

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

MONDAY, JUNE 10, 2024

***Register to listen to the 25th Anniversary 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
- Amendment of Mortgage Banking Agreement and Spread Interest Agreement

Corporations' Financial Performance led by:

RYAN LIM

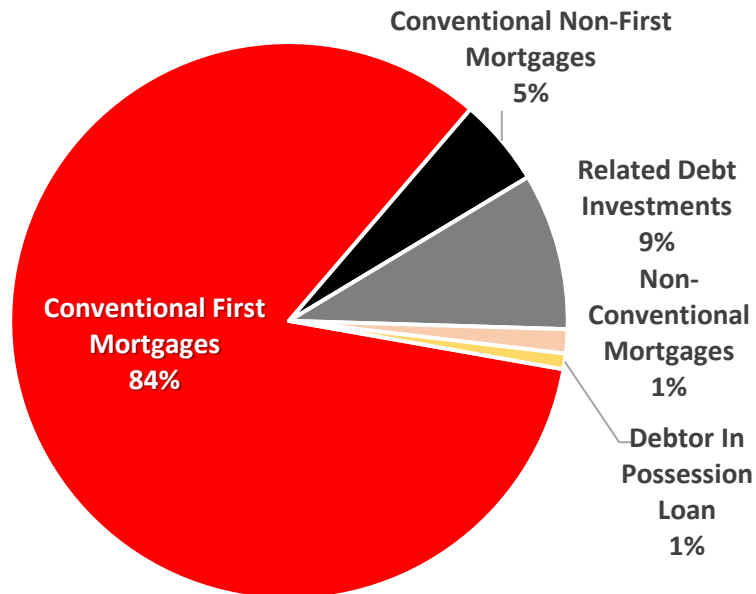
CHIEF FINANCIAL OFFICER

	Year Ended Dec. 31, 2023	Year Ended Dec. 31, 2022
Investment Portfolio (millions) (1)	\$598.0	\$661.0
Dividends (per share)	\$0.990	\$0.950
Return on Equity	8.51%	8.12%

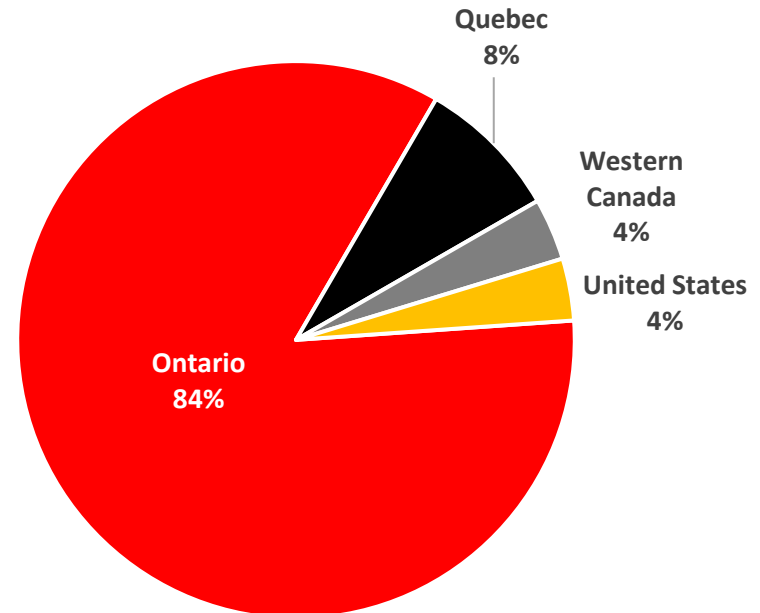
(1) Gross of impairment provision, fair market value adjustment and unamortized fees.

- Diversification in terms of investments and geography
 - 243 investments as of December 31, 2023
 - 80% to mature by December 31, 2024

Investment Portfolio

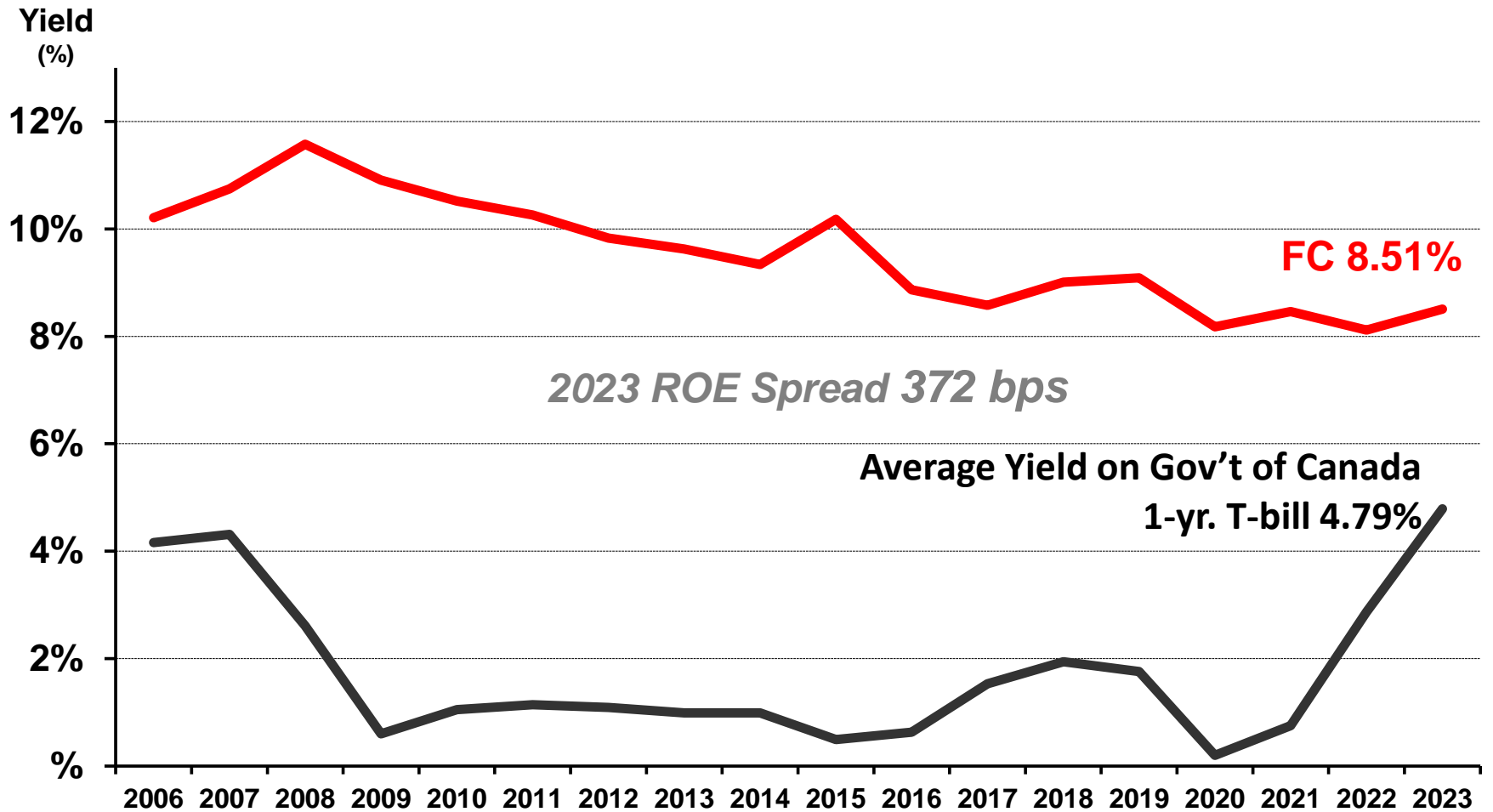


Geographic Diversification*

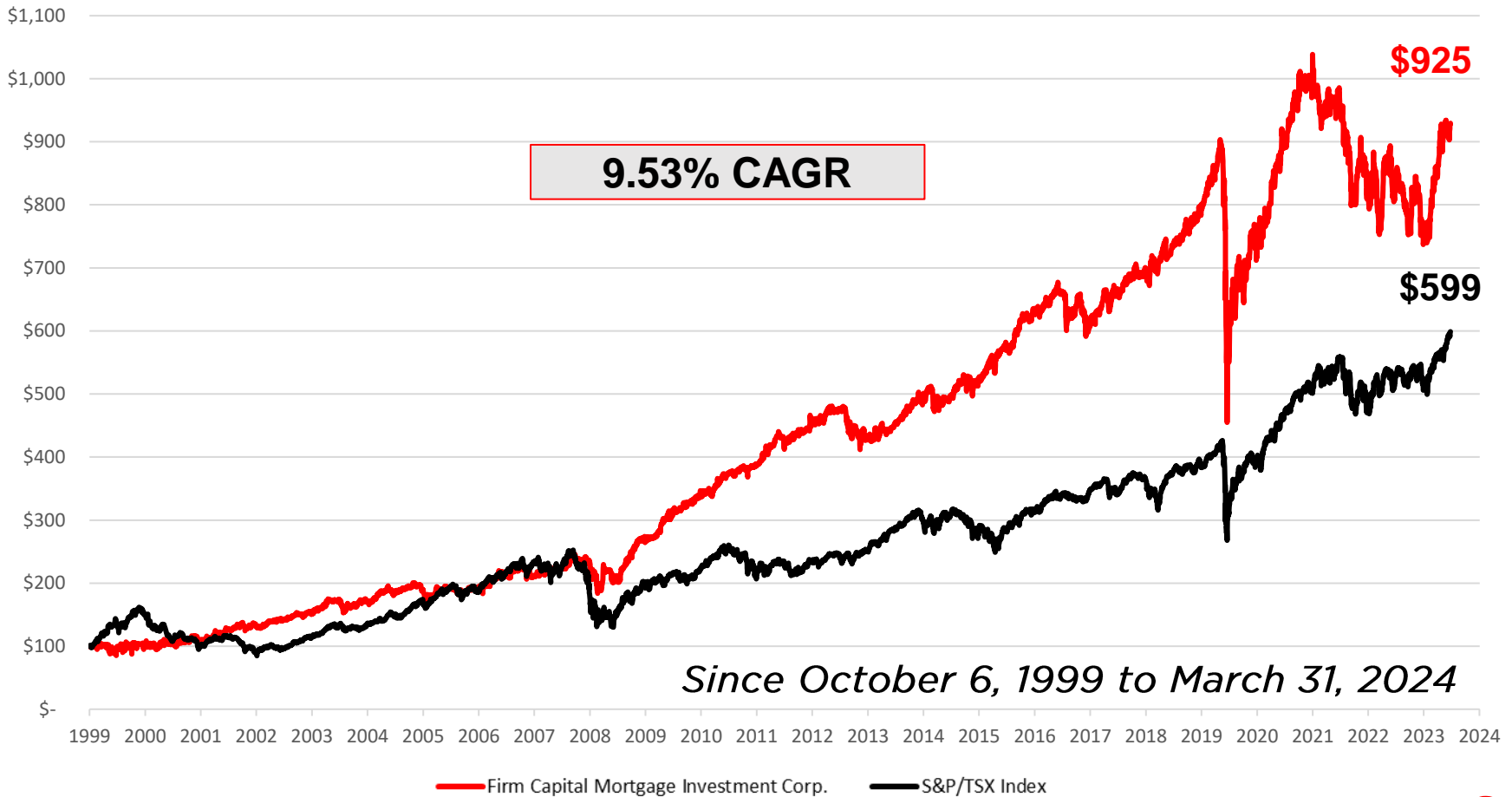


*(excluding 14 Related Debt Investments totaling \$60 million)

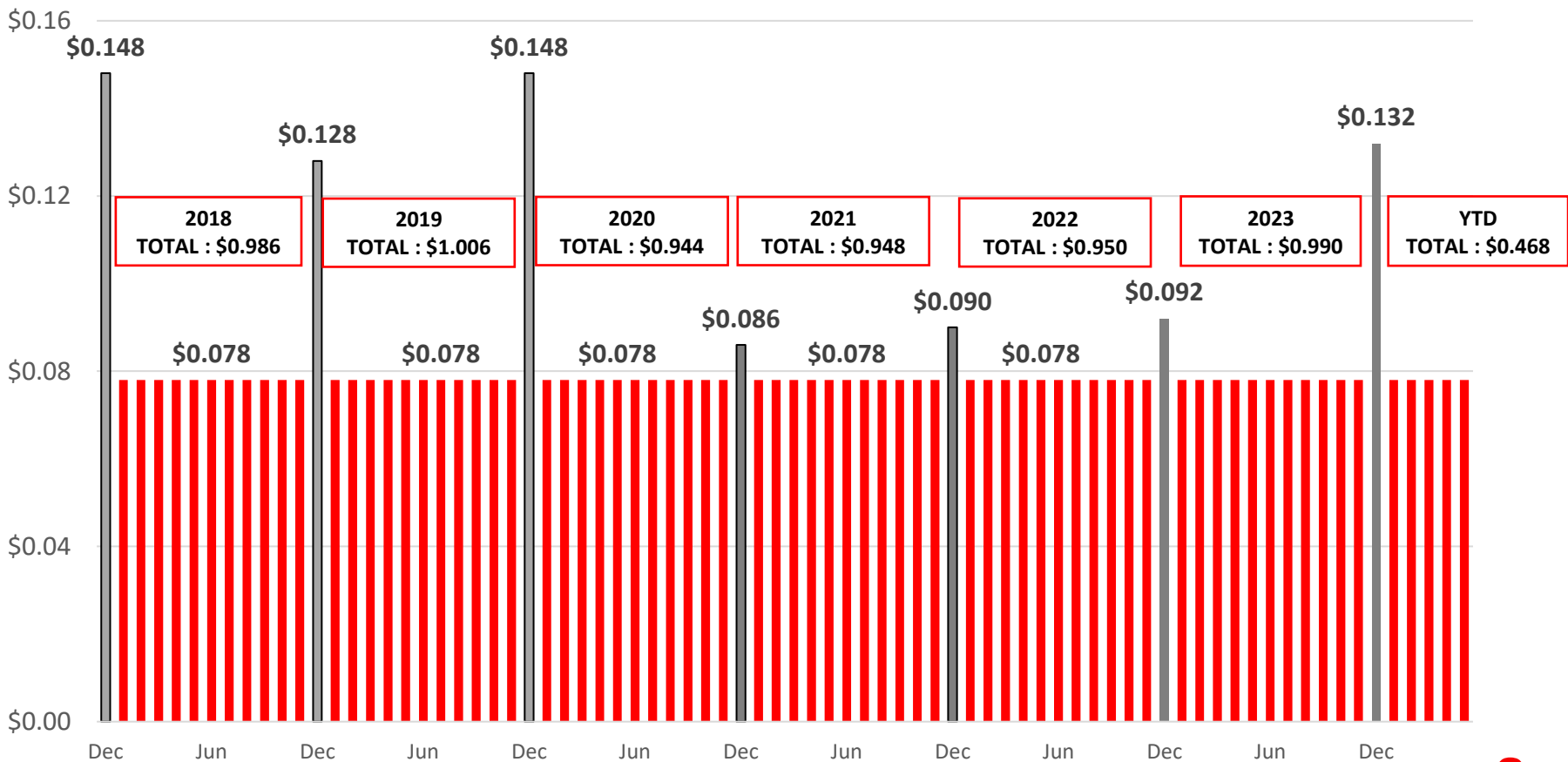
Annualized Return on Shareholders' Equity



A \$100 investment in 1999 would be worth **\$925**



- Consistent \$0.078 dividend/month
- Additional special “top up” dividend at year end – 2023 \$0.054/share



	Year Ended Dec. 31, 2023	Year Ended Dec. 31, 2022
Interest and Fees Earned (millions)	\$71.9	\$60.1
Operating Expenses (millions)	\$37.7	\$27.8
Profit (millions)	\$34.2	\$32.2
Profit per Share	\$0.991	\$0.939
Dividends per Share	\$0.990	\$0.950
Loan Loss Provision & Fair Market Value Adjustments (% of gross portfolio)	3.80%	1.54%

*Mortgage Banker Update on Lending and
Servicing Environment led by:*

JONATHAN MAIR

CHIEF OPERATION OFFICER

- Real Estate values
- Current environment impact on borrowers' liquidity
- Mortgage Banker approach to:
 - File management
 - Mortgage Renewals
 - Revolving of the portfolio
 - Interest rate pricing
 - New opportunities with higher tier borrowers

Highlights and General Overview led by:

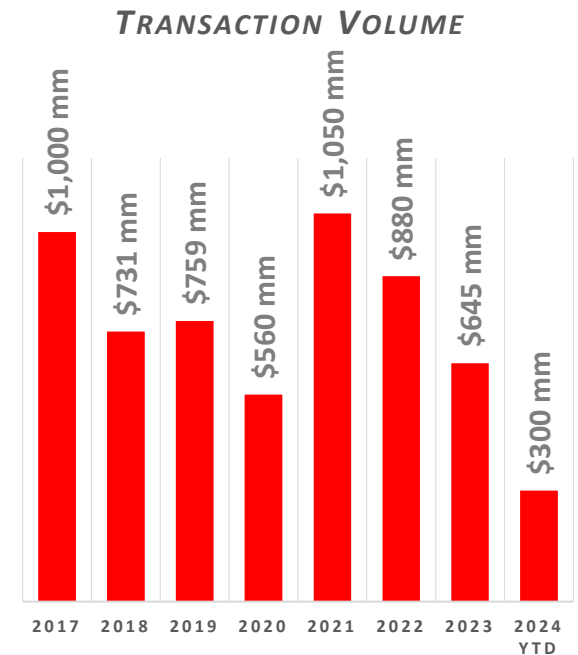
ELI DADOUCH

PRESIDENT & CEO

- **2023 Real Estate Market Challenges** Faced a challenging year amidst rising interest rates and valuation corrections.
- **Strategic Preparation for Change** Spent 4 years preparing for market changes and a predicted 2-year valuation re-set starting March 2024.
- **Successful Portfolio Management** Transitioned to liquid investments with a 20% valuation re-set, ensuring liquidity and new opportunities.
- **Strong Financial Performance** Achieved a Top-Off dividend of 5.4 cents per share despite market challenges.
- **Focus on Preservation of Shareholders' Equity** Prioritized loan security and short-term bridge financing with clear exit strategies.
- **Operational Philosophy** Emphasized simplicity, paying out monthly dividends, and building a strong balance sheet with reserves.
- **Long-Term Strategy and Market Readiness** Prepared for market shifts by revolving the portfolio and focusing on risk mitigation and opportunity seeking.
- **Experienced Team at Firm Capital** Successfully managed loan turnovers, default management, and new investments, proving the effectiveness of their strategy.

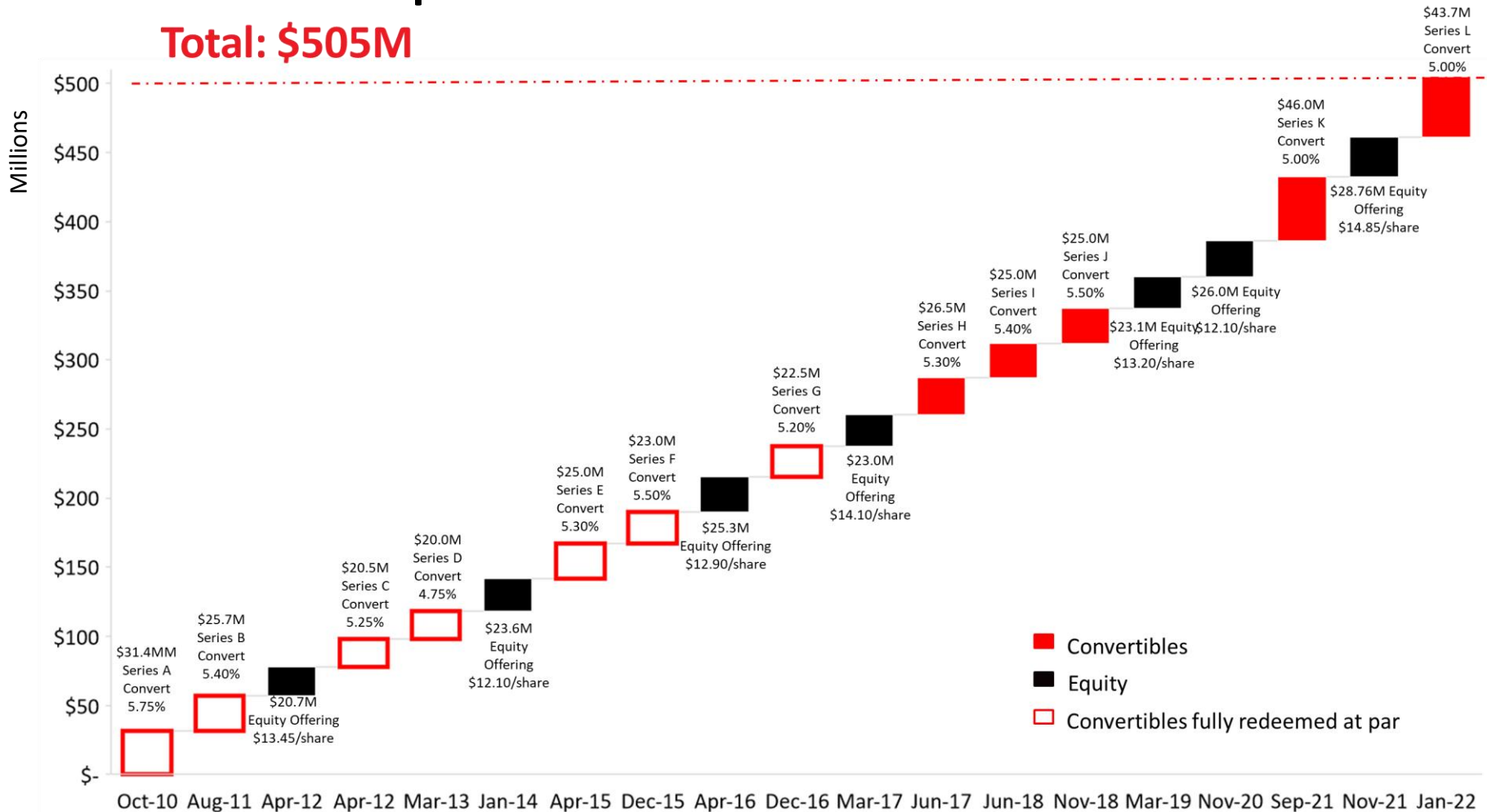
- Firm Capital Corporation has been in operation for 36 years.
 - Provides innovative real estate financing for all types of properties
 - Focuses on long term investors and borrower relationships
 - Focuses on risk management and diversification
 - Deep value lenders and investors
- Continue to be original “**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) 36 years of track record
- 36 years of building client relationships
- 2023 transaction volume – **\$645** million
- 2024 YTD transaction volume – **\$300** million
- Experienced real estate syndicate partners
- Investing in niche markets and opportunities



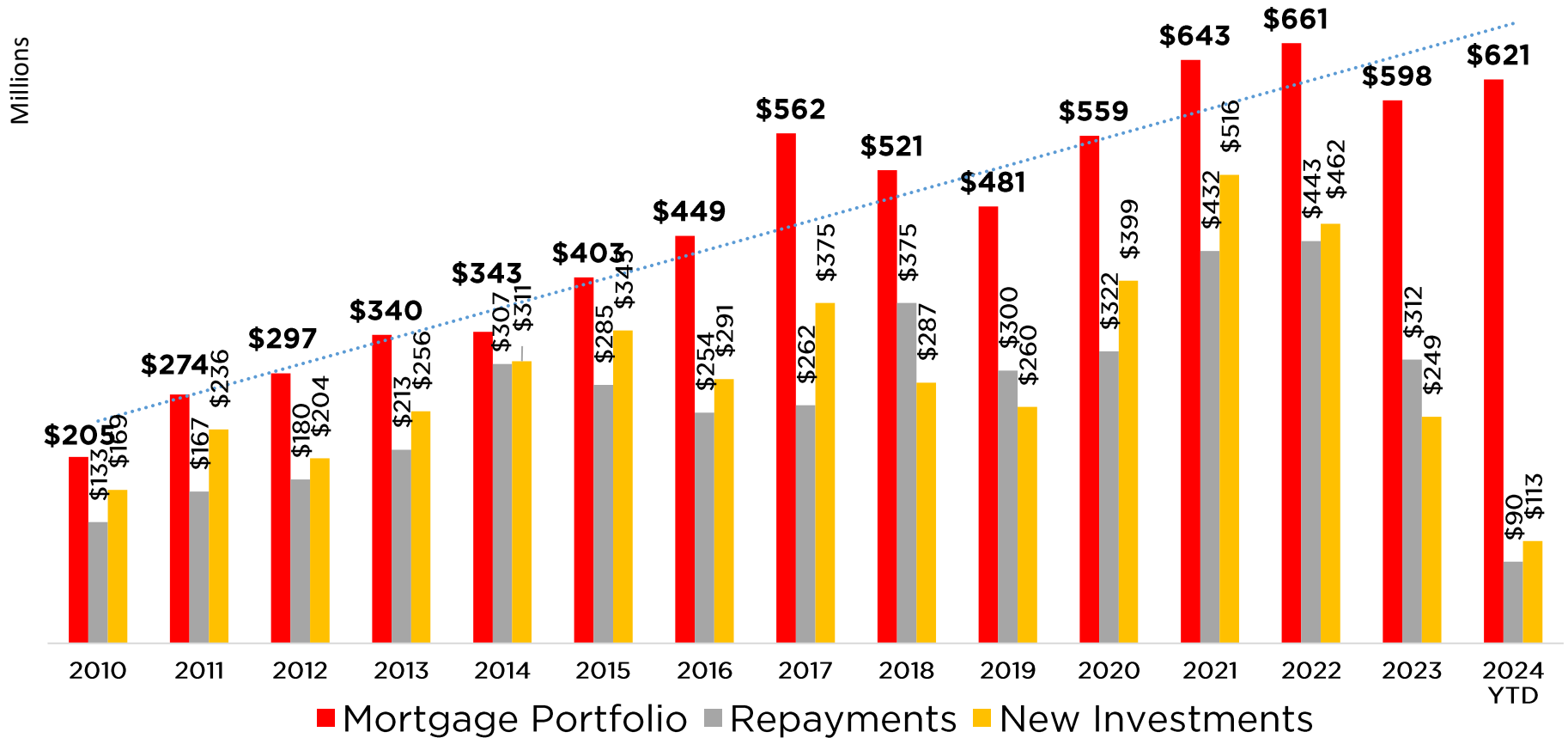
Accessed the capital market **nineteen** times since October 2010

Total: \$505M

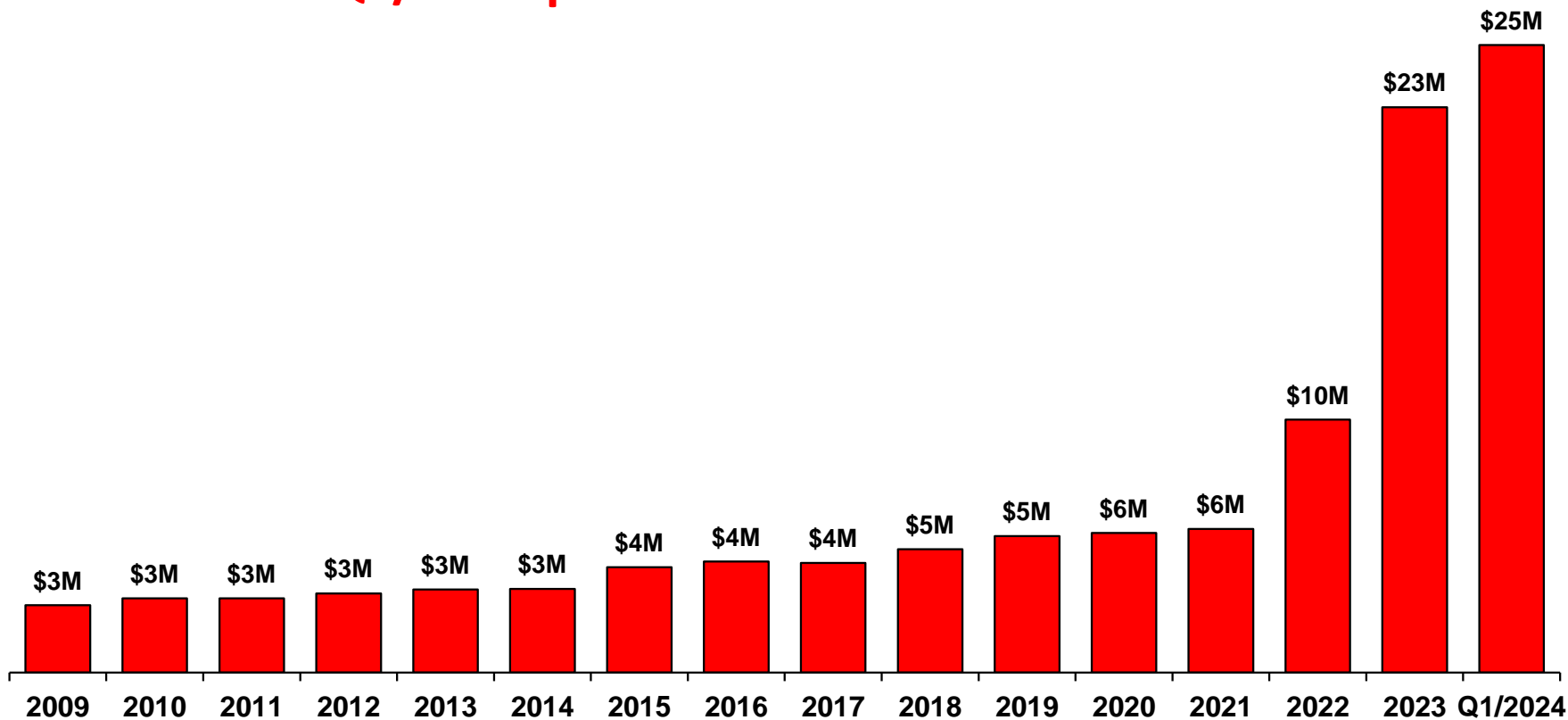


Wide Investment Dealer Distribution Network

263 Investments as at May 31, 2024



4.1% of the Q1/2024 portfolio size



Prudent Loan Loss Provisions & Fair Market Value Adjustments (principal only)

- **Year of Change:** Embrace new opportunities despite capital constraints.
- **Market Dynamics:** Rising interest rates are resetting valuations and tightening credit. We're prepared to thrive with less competition and more challenges.
- **Our Approach:**
 - Stick to core strengths
 - Leverage 36 years of experience
 - Avoid permanent bank debt
 - Act swiftly on defaults
 - Be contrarian and embrace liquid markets
- **Long-Term Focus:** Prioritize caution and risk management, align interests with directors, and aim for sustainable growth.
- **Outlook:** Anticipate growth from mid-2024, steady interest rates until mid-2025, and cap rates over 5.5%. Our expertise in bridge financing sets us apart.

- 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 BORROWER PARTNERS,
OUR INVESTMENT BANKERS & PARTNERS



Mortgage Investment Corporation
TSX : FC

Celebrating 25th Anniversary on October 3rd , 2024

TRUST • INNOVATION • RELATIONSHIPS

BOUTIQUE MORTGAGE LENDERS®

WHERE MORTGARE DEALS GET DONE®

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Q&A

DISCIPLINED INVESTING • CAPITAL PRESERVATION