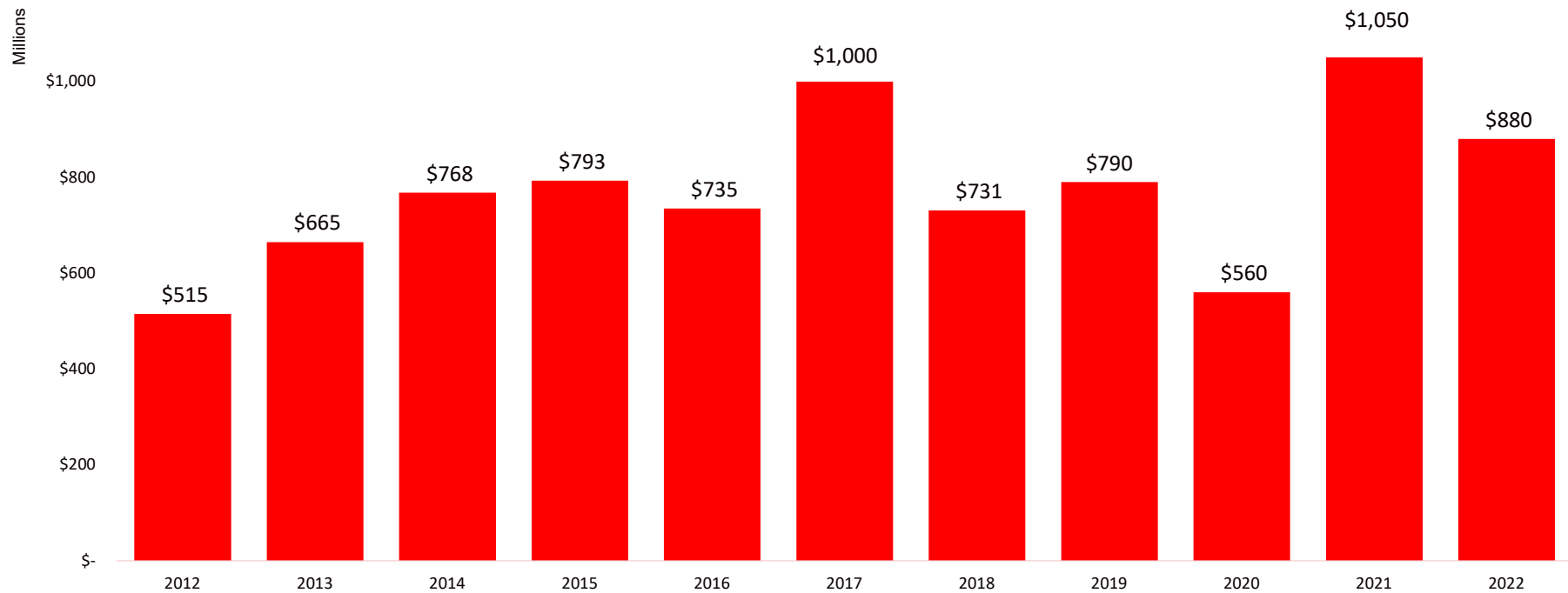


## Deal Flow

### Significant Origination Capability

- 35-year track record of mortgage origination
- With the experience of the Mortgage Banker and strong partners, steady deal flow with excellent risk mitigation occurs
- Co-investing with knowledgeable real estate partners

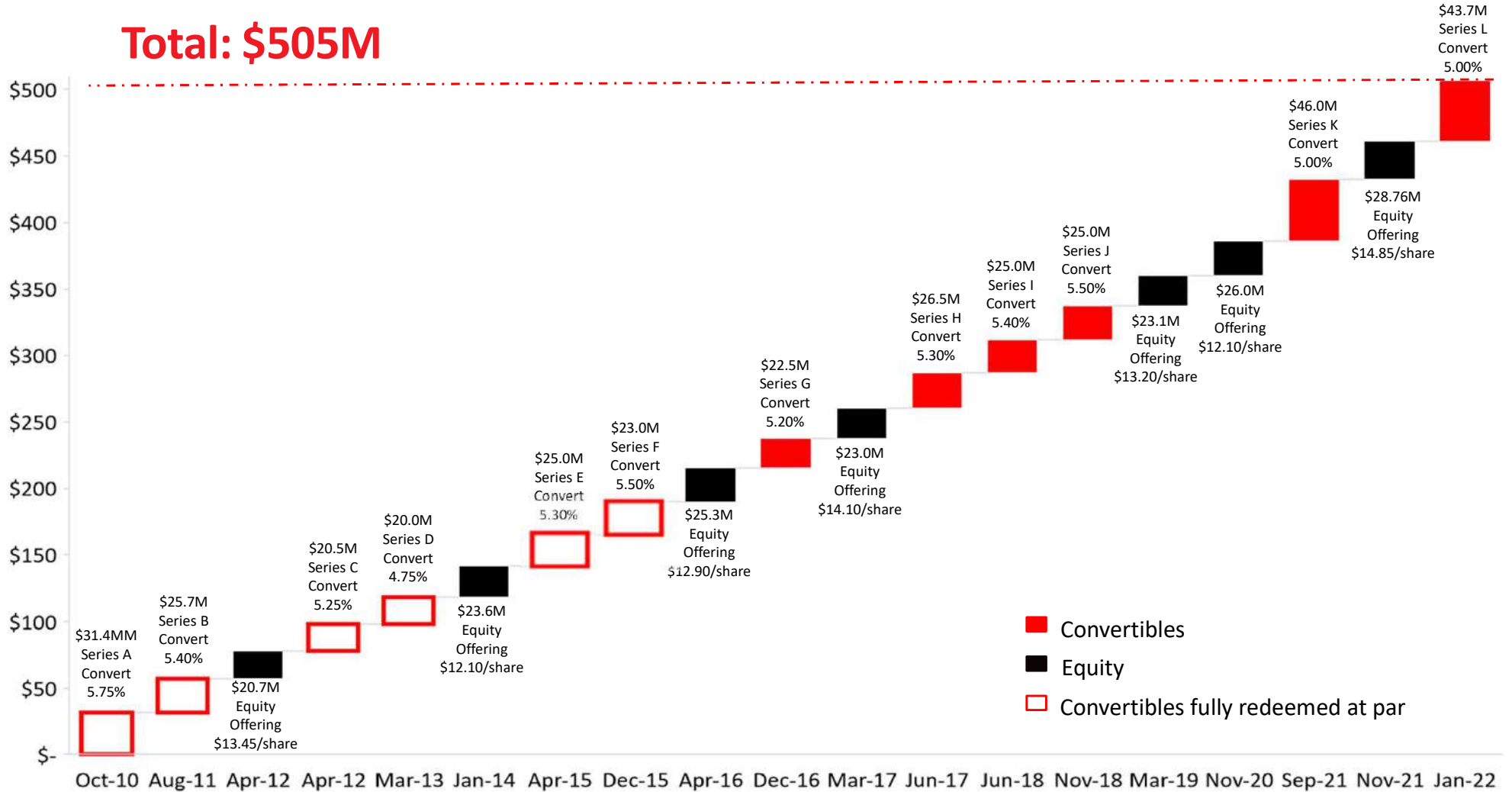
### Transaction Volume (in \$MM): 2012 –2022



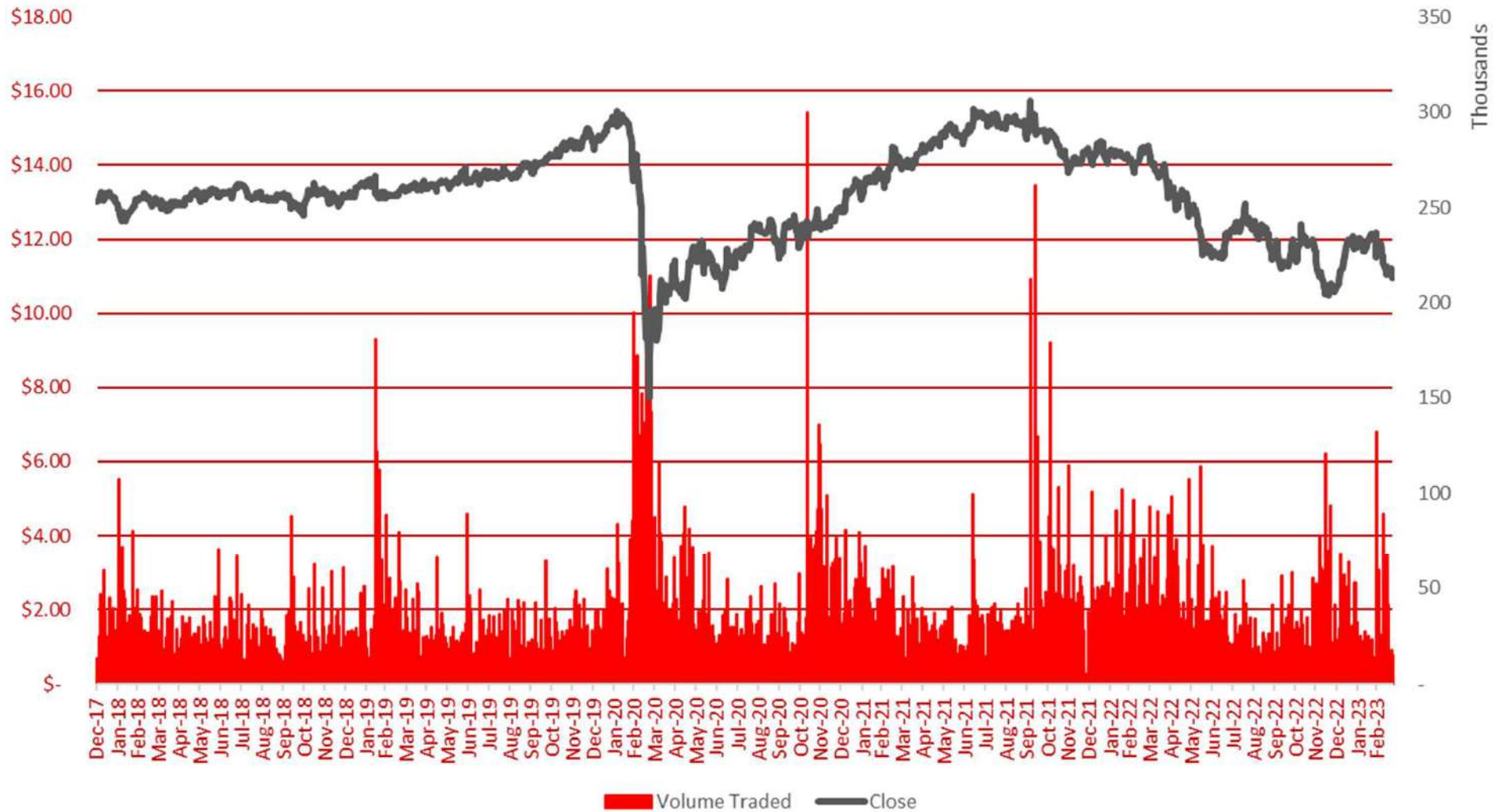


Accessed the capital market **nineteen** times since October 2010

**Total: \$505M**

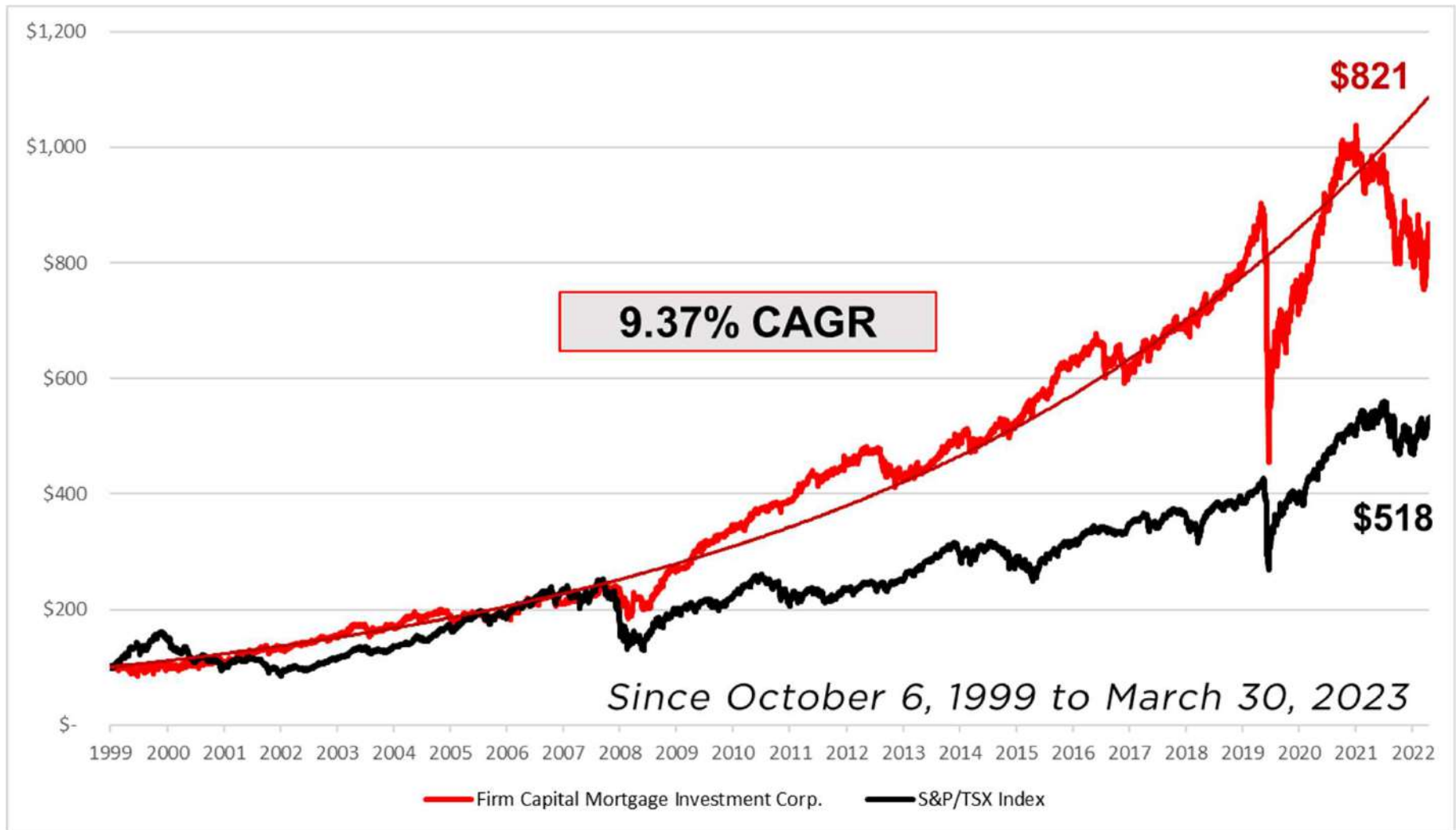


## Average Share Price & Trading Volume



## An Attractive Investment

A \$100 FC investment in 1999 would be worth \$821 today!



## 2023 Outlook

- The Corporation's investment portfolio (the "Investment Portfolio") continued to revolve in 2022 with significant investment repayments and new fundings. During the year ended December 31, 2022, new fundings and discharges of investments were \$462 million and \$443 million respectively (2021 – \$516 million and \$432 million).
- The Corporation was able to increase its allowance for impairment and fair value loss adjustment by a significant amount in 2022 of \$4.41 million, to a total of \$10.16 million as at December 31, 2022, while still generating earnings per share of \$0.939.
- At the end of 2022 Investment Portfolio consisted of 83.5% of conventional first mortgages with 68% maturing in 2023. In addition, the interest rate of 96% of the Investment Portfolio is floating allowing the Corporation to capture the benefit of rising rates throughout 2022.
- The Corporation continues to participate in new investments on a disciplined bases with conservative underwriting on real estate in large urban centers.
- The Mortgage Banker does not service or underwrite mortgages on hotels, hospitality properties or long-term care facilities and, as such, the Corporation does not have any investment exposure to these asset types.
- In 2023, the Corporation expects to revolve the Investment Portfolio selectively, with an investment policy of holding a hard line on acceptable exposure levels, borrower quality and warranted interest rate pricing. There are no assurances on achievable portfolio size as the primary focus is on security. The Mortgage Banker continues to reject a significant number of potential investments that do not meet our investment criteria and risk tolerance. Active portfolio management will be key during the year with expected unpredictable market conditions.
- The Corporation has announced the declaration of monthly cash dividends of \$0.078 per common share for Shareholders of record on April 30, 2023, May 31, 2023 and June 30, 2023, payable on or about May 15, 2023, June 15, 2023 and July 17, 2023, respectively.

## Board of Directors

Independent Director	<b>Stanley Goldfarb</b> Chairman, Independent Director	<ul style="list-style-type: none"> <li>• CEO of Goldfarb Management Services Limited</li> <li>• Chairman &amp; Trustee of Firm Capital Property Trust (TSX: FCD.UN)</li> </ul>
	<b>Anthony Heller</b> Independent Director	<ul style="list-style-type: none"> <li>• President of Plazacorp Investments Limited</li> </ul>
	<b>Larry Shulman</b> Independent Director	<ul style="list-style-type: none"> <li>• Independent Trustee of Firm Capital Property Trust (TSX: FCD.UN)</li> <li>• Retired Senior Partner of Goldfarb, Shulman, Patel &amp; Co.</li> </ul>
	<b>Geoffrey Bledin</b> Independent Director	<ul style="list-style-type: none"> <li>• Trustee of Firm Capital Property Trust (TSX: FCD.UN)</li> <li>• Chairman &amp; Trustee of Firm Capital Apartment REIT (TSXV: FCA.U/FCA.UN)</li> <li>• Chairman &amp; Trustee of Firm Capital Private Equity Realty Trust</li> <li>• Past President and CEO of Equitable Trust Company</li> <li>• Former Partner with Price Waterhouse</li> </ul>
	<b>Morris Fischtein</b> Independent Director	<ul style="list-style-type: none"> <li>• President of High City Holdings</li> <li>• Past President of Security Trust</li> </ul>
	<b>Keith L. Ray</b> Independent Director	<ul style="list-style-type: none"> <li>• CEO of Realvest Management</li> <li>• Former Partner with KPMG LLP</li> </ul>
	<b>The Honourable Joe Oliver, PC</b> Independent Director	<ul style="list-style-type: none"> <li>• Former Minister of Finance, Minister of Natural Resources and Member of Parliament</li> <li>• Chair of The Ontario Independent Electricity System Operator</li> </ul>
	<b>The Honourable Francis (Frank) Newbould</b> Independent Director	<ul style="list-style-type: none"> <li>• Former head of the Commercial List of the Ontario Superior Court of Justice</li> <li>• Counsel to the law firm Thorton Grout Finnigan LLP</li> </ul>
Executive Director	<b>Eli Dadouch</b> President & CEO	<ul style="list-style-type: none"> <li>• Founder, President &amp; CEO of Firm Capital Organization</li> <li>• Vice Chairman, Co-CIO &amp; Trustee of Firm Capital Property Trust (TSX: FCD.UN)</li> <li>• Vice Chairman of Firm Capital Apartment REIT (TSXV: FCA.U/FCA.UN)</li> <li>• CEO &amp; Chairman of Firm Capital Private Equity Realty Trust</li> </ul>
	<b>Jonathan Mair</b> EVP & COO	<ul style="list-style-type: none"> <li>• Vice President, Mortgage Banking of Firm Capital Corporation</li> <li>• Co-CIO &amp; Trustee of Firm Capital Property Trust (TSX: FCD.UN)</li> <li>• Trustee of Firm Capital Private Equity Realty Trust</li> </ul>
	<b>Ryan M. Lim</b> CFO	<ul style="list-style-type: none"> <li>• Former CFO of Rapport Credit Union</li> <li>• Former Manager of Finance at TD Bank Financial Group and Ernst &amp; Young LLP</li> </ul>
	<b>Michael Warner</b> Director	<ul style="list-style-type: none"> <li>• Senior VP, Mortgage Lending of Firm Capital Corporation</li> </ul>
	<b>Victoria Granovski</b> SVP, Credit & Equity Capital	<ul style="list-style-type: none"> <li>• Vice President, Mortgage Operations of Firm Capital Corporation</li> <li>• Trustee of Firm Capital Property Trust (TSXV: FCD.UN)</li> </ul>

## OUR CORE PRINCIPLES



### TRUST

Our partners, investors and clients can trust Firm Capital 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.

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 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.

### FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

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This presentation contains forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements made in this presentation, and other statements concerning the FCMIC’s objectives, its strategies to achieve those objectives, as well as statements with respect to management’s beliefs, plans, 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”, “would”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plan”, “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.

All forward-looking statements in this presentation are qualified by these cautionary statements. These statements are not guarantees of future events or performance and, by their nature, are based on FCMIC’s estimates and assumptions, which are subject to risks and uncertainties, which could cause actual events or results to differ materially from the forward-looking statements contained in this presentation. Those risks and uncertainties include, but are not limited to, those related to: liquidity in the global marketplace associated with current economic conditions, occupancy levels, access to debt and equity capital, interest rates, the relative illiquidity of real property, unexpected costs or liabilities related to acquisitions or dispositions, construction, environmental matters, legal matters, reliance on key personnel, income taxes, the conditions to the transactions not being satisfied resulting in the failure to complete some or all of the proposed transactions described herein, the trading price of the securities of FCMIC, lack of availability of acquisition or disposition opportunities for the Corporation and exposure to economic, real estate and capital market conditions in North America. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: that the general economy remains stable, interest rates are relatively stable, acquisition/disposition capitalization rates are stable, competition for acquisition or disposition of residential apartments remains intense, and equity and debt markets continue to provide access to capital. These assumptions, although considered reasonable by the Corporation at the time of preparation, may prove to be incorrect. Although the forward-looking information contained in this presentation is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this presentation may be considered “financial outlook” for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this presentation. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time.

Past performance is not a guide to future results and is not indicative of expected realized returns.

All investments are subject to risk, including the loss of the principal amount invested. These risks may include, but not limited to, operating history, uncertain distributions, inconsistent valuation of the portfolio, changing interest rates, leveraging of assets, potential conflicts of interest, payment of fees to the manager, potential illiquidity and liquidation at more or less than the original amount invested. Diversification will not guarantee profitability or protection against loss. Performance may be volatile, and the NAV may fluctuate. There are no guarantees investment objectives will be achieved.

Assets Under Management (“AUM”) refers to the assets that we manage and are generally equal to the sum of (i) asset value at market; (ii) drawn and undrawn debt; (iii) capital under management, including uncalled capital commitments.