

PRESS RELEASE



FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

TSX Symbol FC

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION ANNOUNCES YEAR ENDED AND Q4/2023 RESULTS, AS WELL AS THE DECLARATION OF APRIL, MAY, AND JUNE MONTHLY CASH DIVIDENDS

March 20, 2024, TORONTO, CANADA – Firm Capital Mortgage Investment Corporation (the “Corporation”) (TSX FC, FC.DB,H, FC.DB.I, FC.DB.J ,FC.DB. K and FC.DB.L) released its financial statements for the three and twelve months ended December 31, 2023.

NET INCOME

For the three months ended December 31, 2023, net income increased by 4.8% to \$8,335,525 as compared to \$7,955,086 for the same period in 2022. For the year ended December 31, 2023, net income increased by 6.0% to \$34,164,416 as compared to \$32,234,067 for the year ended December 31, 2022.

The increase is primarily a result of higher interest income due to a higher weighted average interest rate (2023 weighted average interest rate – 11.15% vs 2022 weighted average interest rate – 9.28%) offset by a reduction in overall portfolio size.

EARNINGS PER SHARE

Basic weighted average profit per share for the three months ended December 31, 2023, was \$0.242, as compared to the \$0.231 per share reported for the three months ended December 31, 2022. Basic weighted average profit per share for the year ended December 31, 2023, was \$0.991, compared to the \$0.939 per share reported for the year ended December 31, 2022.

PORTFOLIO

The Corporation’s Investment Portfolio decreased by \$63 million to \$598.1 as at December 31, 2023, in comparison to \$661.0 million as at December 31, 2022 (in each case, gross of impairment allowance, fair value adjustment, and unamortized fees). During 2023, new investment funding was \$249.5 million (2022 – \$461.8 million), and repayments were \$312.3 million (2022 – \$443.0 million). On December 31, 2023, the Investment Portfolio comprised of 243 investments (2022 – 252). The average gross investment size was approximately \$2.4 million, with 14 investments exceeding \$7.5 million.

PRUDENT IMPAIRMENT ALLOWANCE

The allowance for impairment and fair value adjustment as of December 31, 2023 was \$22.7 million (2022 – \$10.16 million), comprising (i) \$10.65 million (2022 – \$3.70 million) representing the total amount of management’s estimate of the shortfall between the investment balances and the estimated recoverable amount from the security under the specific loans, (ii) \$10.38 million (2022 – \$4.70) representing the total amount of management’s estimate of fair value adjustment on an investment stated at fair value through profit or loss; and (iii) a collective allowance balance of \$1.7 million (2022 – \$1.76 million).

INVESTMENT PORTFOLIO DETAILS

Details on the Corporation's investment portfolio as at December 31, 2023, are as follows:

- Total gross investment portfolio of \$598,059,570, which is lower by 9.5% than the \$661,003,596 reported at December 31, 2022.
- Conventional first mortgages, being those first mortgages with loan-to-values less than 75%, comprise 87.5% of the total portfolio (83.5% as at December 2022), and total conventional mortgages with loan-to-values less than 75%, comprise 94.1% of the total portfolio (88.6% as at December 2022).
- The weighted average face interest rate on the Corporation's Investment Portfolio as at December 31, 2023 and as at December 31, 2022 was 10.99% per annum.
- Regionally, the mortgage investment portfolio is diversified as follows: Ontario (86.8%), Quebec (7.1%), Western Canada (3.0%), and USA (3.1%).
- 96% of the Portfolio consists of investments with variable interest rates. These rates are calculated to be the higher of (i) Bank Prime plus a spread (known as the 'Base Rate'), or (ii) a fixed floor rate.
- Approximately 80% of the portfolio matures by December 31, 2024.
- Of the 243 investments, 90% were underwritten (as part of a renewal process or for a new fundings) between 2022 and 2023, while only 10% were underwritten in 2021 or prior to that.

CASH DIVIDEND DISTRIBUTION

The Corporation is pleased to announce that its board of directors has declared a monthly cash dividend of \$0.078 per common share (subject to adjustment at the discretion of the board of directors) payable on each dividend payment date set out below to holders of common shares of record at the close of business on each record date set out below:

<u>Record Date</u>	<u>Dividend Payment Date</u>
April 30, 2024	May 15, 2024
May 31, 2024	June 17, 2024
June 28, 2024	July 15, 2024

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 year ended December 31, 2023, the Corporation declared dividends on its common shares totaling \$34,142,921 or \$0.990 per share, versus \$32,631,802 or \$ 0.950 respectively, per share for the year ended December 31, 2022. The number of common shares outstanding at December 31, 2023, was 34,489,308, as compared to 34,485,740 at December 31, 2022.

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. Full reports of the financial results of the Corporation for the year are outlined in the audited consolidated financial statements and the related management discussion and analysis of the Corporation, available on the SEDAR+ website at www.sedarplus.ca. 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.sedarplus.ca), which could cause our actual results and performance to differ materially from the forward-looking statements contained in this news release.

Those risks and uncertainties include, among others, risks associated with mortgage lending, dependence on the Corporation's manager and mortgage banker, competition for mortgage lending, real estate values, interest rate fluctuations, environmental matters, and shareholder liability. 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 contained in this news 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.

For further information, please contact:

Firm Capital Mortgage Investment Corporation
Eli Dadouch
President & Chief Executive Officer
(416) 635-0221

Boutique Mortgage Lenders®