

REPORT TO SHAREHOLDERS

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

FOR THE QUARTERLY PERIOD ENDED
September 30, 2026



PRESS RELEASE

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

TSX Symbol FC

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION ANNOUNCES Q3/2026 RESULTS

November 5, 2026, TORONTO, CANADA – Firm Capital Mortgage Investment Corporation (the "Corporation") (TSX: FC, FC.DB. K, FC.DB. L and FC.DB.M) today released its financial statements for the three and nine months ended September 30, 2026.

NET INCOME

For the three months ended September 30, 2026, net income decreased by 5.2% to $8,612,539, compared to $9,088,270 for the same period in 2025. For the nine months ended September 30, 2026, net income decreased by 10.0% to $25,860,310, compared to $28,735,689 for the same period in 2025. The decreases were primarily attributable to a smaller average investment portfolio, and lower average portfolio yields during the period, partially offset by lower credit loss provisions and borrowing costs.

EARNINGS PER SHARE

Basic earnings per share for the three months ended September 30, 2026 were $0.234, compared with $0.247 for the corresponding period in 2025. Distributions per share to shareholders for the third quarter ended September 30, 2026 totaled $0.234.

PORTFOLIO

The Corporation's investment portfolio decreased by 2.0% to $598.7 million as of September 30, 2026, in comparison to $610.9 million as at December 31, 2025 (in each case, gross of the allowance for expected credit losses, fair value adjustment, and unamortized fees). For the three months ended September 30, 2026, new investment funding was $82.5 million (September 30, 2025 – $83.1 million), and repayments were $89.7 million (September 30, 2025 – $80.4 million). On September 30, 2026, the investment portfolio was comprised of 238 investments (December 31, 2025 – 242). The average gross investment size was approximately $2.5 million, with 16 investments individually exceeding $7.5 million.

ALLOWANCE FOR EXPECTED CREDIT LOSSES AND FAIR VALUE ADJUSTMENTS

The allowance for expected credit losses and fair value adjustment as of September 30, 2026 was $33.2 million (December 31, 2025 – $36.8 million), comprising (i) $29.2 million (December 31, 2025 – $29.1 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) $0.7 million (December 31, 2025 – $4.5 million) representing the total amount of management's estimate of fair value adjustment on investments stated at fair value through profit or loss; and (iii) a collective allowance balance of $3.3 million (2025 – $3.2 million).

INVESTMENT PORTFOLIO DETAILS

Details on the Corporation's investment portfolio as at September 30, 2026, are as follows:

- The total gross carrying amount of the investment portfolio was $598,657,920, a decrease of 2.0% from the $610,923,271 reported at December 31, 2025.
- Conventional first mortgages comprise 95.6% of the total investment portfolio (95.2% as at December 31, 2025).
- Approximately 40.1% of the total gross carrying amount of the investment portfolio matures by December 31, 2026.
- The weighted average face interest rate on the Investment Portfolio was 8.83% per annum as at September 30, 2026, compared with 9.50%per annum as at December 31, 2025.
- Regionally, the gross mortgage investment portfolio is diversified as follows: Ontario (80.9%), Quebec (12.8%), Western Canada (3.2%), Eastern Canada (0.1%) and USA (3.0%).
- Of the 238 investments, 226 were underwritten (as part of a renewal process or for new fundings) between 2025 and 2026, representing 91% of the investment portfolio, while the remaining 9% were underwritten in 2024 or prior.

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 $12.50) 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 months ended September 30, 2026, the Corporation declared dividends on its common shares totaling $8,597,220 or $0.234 per share, versus $8,595,506, or $0.234 per share for the three months ended September 30, 2025. The number of common shares outstanding at September 30, 2026, was 36,740,475, as compared to 36,737,435 at September 30, 2025.

ABOUT THE CORPORATION

Where Mortgage Deals Get Done®

The Corporation is an investor in mortgages through a mortgage banker, Firm Capital Corporation, a non-bank lender providing residential home and commercial short-term bridge and conventional real estate financing, including construction financing, mezzanine debt, and equity investments. Since October 1999, 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 in select niche markets that are underserviced by large lending institutions. Lending activities are designed to develop a diversified mortgage portfolio, producing a stable return to shareholders. Full reports of the financial results of the Corporation are outlined in the unaudited interim condensed consolidated financial statements and the related management's 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:

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Boutique Mortgage Lenders®



MANAGEMENT'S DISCUSSION & ANALYSIS

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

FOR THE QUARTERLY PERIOD ENDED
SEPTEMBER 30, 2026



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PART I

OUR BUSINESS

Firm Capital Mortgage Investment Corporation (the "Corporation") is a non-bank lender, investing predominantly in short-term residential and commercial real estate mortgage loans and real estate related debt investments. The Corporation operates as a mortgage investment corporation under the Income Tax Act (Canada). Mortgage investment corporations are able to have no income tax payable provided that they satisfy the requirements in subsection 130.1(6) of the Income Tax Act (Canada). The Corporation's primary investment objective is the preservation of shareholders' equity, while providing shareholders with a stable stream of dividends from the Corporation's investments. The Corporation achieves its investment objectives by pursuing a strategy of investing in loans in select niche real estate markets that are under-serviced by larger financial institutions.

The Corporation's more specific objective is to hold an investment portfolio that:

(i) is widely diversified across many investments;

(ii) is concentrated in first mortgages;

(iii) reduces exposure as a result of participation in various loan syndicates; and

(iv) is primarily short-term in nature.

Firm Capital Corporation (the "Mortgage Banker") is the Corporation's mortgage banker and acts as the Corporation's loan originator, underwriter, servicer, and syndicator. The Corporation's affairs are administered by FC Treasury Management Inc. (the "Corporation Manager").

The Corporation has in place a Dividend Reinvestment Plan ("DRIP") and a Share Purchase Plan (collectively, with the DRIP, the "Plans") that are available to its shareholders. The Plans allow participants to have their monthly cash dividends reinvested in additional common shares of the Corporation ("Shares") and grant participants the right to purchase additional Shares. Shareholders who wish to enroll or who would like further information about the Plans should contact Investor Relations at (416) 635-0221.

Additional information on the Corporation, its Plans, and its investment portfolio is available on the Corporation's web site at www.firmcapital.com. Additional information about the Corporation, including its Annual Information Form ("AIF"), can be found on the SEDAR+ website at www.sedarplus.ca.

Recent Developments And Outlook

The Corporation's investment portfolio (the "Investment Portfolio") for the three months ended September 30, 2026, continued to revolve with a balance of new fundings and discharges of investments being $82.5 million and $89.7 million respectively (three months ended September 30, 2025 – $83.0 million and $80.4 million, respectively). During the quarter, the provision for expected credit losses and fair value adjustments increased by $0.5 million.

Dividends per share and basic earnings per share for the third quarter of 2026 were $0.234 and $0.234, respectively (Q3 2025 – $0.234 and $0.247, respectively).

As of September 30, 2026, the Investment Portfolio consisted of 95.6% of conventional first mortgages.

During the balance of 2026, the Corporation expects to continue to revolve the Investment Portfolio selectively, with the more seasoned higher interest rate loans paying off and new risk adjusted, lower-interest-rate loans funding.

Basis of Presentation

The Corporation has adopted IFRS® Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board, as its basis of financial reporting. The Corporation's functional and reporting currency is the Canadian dollar.

The following Management's Discussion & Analysis ("MD&A") is dated as of November 5, 2026 and should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Corporation and the notes thereto as at, and for the three and nine months ended September 30, 2026, and 2025, as well as the Corporation's Management's Discussion & Analysis, including the section on "Risks and Uncertainties", and each of our quarterly reports for 2026 and 2025.

PART II

HIGHLIGHTS

Net Income

Net income for the three months ended September 30, 2026 decreased by 5.2% to $8,612,539 as compared to $9,088,270 reported for the same period in 2025. Net income for the nine months ended September 30, 2026 decreased by 10.0% to $25,860,310, as compared to $28,735,689 reported for the same period in 2025.

Earnings Per Share

Basic weighted average earnings per share for the three months ended September 30, 2026 was $0.234 (three months ended September 30, 2025 – $0.247). Diluted weighted average earnings per share for the three months ended September 30, 2026 was $0.234 (three months ended September 30, 2025 – $0.246).

Basic weighted average earnings per share for the nine months ended September 30, 2026 was $0.704 (nine months ended September 30, 2025 – $0.782). Diluted weighted average earnings per share for the nine months ended September 30, 2026 was $0.702 (nine months ended September 30, 2025 – $0.778).

Revenues

For the three months ended September 30, 2026, revenues decreased by 15.9% to $14,177,205 down from $16,857,388 during the same period in 2025. Revenues for the nine months ended September 30, 2026 decreased by 16.5% to $41,452,951, as compared to $49,669,474 reported for the same period in 2025. The decrease for the three months ended September 30, 2026 over a similar period in 2025 was $2,680,183 which was primarily a result of (i) $246,687 of lower special income, and (ii) a $2,433,496 decrease in interest income derived from a lower Investment Portfolio average interest rate (Q3/2026 – 8.89% versus Q3/2025 – 9.64%) and a decrease in the average Investment Portfolio size (Q3 2026 portfolio size – $593.6M versus Q3 2025 – $625.5M).

Investment Portfolio

The Corporation's Investment Portfolio decreased by 2.0% to $598,657,920 as at September 30, 2026, in comparison to $610,923,271 as at December 31, 2025 (in each case, gross of the allowance for expected credit losses, fair value adjustment, and unamortized fees). The allowance for expected credit losses and fair value adjustment as of September 30, 2026 was $33,256,977 (December 31, 2025 – $36,839,393), comprising (i) $29,240,684 (December 31, 2025 – $29,057,587) 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) $737,293 (December 31, 2025 – $4,545,806) representing the total amount of management's estimate of fair value adjustment on investments stated at fair value through profit or loss ("FVTPL"), and (iii) a collective provision for expected credit losses of $3,279,000 (December 31, 2025 – $3,236,000). Unamortized fees as of September 30, 2026, were $1,063,924 (December 31, 2025 – $868,405).

Capital Activities

On February 2, 2026, the Corporation fully repaid its 5.50% convertible unsecured subordinated debentures (FC.DB.J). The repayment was made through a cash payment of the total principal amount of $24,966,000, along with all accrued interest up to the maturity date.

PART III

INVESTMENT PORTFOLIO

The Corporation's Investment Portfolio was $564,337,019 as at September 30, 2026 (net of the allowance for expected credit losses of $32,519,684, fair value loss adjustment of $737,293 and unamortized fees of $1,063,924) and was $573,215,473 as at December 31, 2025 (net of the allowance for expected credit losses of $32,293,587, fair value loss adjustment of $4,545,806 and unamortized fees of $868,405). On September 30, 2026, the total Investment Portfolio was comprised of 238 investments (242 as at December 31, 2025). The average gross investment size was approximately $2.5 million, with 16 investments individually exceeding $7.5 million.

	SEPTEMBER 30, 2026			DECEMBER 31, 2025			
INVESTMENT AMOUNT	NUMBER	TOTAL AMOUNT (BEFORE ALLOWANCE)	% of PORTFOLIO	NUMBER	TOTAL AMOUNT (BEFORE ALLOWANCE)	% of PORTFOLIO	% CHANGE
$0 - $2,500,000	**178**	**$ 165,125,244**	**27.6 %**	183	$ 177,667,897	28.8 %	(7.1)%
$2,500,001 - $5,000,000	**33**	**111,657,355**	**18.7 %**	33	110,457,115	18.4 %	1.1 %
$5,000,001 - $7,500,000	**11**	**63,775,413**	**10.7 %**	13	85,093,720	13.9 %	(25.1)%
$7,500,001 +	**16**	**258,099,908**	**43.0 %**	13	237,704,539	38.9 %	8.6 %
Total Investments	**238**	**$ 598,657,920**	**100 %**	242	$ 610,923,271	100 %	(2.0)%
Less: Expected Credit Losses		**(32,519,684)**			(32,293,587)		
Less: Fair value adjustment		**(737,293)**			(4,545,806)		
Less: Unamortized fees		**(1,063,924)**			(868,405)		
Investment Portfolio		**$ 564,337,019**			$ 573,215,473		(1.5)%

Unadvanced committed funds under the existing Investment Portfolio amounted to $85.4 million as at September 30, 2026 (December 31, 2025 – $89.0 million).

The allocation of the Investment Portfolio between the five main investment categories (as well as the weighted average interest rate) is as follows:

	SEPTEMBER 30, 2026			
INVESTMENT CATEGORIES	W.A INTEREST RATE	W.A LTV*	OUTSTANDING AMOUNT	% of PORTFOLIO
Conventional First Mortgages	***8.7 %***	***55.3 %***	**$ 539,116,615**	**95.6 %**
Conventional Non-First Mortgages	***9.9 %***	***58.6 %***	**30,715,606**	**5.4 %**
Non-Conventional Mortgages	***11.0 %***	***92.2 %***	**11,609,209**	**2.1 %**
Debtor In Possession Loans	***11.5 %***	***36.5 %***	**7,901,700**	**1.4 %**
Related Debt Investments & Marketable securities (at FVTPL)	***7.3 %***	***NA*** **	**3,505,197**	**0.6 %**
Related Debt Investments (at amortized cost)	***9.2 %***	***20.1 %***	**5,072,300**	**0.9 %**
Less: Allowance for impairment on investments at amortized cost			**(32,519,684)**	**(5.8)%**
Less: Unamortized fees			**(1,063,924)**	**(0.2)%**
Total Investments	***8.83 %***		**$ 564,337,019**	**100 %**

	DECEMBER 31, 2025			
INVESTMENT CATEGORIES	W.A INTEREST RATE	W.A LTV*	OUTSTANDING AMOUNT	% of PORTFOLIO
Conventional First Mortgages	9.4 %	50.8 %	$ 545,572,200	95.2 %
Conventional Non-First Mortgages	10.3 %	62.9 %	33,760,598	5.9 %
Non-Conventional Mortgages	10.7 %	85.2 %	15,978,315	2.8 %
Debtor In Possession Loans	11.5 %	36.5 %	6,819,308	1.2 %
Related Debt Investments & Marketable securities (at FVTPL)	7.3 %	N/A **	4,092,044	0.7 %
Related Debt Investments (at amortized cost)	10.5 %	70.5 %	155,000	0.0 %
Less: Allowance for impairment on investments at amortized cost			(32,293,587)	(5.6)%
Less: Unamortized fees			(868,405)	(0.2)%
Total Investments	*9.50 %*		$ 573,215,473	100 %

*At the time of initial funding

**These are not debt positions, and as a result LTV is not applicable.

The related debt investments category is a basket of investments 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.

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.

Total Conventional first mortgages decreased by 1.2% and represented 95.6% of the Investment Portfolio as at September 30, 2026 (95.2% as at December 31, 2025). Conventional non-first mortgages decreased by 9.0% and represented 5.4% of the Investment Portfolio at September 30, 2026 (5.9% as at December 31, 2025). Non-conventional mortgages decreased by 27.3% and represented 2.1% of the total Investment Portfolio as at September 30, 2026 (2.8% as at December 31, 2025). The DIP Loan represented 1.4% of the Investment Portfolio as at September 30, 2026 (1.2% as at December 31, 2025). The Related Debt Investments at FVTPL at September 30, 2026 were $2,767,904 (December 31,2025 – $4,092,044), which included: (i) Four Canadian Related debt investments (December 31, 2025 – five Canadian Related debt investments) totaling $3,454,231 (December 31, 2025 – $4,772,504) with a fair value decrease of $735,000 (December 31, 2025 – $735,000), and (ii) marketable securities totaling $48,673 (December 31, 2025 – $54,540).

The weighted average face interest rate on the Corporation's Investment Portfolio was 8.83% per annum as at September 30, 2026, compared to 9.50% per annum as at December 31, 2025.

The provision for expected credit losses and fair value loss adjustment was $33,256,977 as at September 30, 2026 (December 31, 2025, the provision for expected credit losses and fair value loss adjustment – $36,839,393), comprised of: (i) $29,240,684 (December 31, 2025 – $29,057,587) 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) $737,293 (December 31, 2025 – $4,545,806) representing the total amount of management's estimate of fair value adjustment on investments and (iii) a collective provision for expected credit losses balance of $3,279,000 (December 31, 2025 – $3,236,000). Since December 31, 2025, the decrease in the provision for expected credit losses and fair value loss adjustments primarily reflects the write-off of an investment carried at fair value that had been fully impaired through unrealized fair value losses recognized in prior periods.

The gross carrying amount allocation of the Investment Portfolio between its 11 different loan categories is as follows:

	SEPTEMBER 30, 2026			DECEMBER 31, 2025			
PROPERTY TYPE	**NUMBER**	**TOTAL AMOUNT (BEFORE ALLOWANCE)**	**% of PORTFOLIO**	NUMBER	TOTAL AMOUNT (BEFORE ALLOWANCE)	% of PORTFOLIO	% *CHANGE*
Single Family Dwelling and Condo unit(s)	**106**	**160,678,163**	**26.8 %**	110	157,178,926	25.7 %	2.2 %
Construction Mortgages	**79**	**159,436,329**	**26.6 %**	74	207,413,466	34.0 %	(23.1)%
Multi Family Residential Mortgages	**8**	**93,381,296**	**15.6 %**	9	71,694,249	11.7 %	30.2 %
Land & Housing Sites	**18**	**86,224,473**	**14.4 %**	24	103,934,024	17.0 %	(17.0)%
Industrial	**8**	**42,852,828**	**7.2 %**	5	9,853,000	1.6 %	334.9 %
Retail	**4**	**25,245,241**	**4.2 %**	3	24,517,241	4.0 %	3.0 %
Land Servicing & Serviced Lots	**2**	**11,918,040**	**2.0 %**	4	15,602,146	2.6 %	(23.6)%
Mixed Use & Other	**5**	**9,366,760**	**1.6 %**	5	9,697,305	1.6 %	(3.4)%
Related Debt Investments	**6**	**9,263,824**	**1.6 %**	5	8,741,883	1.4 %	6.0 %
Office & Office Condos (owner occupied)	**1**	**240,000**	**0.0 %**	2	2,240,065	0.4 %	(89.3)%
Marketable securities	**1**	**50,966**	**0.0 %**	1	50,966	0.0 %	0.0 %
	238	**$ 598,657,920**	**100 %**	242	$ 610,923,271	100 %	(2.0)%

The Corporation continues to focus its lending on core markets that can be monitored closely during evolving economic conditions, with a strong focus in Ontario. 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.

As at September 30, 2026, the gross carrying value of the Investment Portfolio that is secured by properties outside of Ontario was 19.1%, compared to 11.0% as at December 31, 2025.

	SEPTEMBER 30, 2026			DECEMBER 31, 2025			
GEOGRAPHIC SEGMENT	**NUMBER**	**TOTAL AMOUNT**	**%**	NUMBER	TOTAL AMOUNT	%	%
Greater Toronto Area	**116**	**$ 295,195,421**	**50.1 %**	139	$ 339,399,561	56.4 %	(13.0)%
Non-GTA Ontario	**62**	**181,356,074**	**30.8 %**	69	196,103,407	32.6 %	(7.5)%
Quebec	**23**	**75,324,580**	**12.8 %**	13	39,313,962	6.5 %	91.6 %
Western Canada	**27**	**19,057,622**	**3.2 %**	14	9,862,105	1.6 %	93.2 %
United States	**2**	**17,924,432**	**3.0 %**	2	17,451,386	2.9 %	2.7 %
Eastern Canada	**1**	**485,000**	**0.1 %**	–	–	– %	– %
Mortgage Investment Portfolio	**231**	**$ 589,343,129**	**100.0 %**	237	$ 602,130,421	100 %	(2.1)%
Related Debt Investments*	**7**	**9,314,791**		5	8,792,850		5.9 %
	238	**$ 598,657,920**		242	$ 610,923,271		(2.0)%

*The Related Debt Investments at September 30, 2026, include $5,809,593 investments at amortized cost and $3,505,197 investments at FVTPL and then adjusted for a fair value decrease of $737,293.

The gross carrying amount allocation of the Investment Portfolio between the underlying security types is as follows:

	SEPTEMBER 30, 2026			DECEMBER 31, 2025			
UNDERLYING SECURITY TYPE	**NUMBER**	**TOTAL AMOUNT[1]**	**%**	NUMBER	TOTAL AMOUNT[1]	%	%
Residential	**208**	**470,055,767**	**78.4 %**	219	$ 517,942,004	84.7 %	(9.2)%
Commercial	**22**	**119,287,362**	**19.9 %**	18	84,188,417	13.8 %	41.7 %
Related Debt Investments	**8**	**9,314,791**	**1.7 %**	5	8,792,850	1.4 %	5.9 %
	238	**$ 598,657,920**	**100 %**	242	$ 610,923,271	100 %	(2.0)%

[1]Before Allowance and FMV adjustment

The residential category includes mortgages on single family dwellings, residential condominiums, residential land, residential construction, and multifamily residential.

The commercial category includes mortgages on retail, industrial, retail or commercial land, offices, and DIP loans.

The Corporation's strategy is to mitigate loan loss risk by focusing on those areas of mortgage lending that have historically withstood market corrections and retained their underlying real estate asset value while limiting its exposure to those real estate asset classes that do not.

The weighted average loan to value ratio on conventional mortgages (the combined conventional first and conventional non-first mortgages) is under 55% based on the appraisals obtained at the time of funding each mortgage loan.

Included in conventional first mortgages is one United States ("US") dollar denominated investment (at amortized cost) of $13,924,432 (US$9,814,232) (December 31, 2025 – one US dollar denominated investment of $13,451,386 (US$9,814,232)). As of September 30, 2026, a collective loss allowance of $63,000 was applied to this conventional first mortgage (December 31, 2025 – $61,000).

As of September 30, 2026, the gross Investment Portfolio, prior to any allowance, included thirteen loans, totaling $63,208,107 (December 31, 2025 – fourteen investments totaling $65,607,202), for which the outstanding loan balances exceed the estimated value of the underlying collateral. The resulting deficiency has been accounted for through individual allowances totaling $29,240,684 (December 31, 2025 – $29,057,587).

The investment portfolio as at September 30, 2026, included twenty-five investments totaling $88,815,061 (December 31, 2025 – twenty investments totaling $112,564,688) with maturity dates that are past due and for which no extensions or renewals were in place. Seven of these investments totaling $47,654,944 (December 31, 2025 – five investments totaling $23,087,599) have provisions recorded against them included in the Corporation's allowance for credit losses. The remaining eighteen investments with maturity dates that are past due and for which no extensions or renewals were in place amount to $41,160,117 (December 31, 2025 – fifteen investments totaling $89,477,089). These investments do not require individual allowances, as sufficient collateral exists and a collective allowance is already in place.

As at September 30, 2026, the Investment Portfolio continued to be heavily concentrated in short-term investments, with approximately 40.1% maturing on or before December 31, 2026. The short-term nature of the Investment Portfolio provides the Corporation with the ability to continually revolve the portfolio and adapt to changes in the real estate market. Renewals are offered to borrowers when deemed appropriate. Of the 238 investments, 226 were underwritten (as part of a renewal process or for new fundings) between 2025 and 2026, representing 91% of the Investment Portfolio, while the remaining 9% were underwritten in 2024 or prior.

The contractual maturity dates of the Investment Portfolio are as follows:

	NO.	TOTAL AMOUNT (BEFORE ALLOWANCE AND FAIR MARKET ADJUSTMENT)	% OF PORTFOLIO
2026	76	$ 239,986,875	40.1 %
2027	152	314,241,917	52.5 %
2028	9	44,378,162	7.4 %
Marketable securities	1	50,966	—
Total gross carrying amount	**238**	**$ 598,657,920**	**100.0 %**

A significant number of the Corporation's investments are shared with other syndicate partners, including several members of the Board of Directors and senior management of the Mortgage Banker and/or officers and directors of the Corporation. The Corporation ranks equally with other members of the syndicate as to receipt of principal, interest, and fees. As at September 30, 2026, 205 of the Corporation's 238 investments (investment amount of $565,641,025) are shared with other participants, and 24 of which (with a total investment amount of $72,962,394) the Corporation is a participant for less than 50% of the loan amount.

Certain members of our Board of Directors and senior management and their related entities co-invested approximately $33 million with the Corporation alongside its Investment Portfolio as at September 30, 2026.

The Mortgage Banker services the entire investment in which the Corporation is a participant, on behalf of all participants and except for the case of an investment with a first priority syndicate participant (i.e., loans payable), the Corporation ranks *pari-passu* with other members of the syndicate as to the receipt of principal, interest, and fees. As at September 30, 2026 and 2025, there were no mortgages with first priority participants.

As at September 30, 2026, the Corporation had unamortized fees of $1,063,924 (December 31, 2025 – $868,405) which are netted against the Investment Portfolio. The Corporation's policy is to recognize unamortized fees using the effective interest method over the contractual terms of mortgages.

PART IV

RESULTS OF OPERATIONS

Revenues

For the three months ended September 30, 2026, revenues decreased by 15.9% to $14,177,205 compared to $16,857,388 in the comparable period. For the nine months ended September 30, 2026, revenues decreased by 16.5% to $41,452,951 from $49,669,474 in the comparable period.

Revenues for the three and nine months ended September 30, 2026 and 2025 are broken down as follows:

THREE MONTHS ENDED	SEPTEMBER 30, 2026		SEPTEMBER 30, 2025		% CHANGE
Interest	**$ 13,295,817**	**93.8 %**	$ 15,793,710	93.7 %	(15.8)%
Commitment & Renewal Fees	**619,213**	**4.4 %**	554,816	3.3 %	11.6 %
Other Income	**262,175**	**1.8 %**	508,862	3.0 %	(48.5)%
	$ 14,177,205	**100 %**	$ 16,857,388	100 %	(15.9)%

NINE MONTHS ENDED	SEPTEMBER 30, 2026		SEPTEMBER 30, 2025		%CHANGE
Interest	**$ 39,745,112**	**95.9 %**	$ 47,467,819	95.6 %	(16.3)%
Commitment & Renewal Fees	**1,427,504**	**3.4 %**	1,049,097	2.1 %	36.1 %
Other Income	**280,335**	**0.7 %**	1,152,558	2.3 %	(75.7)%
	$ 41,452,951	**100 %**	$ 49,669,474	100 %	(16.5)%

For the three months ended September 30, 2026, interest income decreased by 15.8% to $13,295,817 compared to $15,793,710 reported for the comparable period in 2025. For the nine months ended September 30, 2026, interest income decreased by 16.3% to $39,745,112 compared to $47,467,819 reported for the comparable period in 2025. The decrease is related to a decrease in the Investment Portfolio average interest rate (Q3/2026 – 8.89% versus Q3/2025 – 9.64%) and a decrease in average Investment Portfolio size (Q3/2026 – $593.6M versus Q3/2025 – $625.5M).

For the three months ended September 30, 2026, commitment and renewal fees were $619,213, an increase of $64,397 from $554,816 reported for the comparable period in 2025. For the nine months ended September 30, 2026, commitment and renewal fees were $1,427,504, an increase of $378,407 from $1,049,097 reported for the comparable period in 2025.

For the three months ended September 30, 2026, other income was $262,175 (other income in Q3 2025 – $508,862). For the nine months ended September 30, 2026 other income was $280,335 (2025 – $1,152,558). The decrease in other income for the nine months ended September 30, 2026 was largely driven by a one-time special profit realized in the comparable period.

Corporation Manager Interest Allocation

During the three months ended September 30, 2026, the Corporation Manager received $1,066,785 (three months ended September 2025 – $1,207,191), through an interest arrangement with the Corporation. For the nine months ended September 30, 2026 the Corporation Manager received $3,151,894 (nine months ended September 30, 2025 – $3,531,901). The decrease resulted mainly from a lower average Investment Portfolio size.

Interest Expense

Interest expense includes interest on our borrowing facility and outstanding debentures. For the three months ended September 30, 2026, interest expense decreased by 13.6% to $2,547,274 as compared to $2,949,139 for the three months ended September 30, 2025. For the nine months ended September 30, 2026, interest expense decreased by 18.4% to $7,652,231 as compared to $9,374,579 for the nine months ended September 30, 2025. The decrease in interest expense is primarily due to a decrease in outstanding debentures and interest rates during the nine months ended September 30, 2026 relative to the same period in 2025 and a reduction in utilization of the Corporation's borrowing facility.

Interest expense is broken down as follows:

THREE MONTHS ENDED	SEPTEMBER 30, 2026		SEPTEMBER 30, 2025		% CHANGE
Bank Interest Expense	**$ 591,691**	**23.2 %**	$ 1,070,348	36.3 %	(44.7)%
Debenture Interest Expense	**1,955,583**	**76.8 %**	1,878,791	63.7 %	4.1 %
	$ 2,547,274	**100 %**	$ 2,949,139	100 %	(13.6)%

NINE MONTHS ENDED	SEPTEMBER 30, 2026		SEPTEMBER 30, 2025		%CHANGE
Bank Interest Expense	**$ 1,678,300**	**21.9 %**	$ 3,154,915	33.7 %	(46.8)**%**
Debenture Interest Expense	**5,973,931**	**78.1 %**	6,219,664	66.3 %	(4.0)%
	$ 7,652,231	**100 %**	$ 9,374,579	100.0 %	(18.4)%

Unrealized Foreign Exchange Gain

During the three and nine months ended September 30, 2026, the Corporation recorded an unrealized foreign exchange gain of $42,429 and $505,884 (2025 – nil). The gain is primarily related to the remeasurement of U.S. dollar denominated financial assets and liabilities resulting from changes in the Canadian/U.S. dollar exchange rate.

General And Administrative (G&A) Expenses

For the three months ended September 30, 2026, G&A expenses were $472,448 (three months ended September 30, 2025 – $499,757). For the nine months ended September 30, 2026, G&A expenses were $1,175,903 (nine months ended September 30, 2025 – $1,245,174). The decrease in G&A expenses is primarily attributable to lower operating and administrative costs during the period.

Incentive Option Plan

The following is the status of the stock options issued under the Corporation's stock option plan:

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026			YEAR ENDED DECEMBER 31, 2025		
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	AMOUNT[1]	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	AMOUNT
Outstanding, beginning of period	**3,245,000**	**$ 11.73**	**$ 2,700,593**	3,245,000	$ 11.73	$ 2,618,154
Options granted/amortization amount	**–**	**–**	**61,659**	–	–	82,439
Outstanding, end of period	**3,245,000**	**11.73**	**$ 2,762,252**	3,245,000	11.73	$ 2,700,593
Number of options exercisable	**2,895,000**	**$ 11.74**		2,895,000	$ 11.74	

[1]The outstanding amount corresponds to the stock-based compensation associated with the issued stock options.

The following options were issued and outstanding as at September 30, 2026:

EXPIRY DATE	NUMBER OF OPTIONS OUTSTANDING	EXERCISE PRICE	NUMBER OF OPTIONS EXERCISABLE
August 14, 2030	1,515,000	11.70	1,515,000
December 6, 2031	100,000	13.97	100,000
July 6, 2032	1,630,000	11.62	1,280,000
Total	3,245,000	$ 11.73	2,895,000

The total number of stock options outstanding as at September 30, 2026 was 3,245,000 (December 31, 2025 – 3,245,000), of which 2,895,000 stock options are vested and exercisable (December 31, 2025 – 2,895,000).

Fair Value Adjustment on Investment Portfolio and Provision for Expected Credit Losses on Investment Portfolio and Interest Receivable

The fair value adjustment on the Corporation's Investment Portfolio for the three months ended September 30, 2026 was a decrease of $2,933 (three months ended September 30, 2025 – fair value decrease of $76,033). The Fair Value Adjustment on the Corporation's Investment Portfolio for the nine months ended September 30, 2026 was a decrease of $5,867 (nine months ended September 30, 2025 – fair value increase of $1,380,906). The provision for expected credit losses on the Investment Portfolio and interest receivable for the three months ended September 30, 2026 was an expense of $1,496,877 (three months ended September 30, 2025 – expense of $3,016,219). The provision for expected credit losses on the Investment Portfolio and interest receivable for the nine months ended September 30, 2026 was an expense of $4,050,971 (nine months ended September 30, 2025 – expense of $8,101,377). The interest receivable is net of an increase to the provision for interest receivable for the three months ended September 30, 2026 was $1,043,524 (three months ended September 30, 2025 – $1,566,219). The interest receivable is net of an increase to the provision for interest receivable for the nine months ended September 30, 2026 was $3,824,874 (nine months ended September 30, 2025 – $1,919,927).

THREE MONTHS ENDED	SEPTEMBER 30, 2026		SEPTEMBER 30, 2025		% CHANGE
Provision for expected credit losses	**$ 453,353**	**30.2 %**	$ 1,450,000	46.9 %	**(68.7)%**
Interest receivable provision	**1,043,524**	**69.6 %**	1,566,219	50.6 %	**(33.4)%**
Provision for expected credit losses on investment portfolio and interest receivable	**1,496,877**		3,016,219		
Fair value adjustment	**2,933**	**0.2 %**	76,033	2.5 %	**(96.1)%**
	$ 1,499,810	**100.0 %**	$ 3,092,252	100.0 %	**(51.5)%**

NINE MONTHS ENDED	SEPTEMBER 30, 2026		SEPTEMBER 30, 2025		% CHANGE
Provision for expected credit losses	**$ 226,097**	**5.7 %**	$ 6,181,450	92.0 %	**(96.3)%**
Interest receivable provision	**3,824,874**	**94.3 %**	1,919,927	28.6 %	**99.2 %**
Provision for expected credit losses on investment portfolio and interest receivable	**4,050,971**		8,101,377		
Fair value adjustment	**5,867**	**— %**	(1,380,906)	(20.5)%	**(100.4)%**
	$ 4,056,838	**100.0 %**	$ 6,720,471	100.0 %	**(39.6)%**

Net Income and Comprehensive Income

Net income and comprehensive income for the three months ended September 30, 2026, was $8,612,539 (three months ended September 30, 2025 – $9,088,270), which represents a decrease of 5.2% over the comparable prior year quarter. Net income and comprehensive income for the nine months ended September 30, 2026, was $25,860,310 (nine months ended September 30, 2025 – $28,735,689), which represents a decrease of 10.0% over the comparable prior year period. Income for the three months ended September 30, 2026 represented an annualized return on total shareholders' equity (based on the month end average total shareholders' equity in the quarter) of 8.09%. This return on total shareholders' equity represents 538 basis points per annum over the average one-year Government of Canada Treasury bill yield for a similar period of 2.71% and is well in excess of the Corporation's stated target yield objective of 400 basis points per annum over the average one-year Government of Canada Treasury bill yield. The above return on total shareholders' equity is a non-IFRS financial measure and does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. This non-IFRS measure provides useful information to the Corporation's shareholders as it provides a measure of return generated on the Corporation's equity base.

Included in net income for the quarter was an unrealized foreign exchange gain of $42,429 arising from the remeasurement of U.S. dollar denominated financial assets and liabilities.

Earnings Per Share

Basic weighted average earnings per share for the three months ended September 30, 2026 was $0.234 (three months ended September 30, 2025 – $0.247). Basic weighted average earnings per share for the nine months ended September 30, 2026 was $0.704 (nine months ended September 30, 2025 – $0.782).

Diluted weighted average earnings per share for the three months ended September 30, 2026 was $0.234 (three months ended September 30, 2025 – $0.246). Diluted weighted average earnings per share for the nine months ended September 30, 2026 was $0.702 (nine months ended September 30, 2025 – $0.778).

QUARTERLY FINANCIAL INFORMATION

($ IN MILLIONS EXCEPT PER UNIT AMOUNTS)	SEP. 30 2026	JUN.30 2026	MAR. 31 2026	DEC. 31 2025	SEP. 30 2025	JUN. 30 2025	MAR. 31 2025	DEC. 31 2024	SEP. 30 2024
Operating revenue	$ 14.18	$ 13.56	$ 13.72	$ 17.04	$ 16.86	$ 15.73	$ 17.08	$ 16.19	$ 19.08
Interest expense	2.55	2.48	2.62	3.07	2.95	3.01	3.41	3.37	3.57
Corporation manager spread interest allocation	1.07	1.04	1.05	1.18	1.20	1.14	1.19	1.19	1.19
General & administrative expenses	0.47	0.36	0.35	0.48	0.51	0.37	0.38	0.52	0.35
Share based compensation	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Fair value adjustment on investment portfolio	—	(0.07)	0.07	(0.07)	0.08	(0.21)	(1.25)	0.98	1.20
Foreign exchange gain	(0.04)	(0.46)	—	—	—	—	—	—	—
Impairment loss/(recovery) on investment portfolio	1.50	1.55	1.00	3.63	3.02	1.72	3.36	0.95	3.79
Income	**$ 8.61**	**$ 8.64**	**$ 8.61**	**$ 8.73**	**$ 9.08**	**$ 9.68**	**$ 9.97**	**$ 9.16**	**$ 8.96**
Earnings per share									
Basic	**$ 0.234**	**$ 0.235**	**$ 0.234**	**$ 0.238**	**$ 0.247**	**$ 0.263**	**$ 0.271**	**$ 0.249**	**$ 0.250**
Diluted	**$ 0.234**	**$ 0.234**	**$ 0.234**	**$ 0.237**	**$ 0.246**	**$ 0.262**	**$ 0.268**	**$ 0.248**	**$ 0.249**
Dividends per share	**$ 0.234**	**$ 0.234**	**$ 0.234**	**$ 0.318**	**$ 0.234**	**$ 0.234**	**$ 0.234**	**$ 0.290**	**$ 0.234**

Dividends

For the three months ended September 30, 2026, the Corporation declared dividends on the Shares totaling $8,597,220 or $0.234 per Share, versus $8,595,506 or $0.234 per Share for the three months ended September 30, 2025. The number of Shares outstanding at September 30, 2026 was 36,740,475 compared to 36,737,435 as at September 30, 2025.

	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	CHANGE
Cash Flow from Operating Activities	$ 36,800,133	$ 61,602,752	
Net income and comprehensive income	25,860,310	28,735,689	(10)%
Declared Dividends	25,791,152	25,788,822	0.01 %
Excess Cash Flow from Operating Activities Over Declared Dividends	11,008,981	35,813,930	
Surplus of Net Income Over Declared Dividends	69,158	2,946,867	

PART V

CHANGES IN FINANCIAL POSITION

Amounts Receivable & Prepaid Expenses

The amounts receivable and prepaid expenses of $5,798,658 as at September 30, 2026 (December 31, 2025 – $7,298,249) are comprised of interest receivable (net of expected credit losses) of $4,652,672 (December 31, 2025 – $5,262,099), prepaid expenses of $218,492 (December 31, 2025 – $496,792), and fees and special income receivable of $927,494 (December 31, 2025 – $1,539,358). The decrease in the amounts receivable was largely due to a reduction in special income.

Credit Facility and Bank Indebtedness

The credit facility was drawn in the amount of $25,000,000 at September 30, 2026 (December 31, 2025 – $25,265,769), related to borrowings in Canadian dollars of $25,000,000, (December 31, 2025 – US dollar borrowings $12,597,234 (in Canadian dollars $17,265,769) and $8,000,000 in Canadian dollars). In addition, the Corporation also had $3,021,119 bank indebtedness (cash and cash equivalents December 31, 2025 – $14,263,033).

Convertible Debentures

As at September 30, 2026, the Corporation had three series of convertible debentures outstanding, as outlined below:

TICKER SYMBOL	COUPON	ISSUE DATE	MATURITY DATE	CURRENT PRINCIPAL	STRIKE PRICE PER SHARE	CARRYING VALUE
FC.DB.K	5.00 %	Sep. 3, 2021	Sep. 30, 2028	46,000,000	17.75	44,599,149
FC.DB.L	5.00 %	Jan. 31, 2022	Mar. 31, 2029	43,700,000	17.00	41,812,944
FC.DB.M	5.50 %	Oct.14, 2025	Dec.31, 2032	28,150,000	14.06	25,542,197
Total / Average	**5.12 %**			**$ 117,850,000**		**$ 111,954,290**

As at September 30, 2026, the principal balance for the outstanding convertible debentures was $117,850,000 (December 31, 2025 – $142,816,000). The aggregate convertible debenture carrying value as at September 30, 2026 was $111,954,290 (December 31, 2025 – $135,587,918). The weighted average effective interest rate of the convertible debentures as at September 30, 2026 was 5.12% (December 31, 2025 – 5.19%).

On February 2, 2026, the Corporation fully repaid its 5.50% convertible unsecured subordinated debentures (FC.DB.J). The repayment was made through a cash payment of the total principal amount of $24,966,000, along with all accrued interest up to the maturity date.

Other Liabilities

Other liabilities for the Corporation include the following:

ADDITIONAL LIABILITIES	SEPTEMBER 30, 2026	DECEMBER 31, 2025	CHANGE
Accounts Payable and Accrued Liabilities	**$ 2,018,878**	$ 2,851,131	(29.2)%
Shareholders' Dividend Payable	**2,865,757**	5,951,625	(51.8)%
Total	**$ 4,884,635**	$ 8,802,756	(44.5)%

Accounts payable and accrued liabilities decreased by 29.2% to $2,018,878 as at September 30, 2026, compared to $2,851,131 as at December 31, 2025. Accounts payable and accrued liabilities include interest payable of $1,631,818 (December 31, 2025 – $1,186,810) and accrued liabilities of $387,060 (December 31, 2025 – $1,664,321).

Shareholders' Equity

Shareholders' equity at September 30, 2026 totaled $425,275,633 compared to $425,120,312 as at December 31, 2025. The Corporation had 36,740,475 Shares issued and outstanding as at September 30, 2026, compared to 36,738,425 Shares as at December 31, 2025. The increase is due to the issuance of 2,050 Shares under the DRIP.

Allowance For Expected Credit Losses

The Investment Portfolio consists primarily of the Corporation's participation in mortgage loans and real estate related debt investments. Such investments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, the investments are measured at amortized cost using the effective interest method, less any allowance for expected credit losses. The Corporation assesses individually significant investments at each reporting date to determine whether there is objective evidence of impairment. The allowance for expected credit losses in respect of each investment measured at amortized cost is calculated as the difference between its carrying amount and the amount of the future cash flows estimated to be recoverable on loan security. Estimates and assumptions are made as to the gross sale proceeds that would be generated on the forced sale of the real property securing the related mortgage loan and reflect estimates of the current local market conditions. Estimates are made as to the costs of enforcing under the mortgage loan and of realizing on the real property. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the provision for expected credit losses. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provision. Changes in the allowance for expected credit losses are recognized in the statement of income and reflected in the provision for expected credit losses against the investments. Interest on the impaired assets continues to be recognized to the extent it is deemed to be collectible.

The allowance for expected credit losses is as follows:

	SEPTEMBER 30, 2026		DECEMBER 31, 2025	
INVESTMENT CATEGORIES	**ADJUSTMENTS**	**TOTAL AMOUNT (BEFORE PROVISION)**	ADJUSTMENTS	TOTAL AMOUNT (BEFORE PROVISION)
Conventional First Mortgages	**$ 20,332,725**	**539,116,615**	$ 19,800,522	$ 545,572,200
Conventional Non-First Mortgages	**—**	**30,715,606**	—	33,760,598
Related Debt Investments	**—**	**9,263,824**	—	8,741,884
Debtor In Possession Loan	**—**	**7,901,700**	—	6,819,308
Non-Conventional Mortgages	**8,907,959**	**11,609,209**	9,257,065	15,978,315
Marketable securities	**—**	**50,966**	—	50,966
Total Specific Allowance / Amount	**$ 29,240,684**	**$ 598,657,920**	$ 29,057,587	$ 610,923,271
IFRS 9 Collective Allowance	**3,279,000**		3,236,000	
Total Allowance	**$ 32,519,684**		$ 32,293,587	
Fair Value Adjustment	**737,293**		4,545,806	
Total Allowance and Fair Value Adjustments	**$ 33,256,977**		$ 36,839,393	

The following table presents the changes to the allowance for expected credit losses on loans as at September 30, 2026:

	STAGE 1	**STAGE 2**	**STAGE 3**	**TOTAL**
Balance at January 1, 2026	$ **1,322,000**	$ **5,390,000**	$ **25,581,587**	$ **32,293,587**
New fundings	480,000	—	—	480,000
Discharges	(368,000)	(226,000)	(1,323,600)	(1,917,600)
Transfer to (from):				
Stage 1	(162,000)	6,000	156,000	—
Stage 2	—	(830,000)	830,000	—
Stage 3	1,200,000	—	(1,200,000)	—
Remeasurements	(724,000)	949,803	1,437,894	1,663,697
Balance at September 30, 2026	**$ 1,748,000**	**$ 5,289,803**	**$ 25,481,881**	**$ 32,519,684**

The following table presents the changes to the allowance for expected credit losses on loans as at December 31, 2025:

	STAGE 1	STAGE 2	STAGE 3	TOTAL
Balance at January 1, 2025	$ 1,323,000	$ 17,691,000	$ 4,551,000	$ 23,565,000
New fundings	465,000	73,000	—	538,000
Discharges	(458,000)	(4,407,000)	—	(4,865,000)
Transfer to (from):				
Stage 1	(319,000)	166,000	153,000	—
Stage 2	2,026,000	(9,289,500)	7,263,500	—
Stage 3	109,000	500,000	(609,000)	—
Remeasurements	(1,824,000)	656,500	14,223,087	13,055,587
Balance at December 31, 2025	$ 1,322,000	$ 5,390,000	$ 25,581,587	$ 32,293,587

The loans comprising the Investment Portfolio are stated at amortized cost or FVTPL. As of September 30, 2026, the allowance for expected credit losses and fair value adjustment was $33,256,977 (December 31, 2025, – allowance for expected credit losses and fair value adjustment – $36,839,393) of which $29,240,684 (December 31, 2025 – $29,057,587) represents 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. The total amount of management's estimate of fair value adjustment was $737,293 on investments stated at FVTPL on September 30, 2026 (December 31, 2025 – $4,545,806).

The Corporation also assessed collectively for expected credit losses to identify potential future losses, by grouping the Investment Portfolio with similar risk characteristics to determine whether a collective allowance should be recorded due to loss events for which there is objective evidence but whose effects are not yet evident. Based on the amounts determined by this analysis, the Corporation used judgement to determine the amounts calculated. As at September 30, 2026, the Corporation carries a collective provision for expected credit losses of $3,279,000 (December 31, 2025 – $3,236,000).

As at September 30, 2026, the Investment Portfolio included two investments totaling $1,587,197 (December 31, 2025 – three investments $5,362,795) for which a fair value loss adjustment of $737,293 was recorded (December 31, 2025 – $4,545,806).

For the nine months ended September 30, 2026, the allowance for expected credit losses increased by $0.2 million, while the fair value loss on investments decreased by $3.8 million. The decrease in the fair value loss primarily reflects the write-off of an investment carried at fair value that had previously been fully impaired through unrealized fair value losses recognized in prior periods.

The following table presents the transfers between stages of the gross investments at amortized cost at September 30, 2026:

	STAGE 1	**STAGE 2**	**STAGE 3**	**TOTAL**
Balance at January 1, 2026	**$ 388,863,584**	**$ 111,665,111**	**$ 101,756,726**	**$ 602,285,421**
New fundings	159,725,896	—	—	159,725,896
Discharges	(90,667,717)	(32,384,530)	(4,089,451)	(127,141,698)
Transfer to (from):				
Stage 1	(62,679,741)	2,210,000	60,469,741	—
Stage 2	—	(1,571,000)	1,571,000	—
Stage 3	2,097,380	—	(2,097,380)	—
Net of Advances/Repayments	(13,818,132)	(22,487,199)	(3,411,565)	(39,716,896)
Balance at September 30, 2026	**$ 383,521,270**	**$ 57,432,382**	**$ 154,199,071**	**$ 595,152,723**

The following table presents the transfers between stages of the gross investments at amortized cost at December 31, 2025:

	STAGE 1	STAGE 2	STAGE 3	TOTAL
Balance at January 1, 2025	$ 509,773,000	$ 121,373,544	$ 12,400,239	$ 643,546,783
New fundings	146,520,905	12,667,500	—	159,188,405
Discharges	(183,206,854)	(26,668,217)	—	(209,875,071)
Transfer to (from):				
Stage 1	(149,697,874)	79,988,211	69,709,663	—
Stage 2	37,984,961	(60,570,354)	22,585,393	—
Stage 3	2,125,994	1,764,245	(3,890,239)	—
Net of Advances/Repayments	25,363,452	(16,889,818)	951,670	9,425,304
Balance at December 31, 2025	$ 388,863,584	$ 111,665,111	$ 101,756,726	$ 602,285,421

Related Party Transactions

Transactions with related parties are in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties and are measured at fair value.

The Corporation's Manager (a company related to certain officers and/or directors of the Corporation) receives an allocation of interest, referred to as the Corporation's joint venture interest arrangement, calculated at 0.75% per annum of the Corporation's daily outstanding performing investment balances. For the three months ended

September 30, 2026, this amount was $1,066,785 (three months ended September 30, 2025 – $1,207,191). For the nine months ended September 30, 2026 this amount was $3,151,894 (nine months ended September 30, 2025 – $3,531,901). Included in accounts payable and accrued liabilities at September 30, 2026 are amounts payable to the Corporation's Manager of $314,525 (December 31, 2025 – $405,853).

The Mortgage Banker (a company related to certain officers and/or directors of the Corporation) receives certain fees from the borrowers as follows: loan servicing fees equal to 0.10% per annum on the principal amount of each of the Corporation's investments; 75% of all of the commitment and renewal fees generated from the Corporation's investments; and 25% of all of the special profit income generated from the non-conventional investments after the Corporation has yielded a 10% per annum return on its investments. Interest and fee income of the Corporation is net of the loan servicing fees paid to the Mortgage Banker of approximately $420,253 for the nine months ended September 30, 2026 (nine months ended September 30, 2025 – $470,920). The Mortgage Banker also retains all overnight float interest and incidental fees and charges payable by borrowers on the Corporation's investments.

The Corporation's Joint Venture Agreement and Mortgage Banking Agreement contain, respectively, allowances for the payment of termination fees to the Corporation Manager and Mortgage Banker in the event that the respective agreements are either terminated or not renewed.

A significant number of the Corporation's investments are shared with other investors of the Mortgage Banker, which may include members of management of the Mortgage Banker and/or officers or directors of the Corporation. The Corporation ranks equally with other members of the syndicate as to receipt of principal and income.

The Corporation holds a mortgage receivable secured by a registered first charge over real property, from an entity considered a related party by virtue of certain common officers and directors. The mortgage bears interest calculated daily as the 30-day average Secured Overnight Financing Rate plus 250 basis points with a maturity date of January 1, 2027. As at September 30, 2026, the outstanding principal balance was $17,193,570 (USD $12,118,389) (December 31, 2025 — $16,609,464 (USD $12,118,389) with the Corporation having an 81% participation interest of $13,924,432 (USD $9,814,232) (December 31, 2025 — $13,451,386 (USD $9,814,232)). The mortgage was originated and is maintained on terms the Corporation believes to be consistent with prevailing market conditions and was approved in accordance with the Corporation's policies and procedures.

Key Management Compensation

Aggregate compensation paid to key management personnel (including payments to related parties for their recovery of costs), consisted of short-term employee compensation of $994,418 (three months ended September 30, 2025 – $1,052,708) for the three months ended September 30, 2026 and for the nine months ended September 30, 2026 was $3,568,233 (nine months ended September 30, 2025 – $3,730,717). All compensation was paid by the Corporation's Manager and not by the Corporation.

For the three months ended September 30, 2026, the total directors' fee expenses were $80,250 (three months ended September 30, 2025 – $80,250). For the nine months ended September 30, 2026, the total directors fee expenses were $240,750 (nine months ended September 30, 2025 – $240,750). Certain key management personnel are also directors of the Corporation and received compensation from the Corporation's Manager. The Directors and officers held 856,530 shares in the Corporation as at September 30, 2026 (December 31, 2025 – 850,100).

Related party transactions are further discussed and detailed in the Corporation's AIF and in note 11 of the accompanying unaudited interim condensed consolidated financial statements of the Corporation for the three and nine months ended September 30, 2026.

Income Taxes

The Corporation qualifies as a mortgage investment corporation within the meaning of the *Income Tax Act* (Canada). As such, the Corporation is entitled to deduct from its taxable income dividends paid to shareholders during the year or within the first 90 days of the following taxation year. In order to maintain its status as a mortgage investment corporation, the Corporation must continually meet all criteria enumerated in the relevant section of the *Income Tax Act* (Canada) throughout each taxation year. The Corporation intends to maintain its status as a mortgage investment corporation and intends to distribute sufficient dividends in the year and in future years to ensure that the Corporation has no tax payable under the *Income Tax Act* (Canada). Accordingly, for financial statement reporting purposes, the tax deductibility of the Corporation's dividends results in the Corporation being effectively exempt from taxation and no allowance for current or deferred income taxes is required.

Critical Accounting Estimates

The determination of the allowance for expected credit losses for the Investment Portfolio is a critical accounting estimate.

The Investment Portfolio is classified at amortized cost or fair value through profit and loss. Loans classified at amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, mortgage loans are measured at amortized cost using the effective interest method, less any expected credit losses. The investments are assessed at each reporting date to determine an allowance for expected credit losses. Losses are recognized in the statement of income and reflected in the allowance account against mortgage investments. When a subsequent event causes the amount of expected credit loss to decrease, the decrease in allowance for expected credit losses is reversed through the statement of income. Management is required to consider the estimated future cash flow recovery from the collateral securing the mortgage investments. The estimation of cash flow recovery is performed on an individual mortgage basis and is based on assumptions pertinent to each mortgage investment. Each mortgage analysis often has unique factors that are considered in determining the cash flow and realizable value of the underlying security. The estimates are based on historical experience and other assumptions that management believes are reasonable and appropriate in the circumstances. Actual results may differ from these estimates.

Classification & Measurement Of Financial Assets

Mortgage investments and other loans are classified based on the business model for managing assets and the contractual cash flow characteristics of the asset. The Corporation exercises judgment in determining both the business model for managing the assets and whether cash flows consist solely of principal and interest.

Measurement of Expected Credit Loss

The expected credit loss model requires the recognition of credit losses based on 12 months of expected losses for performing loans and recognition of lifetime losses on performing loans that have experienced a significant increase in credit risk since origination.

The determination of a significant increase in credit risk takes into account different factors and varies by nature of investment. The Corporation assumes that the credit risk on a financial asset has increased significantly if more than 30 days past due as well as other criteria, such as watch list status and changes in weighted probability of default since origination.

The assessment of the significant increase in credit risk requires experienced credit judgment. In determining whether there has been a significant increase in credit risk and in calculating the amount of expected credit losses, the Corporation must rely on estimates and exercise judgment regarding matters for which the ultimate outcome is unknown. These judgments include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which could require an increase or decrease in the allowance for credit losses.

The calculation of expected credit losses includes the explicit incorporation of forecasts of future economic inputs, such as real gross domestic product, interest rates and unemployment rates.

Financial Instruments

The fair values of amounts receivable and expenses, bank indebtedness, credit facility, accounts payable and accrued liabilities, and shareholder dividends payable approximate their carrying values due to their short-term maturities.

The fair value of the Investment Portfolio approximates its carrying value as the majority of the loans are fully open for repayment at any time without penalty and have floating interest rates. There is no quoted price in an active market for mortgage and loan investments or mortgage syndication liabilities. Management makes its determinations of fair value based on its assessment of the current lending market for mortgage and loan investments of the same or similar terms. As a result, the fair value of mortgage and loan investments is based on Level 3 on the fair value hierarchy.

The fair values of loans payable, when incurred, approximate their carrying values due to the fact that the majority of the loans are: (i) repayable in full, at any time, upon the repayment of the underlying loan that secures the loan payable, and (ii) have floating interest rates linked to the prime rate.

The fair value of convertible debentures, including their conversion option, has been determined based on the closing price of the debentures of the Corporation on the TSX for the applicable date.

The fair value of marketable securities has been determined based on the closing price of the security of the respective entity listed on the TSX for the applicable date.

The tables in note 14 of the unaudited interim condensed consolidated financial statements of the Corporation for the three and nine months ended September 30, 2026 present the fair values of the Corporation's financial instruments as at September 30, 2026.

Contractual Obligations

Contractual obligations as at September 30, 2026 are due as follows:

	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	4-7 YEARS
Bank indebtedness	$ 3,021,119	$ —	$ 3,021,119	$ —
Credit facility	25,000,000	—	25,000,000	—
Accounts payable and accrued liabilities	2,018,878	2,018,878	—	—
Shareholders' dividends payable	2,865,757	2,865,757	—	—
Convertible debentures	117,850,000	—	89,700,000	28,150,000
Subtotal - Liabilities	150,755,754	4,884,635	117,721,119	28,150,000
Future advances under portfolio	85,419,875	85,419,875	—	—
Liabilities and contractual obligations	**$ 236,175,629**	**$ 90,304,510**	**117,721,119**	**28,150,000**

Material Accounting Policy Information

The material accounting policy information used is consistent with those as described in note 3 of the Corporation's unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2026.

Liquidity and Capital Resources

As a result of the Corporation's intent to qualify as a mortgage investment corporation, the Corporation intends to distribute no less than 100% of the taxable income of the Corporation, determined in accordance with the *Income Tax Act* (Canada), to its shareholders. The result is that growth in the Investment Portfolio can only be achieved through the raising of additional equity, issuing debt, and utilizing available borrowing capacity. As at September 30, 2026, the Corporation had not utilized its full leverage availability, being a maximum of 50% of its first mortgage investments. Unadvanced committed funds under the existing Investment Portfolio amounted to $85.4 million as at September 30, 2026 (December 31, 2025 – $89.0 million). These commitments are anticipated to be funded from the Corporation's credit facility and borrower repayments under the Investment Portfolio.

During the first quarter of 2024 the Corporation increased the limit of its revolving line of credit from $180 million to $205 million to fund the timing differences between investment advances and investment repayments. The committed facility's maturity date was extended to October 7, 2027. The Corporation is in compliance with the covenants contained in the credit facility and expects to be in compliance with such covenants going forward. The Corporation's investments are predominantly short-term in nature, and as such, the continual repayment by borrowers of existing mortgage investments creates liquidity for ongoing investments and funding commitments.

Risks and Uncertainties

The Corporation follows investment guidelines and operating policies, as outlined in the AIF. Our Board of Directors, in its discretion, may amend or approve investments that exceed these guidelines and policies as investments are made. These policies govern such matters as: (i) restricting exposure per mortgage investment; (ii) requirements for director approvals; and (iii) implementation of operational risk management policies.

The Corporation's independent directors take an active role in approving the investments that the Corporation makes. During the nine months ended September 30, 2026, 56 investment proposals were sent to the Board of Directors for approval. Under the investment guidelines, investment amounts between $1 million to $2 million require one independent director's approval, and investments with total investment amounts over $2 million require no less than three independent directors' approvals.

The Corporation is faced with the following ongoing risk factors, among others, that would affect shareholders' equity and the Corporation's ability to generate returns. A greater discussion of risk factors that affect the Corporation are included in the AIF under the section "Risk Factors", which section is incorporated herein by reference.

- *Economic uncertainty, driven by factors like inflation, restrictive trade policies including changes to tariff legislation, and recessions, can significantly impact real estate values and borrowers' financial health. Government policies, political stability, and international trade decisions play a crucial role in shaping these conditions. The risk of loan defaults and declining property values increases as borrowers face financial struggles during economic downturns. Continuous monitoring of economic indicators and real estate trends is essential for mitigating risks, and stakeholders must be proactive in adjusting strategies.*

- *Under various federal, provincial and municipal laws, an owner or operator of real property could become liable for the cost of removal or remediation of certain hazardous or toxic substances released on or in its properties or disposed of at other locations. The existence of such liability can have a negative impact on the value of the underlying real property securing a mortgage. The Corporation does not own the real property securing its Investment Portfolio and thus would not attract the environmental liability that an owner would be exposed to. In rare circumstances where a mortgage is in default, the Corporation may take possession of real property and may become liable for environmental issues as a mortgagee in possession. The Corporation obtains phase 1 environmental reports for mortgages where the Mortgage Banker determines that such reports would be prudent given the nature of the underlying property.*

- *The inability to obtain borrowings and leverage, thus reducing yield enhancement.*

- *Dependence on the Corporation Manager and Mortgage Banker. The Corporation's earnings are impacted by the Mortgage Banker's ability to source and generate appropriate investments that provide sufficient yields while maintaining pre-determined risk parameters. The Corporation has also entered into long-term contracts with the Mortgage Banker and the Corporation Manager, as more particularly described in the AIF. The Corporation is exposed to adverse developments in the business and affairs of the Corporation Manager and Mortgage Banker, since the day-to-day activities of the Corporation are run by the Corporation Manager and since all of the Corporation's investments are originated by the Mortgage Banker.*

- *Portfolio face rate fluctuations. The interest rate earned on the Corporation's Investment Portfolio fluctuates given that (i) it continually revolves given that it is short term in nature; and (ii) the portfolio is predominately floating rate interest with floors.*

- *Interest rate risk. The Corporation's operating loan has a floating rate and an increase in market interest rates would increase the Corporation's cost of borrowing. Increases in market interest rates could, in general, also negatively impact borrowers' ability to service their debt and could impact real estate values.*

- *No guaranteed return. There is no guarantee as to the return that an investment in Shares of the Corporation will earn.*

- *Qualification as a Mortgage Investment Corporation. Although the Corporation intends to qualify at all times as a mortgage investment corporation, no assurance can be provided in this regard. If for any reason the Corporation does not maintain its qualification as a mortgage investment corporation under the Income Tax Act (Canada) (the "Tax Act"), dividends paid by the Corporation on the Shares will cease to be deductible by the Corporation in computing its income and will no longer be deemed by the rules in the Tax Act that apply to mortgage investment corporations to have been received by shareholders as bond interest or a capital gain, as the case may be. In consequence, the rules in the Tax Act regarding the taxation of public corporations and their shareholders should apply, with the result that the combined corporate and shareholder tax may be significantly greater.*

- *Investment Portfolio size. The Investment Portfolio size (and income generated thereon) can fluctuate and will decrease when repayments exceed new advances. Our ability to make investments in accordance with our objectives and investment policies depends upon the availability of suitable investments and the general economy and marketplace. Repayments of investments can be significant given the open prepayment provision associated with most investments.*

- *Limited sources of borrowing. The Canadian financial marketplace is characterized as having a limited number of financial institutions that provide credit to entities such as ours. The limited availability of sources of credit may limit our ability to obtain additional leverage, if required.*

- *Liquidity risk. Liquidity risk is the risk the Corporation will not be able to meet its financial obligations as they come due. The Corporation's approach to managing liquidity risk is to ensure, to the extent possible, that it always has sufficient liquidity to meet its liabilities when they come due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's credit worthiness. The Corporation manages liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. If the Corporation is unable to continue to have access to its loans and mortgages syndications and revolving operating facility, the size of the Corporation's loan and mortgage investments will decrease, and the income historically generated through holding larger investments by utilizing leverage will not be earned.*

- *Demand loan bank indebtedness. A component of the Corporation's bank indebtedness is in the form of a demand swingline facility, repayment of which can be demanded by the bank at any time.*

- *Specific investment risk for non-conventional mortgage and second mortgage investments. Non-conventional and second mortgage investments attract higher loan loss risk due to their subordinate ranking to other mortgage charges and sometimes high loan to value ratio. Consequently, this higher risk is compensated for by a higher rate of return. In order to mitigate risk and maintain a well-diversified Investment Portfolio, the operating policies of the Corporation generally limit the amount of Conventional Non-First Mortgage investments to a maximum of 30% of the Corporation's capital, subject to the Board of Directors' approval for any modifications to the operating policies.*

- *Reliance on Borrowers. After the funding of an investment, we rely on borrowers to maintain adequate insurance and proper adherence to environmental regulations during the ongoing management of their properties.*

- *Credit Risk. The Investment Portfolio is exposed to credit risk. Credit risk is the risk that a counterparty to a financial investment will fail to fulfill its obligations or commitment, resulting in a financial loss to the Corporation.*

- *Change in Legislation. There can be no assurance that certain laws applicable to the Corporation, including Canadian federal and provincial tax legislation, municipal property tax, federal, provincial and local building codes, commodity and sales tax legislation, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation thereof, will not change in a manner that will adversely affect the Corporation or fundamentally alter the tax consequences to shareholders acquiring, holding or disposing of Shares.*

- *Litigation risk. We may, from time to time, become involved in legal proceedings in the course of our business. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. During litigation, we might not receive payments of interest or principal on a mortgage that is the subject of litigation, which would affect our cash flows. An unfavourable resolution of any legal proceedings could have a material adverse effect on us, our financial position and results of operations.*

- *Ability to manage growth. We intend to grow our Investment Portfolio. In order to effectively deploy our capital and monitor our loans and investments in the future, we, the Corporation Manager and/or the Mortgage Banker will need to retain additional personnel and may be required to augment, improve or replace existing systems and controls, each of which can divert the attention of management from their other responsibilities and present numerous challenges. As a result, there can be no assurance that we would be able to effectively manage our growth and, if unable to do so, our Investment Portfolio, and the market price of our securities, may be materially adversely affected.*

- *Cyber risk. We collect and store confidential and personal information. Unauthorized access to our computer systems could result in the theft or publication of confidential information or the deletion or modification of records or could otherwise cause interruptions in our operations. In addition, despite implementation of security measures, our systems are vulnerable to damages from computer viruses, natural disasters, unauthorized access, cyber-attack and other similar disruptions. Any such system failure, accident or security breach could disrupt our business and make our applications unavailable. If a person penetrates our network security or otherwise misappropriates sensitive data, we could be subject to liability or our business could be interrupted, and any of these developments could have a material adverse effect on our business, results of operations and financial condition.*

- *Convertible debentures. Risks relating to the ownership of our outstanding convertible debentures are set out in the section entitled "Risk Factors" contained in each of our (final) prospectuses or prospectus supplements qualifying the distribution of such outstanding convertible debentures, which sections are incorporated herein by reference and available on SEDAR+ at www.sedarplus.ca.*

- *Currency risk. Currency risk is the risk that the fair value or future cash flows of the Corporation's foreign currency-denominated investments and cash and cash equivalents will fluctuate based on changes in foreign currency exchange rates. Consequently, the Corporation is subject to currency fluctuations that may impact its financial position and results of operations.*

Responsibility of Management and the Board of Directors

Management is responsible for the information disclosed in this MD&A, and has in place the appropriate information systems, procedures, and controls to ensure that the information used internally by management and disclosed externally is complete, reliable, and timely. In addition, the Corporation's Audit Committee and Board of Directors provide an oversight role with respect to all public financial disclosures by the Corporation and have reviewed and

approved this MD&A as well as the unaudited interim condensed consolidated financial statements as at, and for the nine months ended, September 30, 2026.

Controls and Procedures

The Corporation maintains appropriate information systems, procedures, and controls to ensure that information disclosed externally is complete, reliable, and timely. The Corporation's Chief Executive Officer and Chief Financial Officer evaluated, or caused an evaluation under their direct supervision, of the design and operating effectiveness of the Corporation's disclosure controls and procedures (as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings) as at September 30, 2026 have, and concluded that such disclosure controls and procedures were appropriately designed and were operating effectively.

The Corporation has also established adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS for periods effective January 1, 2010. The Corporation's Chief Executive Officer and the Chief Financial Officer assessed, or caused an assessment under their direct supervision, of the design and operating effectiveness of the Corporation's internal controls over financial reporting (as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings) as at September 30, 2026. Based on that assessment, it was determined that the Corporation's internal controls over financial reporting were appropriately designed and operated effectively.

The Corporation did not make any changes to the design of the Corporation's internal controls over the financial reporting for the nine months ended September 30, 2026 that would have materially affected, or would be reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

It should be noted that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; (ii) the impact of any undetected errors; and (iii) controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Forward Looking Information

Certain information included in this MD&A contains forward-looking statements within the meaning of applicable securities laws including, among others, statements concerning our 2026 objectives and our strategies to achieve those objectives, 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 above in this MD&A under Risks and Uncertainties, which could cause our actual results to differ materially from the forward-looking statements contained in this MD&A. Those risks and uncertainties include risks associated with mortgage lending, 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 the assumption that there is not a significant decline in the value of the general real estate market; market interest rates remain relatively stable; the Corporation is generally able to sustain the size of its Investment Portfolio; adequate investment opportunities are presented to the Corporation; and adequate bank indebtedness is available to the Corporation. Although the forward-looking information contained in this MD&A 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.

All forward-looking statements in this MD&A 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.



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

FOR THE QUARTERLY PERIOD ENDED
SEPTEMBER 30, 2026



FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

Interim Condensed Consolidated Balance Sheets

(in Canadian dollars)
(Unaudited)

AS AT	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Cash and cash equivalents (note 6)	**$ -**	$ 14,263,033
Amounts receivable and prepaid expenses (note 4)	**5,798,658**	7,298,249
Investment portfolio (note 5)	**564,337,019**	573,215,473
Total assets	**$ 570,135,677**	$ 594,776,755
Liabilities		
Bank indebtedness (note 6)	**$ 3,021,119**	$ —
Credit facility (note 6)	**25,000,000**	25,265,769
Accounts payable and accrued liabilities	**2,018,878**	2,851,131
Shareholders' dividends payable (note 10)	**2,865,757**	5,951,625
Convertible debentures (note 7)	**111,954,290**	135,587,918
Total liabilities	**144,860,044**	169,656,443
Shareholders' Equity		
Common shares (note 8)	**413,130,766**	413,106,262
Equity component of convertible debentures (note 7)	**7,100,000**	7,860,000
Stock options (note 8)	**2,762,252**	2,700,593
Contributed surplus	**3,940,276**	3,180,276
Deficit	**(1,657,661)**	(1,726,819)
Total shareholders' equity	**425,275,633**	425,120,312
Total liabilities and shareholders' equity	**$ 570,135,677**	$ 594,776,755

See accompanying notes to the interim condensed consolidated financial statements.

Commitments (note 5)

Contingent liabilities (note 13)

On behalf of the Directors:

/s/ "Eli Dadouch"
ELI DADOUCH
Director

/s/ "Jonathan Mair"
JONATHAN MAIR
Director

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

Interim Condensed Consolidated Statements of Income and Comprehensive Income

For the Three and Nine Months Ended September 30, 2026 and 2025
(in Canadian dollars)
(Unaudited)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEP. 30, 2026	SEP. 30, 2025	**SEP. 30, 2026**	SEP. 30, 2025
Revenues				
Interest and fees income	**$ 13,915,030**	$ 16,348,526	**$ 41,172,616**	$ 48,516,916
Other income	**262,175**	508,862	**280,335**	1,152,558
Total Revenues	**14,177,205**	16,857,388	**41,452,951**	49,669,474
Operating expenses				
Corporation manager interest allocation (note 11)	**1,066,785**	1,207,191	**3,151,894**	3,531,901
Interest expense (note 12)	**2,547,274**	2,949,139	**7,652,231**	9,374,579
General and administrative expenses	**472,448**	499,757	**1,175,903**	1,245,174
Share based compensation (note 8)	**20,778**	20,779	**61,659**	61,660
Fair value adjustment on investment portfolio (carried at FVTPL) (note 5)	**2,933**	76,033	**5,867**	(1,380,906)
Provision for expected credit losses on investment portfolio and interest receivable (note 4 and 5)	**1,496,877**	3,016,219	**4,050,971**	8,101,377
Unrealized foreign exchange gain	**(42,429)**	—	**(505,884)**	—
Total Operating expenses	**5,564,666**	7,769,118	**15,592,641**	20,933,785
Income and comprehensive income for the period	**$ 8,612,539**	$ 9,088,270	**$ 25,860,310**	$ 28,735,689
Earnings per share (note 9)				
Basic	**$ 0.234**	$ 0.247	**$ 0.704**	$ 0.782
Diluted	**$ 0.234**	$ 0.246	**$ 0.702**	$ 0.778

See accompanying notes to the interim condensed consolidated financial statements.

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

For the Three and Nine Months Ended September 30, 2026 and 2025
(in Canadian dollars)
(Unaudited)

	COMMON SHARES	EQUITY COMPONENT OF CONVERTIBLE DEBENTURES	STOCK OPTIONS	CONTRIBUTED SURPLUS	DEFICIT	SHAREHOLDERS' EQUITY
Balance at January 1, 2026	**$ 413,106,262**	**$ 7,860,000**	**$ 2,700,593**	**$ 3,180,276**	**$ (1,726,819)**	**$ 425,120,312**
Proceeds from issuance of shares from dividend reinvestment	**24,504**	**—**	**—**	**—**	**—**	**24,504**
Conversion and redemption of debentures	**—**	**(760,000)**	**—**	**760,000**	**—**	**—**
Amortization of stock options granted (note 8 (b))	**—**	**—**	**61,659**	**—**	**—**	**61,659**
Income and comprehensive income for the period	**—**	**—**	**—**	**—**	**25,860,310**	**25,860,310**
Dividends to shareholders (note 10)	**—**	**—**	**—**	**—**	**(25,791,152)**	**(25,791,152)**
Balance at September 30, 2026	**$ 413,130,766**	**$ 7,100,000**	**$ 2,762,252**	**$ 3,940,276**	**$ (1,657,661)**	**$ 425,275,633**
Shares issued and outstanding (note 8)	**36,740,475**					

	COMMON SHARES	EQUITY COMPONENT OF CONVERTIBLE DEBENTURES	STOCK OPTIONS	CONTRIBUTED SURPLUS	DEFICIT	SHAREHOLDERS' EQUITY
Balance at January 1, 2025	$ 413,055,256	$ 6,584,000	$ 2,618,154	$ 2,856,276	$ (1,726,819)	$ 423,386,867
Proceeds from issuance of shares from dividend reinvestment	22,272	—	—	—	—	22,272
Conversion and redemption of debentures	—	(324,000)	—	324,000	—	—
Amortization of stock option granted (note 8 (b))	—	—	61,660	—	—	61,660
Income and comprehensive income for the period	—	—	—	—	28,735,689	28,735,689
Dividends to shareholders (note 10)	—	—	—	—	(25,788,822)	(25,788,822)
Balance at September 30, 2025	$ 413,077,528	$ 6,260,000	$ 2,679,814	$ 3,180,276	$ 1,220,048	$ 426,417,666
Shares issued and outstanding (note 8)	36,737,435					

See accompanying notes to the interim condensed consolidated financial statements.

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

Interim Condensed Consolidated Statements of Cash Flows

For the Three and Nine Months Ended September 30, 2026 and 2025
(in Canadian dollars)
(Unaudited)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEP. 30, 2026	SEP. 30, 2025	**SEP. 30, 2026**	SEP. 30, 2025
Operating activities:				
Net Income for the period	**$ 8,612,539**	$ 9,088,270	**$ 25,860,310**	$ 28,735,689
Adjustments for:				
Financing costs (net of implicit interest rate and deferred finance cost amortization) (note 12)	**2,100,005**	2,534,412	**6,319,859**	8,037,020
Implicit interest rate in excess of coupon rate - convertible debentures (note 7 and 12)	**251,449**	225,071	**737,047**	691,135
Deferred finance cost amortization - convertible debentures (note 7)	**195,821**	189,656	**595,325**	646,424
Provision for expected credit losses on investment portfolio and interest receivable (note 4 and 5)	**1,496,877**	3,016,219	**4,050,971**	8,101,377
Fair value adjustment on investment portfolio (carried at FVTPL) (note 5)	**2,933**	76,033	**5,867**	(1,380,906)
Amortization of stock option granted (note 8 (b))	**20,778**	20,779	**61,659**	61,660
Changes in operating assets and liabilities				
Funding of investment portfolio	**(82,544,251)**	(83,095,823)	**(214,545,167)**	(216,531,334)
Discharging of investment portfolio	**89,659,733**	80,437,958	**223,191,657**	243,254,085
Accrued interest payable (note 12)	**734,187**	786,935	**799,748**	809,526
Receivables and prepaid expenses	**(1,517,384)**	(1,573,544)	**(2,325,283)**	(949,971)
Accounts payable and accrued liabilities	**(626,904)**	(671,110)	**(832,253)**	(1,025,407)
Cash interest paid (note 12)	**(2,834,192)**	(3,321,347)	**(7,119,607)**	(8,846,546)
Net cash flow from (used in) operating activities	**15,551,591**	7,713,509	**36,800,133**	61,602,752
Financing activities:				
Dividend reinvestment in common shares (note 8 (a))	**7,292**	7,776	**24,504**	22,272
Redemption of convertible debenture (note 7)	**—**	—	**(24,966,000)**	(25,000,000)
Repayment of credit facility	**(25,000,000)**	(11,128,492)	**(68,794,807)**	(25,187,919)
Withdraw from credit facility	**25,000,000**	16,478,695	**68,529,038**	21,598,369
Dividends to shareholders paid during the period (note 10)	**(8,597,172)**	(8,596,456)	**(28,877,020)**	(27,845,712)
Net cash flow used in financing activities	**(8,589,880)**	(3,238,477)	**(54,084,285)**	(56,412,990)
Net change in cash flow for the period	**6,961,711**	4,475,032	**(17,284,152)**	5,189,762
Cash and cash equivalents (Bank indebtedness) beginning of period	**(9,982,830)**	(10,977,187)	**14,263,033**	(11,691,917)
Cash and cash equivalents (Bank indebtedness) end of period	**$ (3,021,119)**	$ (6,502,155)	**$ (3,021,119)**	$ (6,502,155)
Cash flows from operating activities include:				
Interest received	**$ 11,152,055**	$ 14,681,733	**$ 36,579,089**	$ 45,457,989

See accompanying notes to the interim condensed consolidated financial statements.

NOTE 1 ORGANIZATION OF CORPORATION

Firm Capital Mortgage Investment Corporation (the “Corporation”), through its mortgage banker, Firm Capital Corporation (the “Mortgage Banker”), is a non-bank lender providing primarily residential and commercial short-term bridge and conventional real estate financing, including construction, mezzanine, and equity investments. The shares of the Corporation are listed on the Toronto Stock Exchange under the symbol “FC”. The Corporation is a Canadian mortgage investment corporation, and the registered office of the Corporation is 163 Cartwright Avenue, Toronto, Ontario, M6A 1V5. FC Treasury Management Inc. is the Corporation’s manager (the “Corporation Manager”). The Corporation was incorporated pursuant to the laws of Canada on October 22, 2010.

NOTE 2 BASIS OF PRESENTATION

The unaudited interim condensed consolidated financial statements of the Corporation have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The accounting policies and methods of computation applied in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those applied in the Corporation's audited consolidated financial statements for the year ended December 31, 2025, which were prepared in accordance with IFRS® Accounting Standards ("IFRS"). The accompanying unaudited interim condensed consolidated financial statements should be read in conjunction with the notes to the Corporation's audited consolidated financial statements for the year ended December 31, 2025, since they do not contain all disclosures required for annual financial statements prepared in accordance with IFRS. These unaudited interim condensed consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

These unaudited interim condensed consolidated financial statements have been prepared on the historical cost basis, except for financial instruments classified as fair value through profit and loss (“FVTPL”), which are measured at fair value. These unaudited interim condensed consolidated financial statements are presented in Canadian dollars, which is the Corporation’s functional currency.

These unaudited interim condensed consolidated financial statements were approved by the Board of Directors on November 5, 2026.

NOTE 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies used in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those as described in note 3 of the Corporation’s audited consolidated financial statements for the year ended December 31, 2025.

Accounting standards effective in the period

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, "Financial Instrument Disclosures". The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments became effective January 1, 2026. The Corporation adopted these amendments, which did not have a material impact on the unaudited condensed consolidated interim financial statements.

NOTE 4 AMOUNTS RECEIVABLE AND PREPAID EXPENSES

The following is a breakdown of amounts receivable and prepaid expenses as at September 30, 2026 and December 31, 2025:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Interest receivable, net of expected credit losses	**$ 4,652,672**	$ 5,262,099
Prepaid expenses	**218,492**	496,792
Fees receivable	**700,684**	304,358
Special income receivable	**226,810**	1,235,000
Amounts receivable and prepaid expenses	**$ 5,798,658**	$ 7,298,249

Interest receivable is net of an increase to the provision for interest receivable of $3,824,874 (December 31, 2025 – $3,002,467), which is related to the loans in default that are stage 3. The Corporation will continue to seek recovery of amounts that were written off during the period, unless it no longer has the right to collect, or it has exhausted all reasonable efforts to collect.

NOTE 5 INVESTMENT PORTFOLIO

The following is a breakdown of the investment portfolio as at September 30, 2026 and December 31, 2025:

	SEPTEMBER 30, 2026		DECEMBER 31, 2025	
Conventional first mortgages	**$ 539,116,615**	**95.6 %**	$ 545,572,200	95.2 %
Conventional non-first mortgages	**30,715,606**	**5.4 %**	33,760,598	5.9 %
Non-conventional mortgages	**11,609,209**	**2.1 %**	15,978,315	2.8 %
Debtor in possession loan	**7,901,700**	**1.4 %**	6,819,308	1.2 %
Related debt investments	**5,809,593**	**1.0 %**	155,000	— %
Total investments (at amortized cost)	**595,152,723**	**105.5 %**	602,285,421	105.1 %
Expected credit losses on investments (at amortized cost)	**(32,519,684)**	**(5.8)%**	(32,293,587)	(5.6)%
Unamortized fees	**(1,063,924)**	**(0.2)%**	(868,405)	(0.2)%
Total investments (at amortized cost), net	**$ 561,569,115**	**99.5 %**	$ 569,123,429	99.3 %
Total investments (at FVTPL)	**2,767,904**	**0.5 %**	4,092,044	0.7 %
Total investments	**$ 564,337,019**	**100.0 %**	$ 573,215,473	100.0 %

By geography				
Canada	**$ 550,412,587**	**97.5 %**	$ 559,764,087	97.7 %
United States	**13,924,432**	**2.5 %**	13,451,386	2.3 %
Total	**$ 564,337,019**	**100.0 %**	$ 573,215,473	100.0 %

Included in conventional first mortgages is one United States ("US") dollar denominated investment (at amortized cost) of $13,924,432 (US$9,814,232) (December 31, 2025 – one US dollar denominated investment of $13,451,386 (US$9,814,232)). As of September 30, 2026, a collective loss allowance of $63,000 was applied to this conventional first mortgage (December 31, 2025 – $61,000).

There are no USD denominated investments included in total investments classified at FVTPL, (December 31, 2025 – one US dollar denominated investment totaling $3,814,380 (US$2,783,000)).

The investment portfolio is secured by the underlying real estate, supplemented by various credit enhancements, which may include borrower guarantees, personal guarantees from shareholders of the borrower, and/or cross guarantees from related entities. The quality of the mortgage collateral is primarily influenced by the location and type of underlying property, as well as the nature of the investment. Management consistently monitors real estate market conditions to ensure that the quality of collateral securing the remaining investment portfolio remains sufficient.

Conventional first mortgages are loans secured by a first priority mortgage charge with loan to values not exceeding 75% at the time of origination. Conventional non-first mortgages are loans with mortgage charges not registered in first priority with loan to values not exceeding 75%. Related debt investments are loans that may not necessarily be secured by mortgage charge security. 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 top priority on the assets of the debtor company awarded by the court. Discounted debt investments are loans purchased from arms-length third parties at a discount to their face value. Non-conventional mortgages are loans that in some cases have loan to value ratios that exceed or may exceed 75%. Related investments and non-conventional mortgage investments at times are a source of special profit participation earned by the Corporation.

The following is a breakdown of the investment portfolio as at September 30, 2026:

	GROSS CARRYING AMOUNT	EXPECTED CREDIT LOSSES	FAIR VALUE ADJUSTMENT	CARRYING AMOUNT
Conventional first mortgages	**$ 539,116,615**	**$ (22,199,725)**	**$ —**	**$ 516,916,890**
Conventional non-first mortgages	**30,715,606**	**(308,000)**	**—**	**30,407,606**
Related debt investments	**9,263,824**	**(611,000)**	**(735,000)**	**7,917,824**
Debtor in possession loan	**7,901,700**	**(442,000)**	**—**	**7,459,700**
Non-conventional mortgages	**11,609,209**	**(8,958,959)**	**—**	**2,650,250**
Marketable securities	**50,966**	**—**	**(2,293)**	**48,673**
	$ 598,657,920	**$ (32,519,684)**	**$ (737,293)**	**$ 565,400,943**
Unamortized fees				**(1,063,924)**
Total investment portfolio				**564,337,019**

Included in the expected credit losses of $32,519,684 is a collective allowance of $3,279,000.

The following is a breakdown of the investment portfolio as at December 31, 2025:

	GROSS CARRYING AMOUNT	EXPECTED CREDIT LOSSES	FAIR VALUE ADJUSTMENT	CARRYING AMOUNT
Conventional first mortgages	$ 545,572,200	$ (22,677,522)	$ —	$ 522,894,678
Conventional non-first mortgages	33,760,598	(194,000)	—	33,566,598
Related debt investments	8,741,884	—	(4,549,380)	4,192,504
Debtor in possession loan	6,819,308	(19,000)	—	6,800,308
Non-conventional mortgages	15,978,315	(9,403,065)	—	6,575,250
Marketable securities	50,966	—	3,574	54,540
	$ 610,923,271	$ (32,293,587)	$ (4,545,806)	$ 574,083,878
Unamortized fees				(868,405)
Total investment portfolio				$ 573,215,473

Included in the expected credit losses of $32,293,587 is a collective allowance of $3,236,000.

The following table presents the staging of gross investments at amortized cost as at September 30, 2026:

GROSS INVESTMENTS AT AMORTIZED COST	**STAGE 1**	**STAGE 2**	**STAGE 3**	**TOTAL**
Conventional first mortgages	**$ 349,702,321**	**$ 52,474,882**	**$ 136,939,412**	**$ 539,116,615**
Conventional non-first mortgages	**27,265,606**	**3,000,000**	**450,000**	**30,715,606**
Related debt investments	**5,809,593**	**—**	**—**	**5,809,593**
Debtor in possession loan	**—**	**—**	**7,901,700**	**7,901,700**
Non-conventional mortgages	**743,750**	**1,957,500**	**8,907,959**	**11,609,209**
Total gross investments at amortized cost	**383,521,270**	**57,432,382**	**154,199,071**	**595,152,723**
By geography:				
Canada	**$ 383,521,270**	**$ 43,507,950**	**$ 154,199,071**	**$ 581,228,291**
United States	**—**	**13,924,432**	**—**	**13,924,432**
Total gross investments at amortized cost	**$ 383,521,270**	**$ 57,432,382**	**$ 154,199,071**	**$ 595,152,723**

The following table presents the staging of gross investments at amortized cost as at December 31, 2025:

GROSS INVESTMENTS AT AMORTIZED COST	STAGE 1	STAGE 2	STAGE 3	TOTAL
Conventional first mortgages	$ 347,081,150	$ 105,991,389	$ 92,499,661	$ 545,572,200
Conventional non-first mortgages	30,044,376	3,716,222	—	33,760,598
Related debt investments	155,000	—	—	155,000
Debtor in possession loan	6,819,308	—	—	6,819,308
Non-conventional mortgages	4,763,750	1,957,500	9,257,065	15,978,315
Total gross investments at amortized cost	$ 388,863,584	$ 111,665,111	$ 101,756,726	$ 602,285,421
By geography:				
Canada	$ 388,863,584	$ 98,213,725	$ 101,756,726	$ 588,834,035
United States	—	13,451,386	—	13,451,386
Total gross investments at amortized cost	$ 388,863,584	$ 111,665,111	$ 101,756,726	$ 602,285,421

The following table presents the transfers between stages of the gross investments at amortized cost at September 30, 2026:

	STAGE 1	STAGE 2	STAGE 3	TOTAL
Balance at January 1, 2026	**$ 388,863,584**	**$ 111,665,111**	**$ 101,756,726**	**$ 602,285,421**
New fundings	159,725,896	—	—	**159,725,896**
Discharges	(90,667,717)	(32,384,530)	(4,089,451)	**(127,141,698)**
Transfer to (from)[1]:				
Stage 1	(62,679,741)	2,210,000	60,469,741	**—**
Stage 2	—	(1,571,000)	1,571,000	**—**
Stage 3	2,097,380	—	(2,097,380)	**—**
Net of Advances/Repayments	(13,818,132)	(22,487,199)	(3,411,565)	(39,716,896)
Balance at September 30, 2026	**$ 383,521,270**	**$ 57,432,382**	**$ 154,199,071**	**$ 595,152,723**

The following table presents the transfers between stages of the gross investments at amortized cost at December 31, 2025:

	STAGE 1	STAGE 2	STAGE 3	TOTAL
Balance at January 1, 2025	$ 509,773,000	$ 121,373,544	$ 12,400,239	$ 643,546,783
New fundings	146,520,905	12,667,500	—	159,188,405
Discharges	(183,206,854)	(26,668,217)	—	(209,875,071)
Transfer to (from)[1]:				
Stage 1	(149,697,874)	79,988,211	69,709,663	—
Stage 2	37,984,961	(60,570,354)	22,585,393	—
Stage 3	2,125,994	1,764,245	(3,890,239)	—
Net of Advances/Repayments	25,363,452	(16,889,818)	951,670	9,425,304
Balance at December 31, 2025	$ 388,863,584	$ 111,665,111	$ 101,756,726	$ 602,285,421

The following table presents the expected credit losses on investments as at September 30, 2026:

EXPECTED CREDIT LOSSES ON INVESTMENTS	**STAGE 1**	**STAGE 2**	**STAGE 3**	**TOTAL**
Conventional first mortgages	$ 939,000	$ 5,240,803	$ 16,019,922	**$ 22,199,725**
Conventional non-first mortgages	173,000	23,000	112,000	**308,000**
Related debt investments	611,000	—	—	**611,000**
Non-conventional mortgages	25,000	26,000	8,907,959	**8,958,959**
Debtor in possession loan	—	—	442,000	**442,000**
Total	**$ 1,748,000**	**$ 5,289,803**	**$ 25,481,881**	**$ 32,519,684**
By geography:				
Canada	$ 1,748,000	$ 5,226,803	$ 25,481,881	**$ 32,456,684**
United States	—	63,000	—	**63,000**
Total	**$ 1,748,000**	**$ 5,289,803**	**$ 25,481,881**	**$ 32,519,684**

The following table presents the expected credit losses on investments as at December 31, 2025:

EXPECTED CREDIT LOSSES ON INVESTMENTS	STAGE 1	STAGE 2	STAGE 3	TOTAL
Conventional first mortgages	$ 1,016,000	$ 5,337,000	$ 16,324,522	$ 22,677,522
Conventional non-first mortgages	164,000	30,000	—	194,000
Non-conventional mortgages	123,000	23,000	9,257,065	9,403,065
Debtor in possession loan	19,000	—	—	19,000
Total	$ 1,322,000	$ 5,390,000	$ 25,581,587	$ 32,293,587
By geography:				
Canada	$ 1,322,000	$ 5,329,000	$ 25,581,587	$ 32,232,587
United States	—	61,000	—	61,000
Total	$ 1,322,000	$ 5,390,000	$ 25,581,587	$ 32,293,587

The following table presents the changes to the expected credit losses on investments as at September 30, 2026:

	STAGE 1	**STAGE 2**	**STAGE 3**	**TOTAL**
Balance at January 1, 2026	**$ 1,322,000**	**$ 5,390,000**	**$ 25,581,587**	**$ 32,293,587**
New fundings	480,000	—	—	480,000
Discharges	(368,000)	(226,000)	(1,323,600)	(1,917,600)
Transfer to (from)[1]:				
Stage 1	(162,000)	6,000	156,000	—
Stage 2	—	(830,000)	830,000	—
Stage 3	1,200,000	—	(1,200,000)	—
Remeasurements[2]	(724,000)	949,803	1,437,894	1,663,697
Balance at September 30, 2026	**$ 1,748,000**	**$ 5,289,803**	**$ 25,481,881**	**$ 32,519,684**

1 Transfers between stages which are presumed to occur before any corresponding remeasurement of the allowance.

2 Remeasurements represent the change in the expected credit loss related to changes in model inputs or assumptions, including changes in macroeconomic conditions, changes in balances, and changes in measurement following a transfer between stages.

The following table presents the changes to the expected credit losses on investments as at December 31, 2025:

	STAGE 1	STAGE 2	STAGE 3	TOTAL
Balance at January 1, 2025	$ 1,323,000	$ 17,691,000	$ 4,551,000	$ 23,565,000
New fundings	465,000	73,000	—	538,000
Discharges	(458,000)	(4,407,000)	—	(4,865,000)
Transfer to (from)[1]:				
Stage 1	(319,000)	166,000	153,000	—
Stage 2	2,026,000	(9,289,500)	7,263,500	—
Stage 3	109,000	500,000	(609,000)	—
Remeasurements[2]	(1,824,000)	656,500	14,223,087	13,055,587
Balance at December 31, 2025	$ 1,322,000	$ 5,390,000	$ 25,581,587	$ 32,293,587

1 Transfers between stages which are presumed to occur before any corresponding remeasurement of the allowance.

2 Remeasurements represent the change in the expected credit loss related to changes in model inputs or assumptions, including changes in macroeconomic conditions, balances changes, and changes in measurement following a transfer between stages.

As at September 30, 2026, the expected credit losses were $32,519,684 (December 31, 2025 – $32,293,587) of which $29,240,684 (December 31, 2025 – $29,057,587) represents the total amount of management's estimate of the shortfall between the investment balances and the estimated recoverable amount from the security under the loans that have been allocated a specific allowance.

The Corporation also assessed collectively for impairment to identify potential future losses, by grouping the investment portfolio with similar risk characteristics, to determine whether a collective allowance should be recorded due to loss events for which there is objective evidence but whose effects are not yet evident. Based on the amounts determined by the analysis, the Corporation used judgement to determine the amounts calculated. As at September 30, 2026, the Corporation carries a collective allowance of $3,279,000 (December 31, 2025 – $3,236,000).

As of September 30, 2026, the gross investment portfolio, prior to any allowance, included thirteen loans, totaling $63,208,107 (December 31, 2025 – fourteen investments totaling $65,607,202), for which the outstanding loan balances exceed the estimated value of the underlying collateral. The resulting deficiency has been accounted for through individual allowances totaling $29,240,684 (December 31, 2025 – $29,057,587).

The Corporation has determined that the following forward-looking macroeconomic factors are key drivers that contribute to the collective portion of the ECL: unemployment rates, interest rates and CPI.

The Corporation's probability weighted estimate of expected credit losses used three scenarios (base, benign and adverse) at September 30, 2026, based on forecasts and other information available at that date. When determining the ECL, the Corporation considered forward-looking macroeconomic information. Forward-looking information is incorporated in both the determination of whether there has been significant increase in credit risk since initial recognition of the financial asset and in the measurement of the ECL allowance.

Elevated global economic uncertainty has resulted in a higher level of uncertainty with respect to management's judgements and estimates which include the forward-looking macroeconomic inputs as well as the expected loss on a default.

The Corporation incorporates forward-looking information into the measurement of ECL and formulates probability weightings to three economic scenarios - base case scenario being the Corporation's view of the most probable outcome, as well as benign and adverse scenarios. The key modelled inputs include economic data and forecasts published by five of the largest financial institutions in Canada. The weights assigned to each scenario have been determined based on applying management's judgement and industry knowledge.

The scenario probability weightings applied in measuring ECL as at September 30, 2026 and December 31, 2025:

	BENIGN	BASE	ADVERSE
Macro-economic scenario probability weightings	10 %	60 %	30 %

The Corporation has considered the relationship between multiple macro-economic variables that have included interest rates, unemployment rates and CPI. Forecasting relationships between key macro-economic indicators and

the default rates of the loan portfolio have been developed based on examining more than seven years of market and internal data.

For the Adverse and Benign scenarios, the Corporation took the upper and lower limits of the macro-economic forward-looking data published by the five largest Financial Institutions.

Impact of each scenario on the collective allowance at September 30, 2026 is as follows:

	BENIGN	BASE	ADVERSE
CPI	3.20 %	2.40 %	1.50 %
Interest Rates	2.25 %	2.50 %	3.00 %
Unemployment rates	5.90 %	6.28 %	6.60 %
Collective Allowance	$ 2,965,500	$ 3,214,500	$ 3,512,500

Impact of each scenario on the collective allowance at December 31, 2025 is as follows:

	BENIGN	BASE	ADVERSE
CPI	2.40 %	2.20 %	1.50 %
Interest Rates	2.25 %	2.29 %	2.75 %
Unemployment rates	7.10 %	7.34 %	7.60 %
Collective Allowance	$ 3,097,000	$ 3,151,200	$ 3,452,000

The base scenario includes an average of the forecasted macroeconomic variables from the five largest Financial Institutions in Canada over a 12-month period.

Drawing from the Corporation's internal delinquency data and forecasted macroeconomic trends, the Adverse scenario represents the application of the extreme ends of the projected macroeconomic ranges, which correspond to the highest estimated probability of default.

Similarly, the Benign scenario utilized the forecasted macroeconomic data to estimate the lowest possible probability of default, based on the economic relationships established by the Corporation.

These assumptions are limited to the availability of relatable comparable market data, economic uncertainty and the uncertainty of future events. Accordingly, by their nature, estimates of impairments are subjective and may not necessarily be comparable to the actual outcomes. As new market and internal data become available, the Corporation monitors key modeling assumptions, including macro-economic factors and expected trends, and the impact these changes will have on the ECL.

The loans comprising the Investment portfolio bear interest at the weighted average rate of 8.83% per annum as at September 30, 2026 (December 31, 2025 – 9.50% per annum) and mature by 2028.

The unadvanced funds under the existing investment portfolio (which are commitments of the Corporation) amounted to $85,419,875 as at September 30, 2026 (December 31, 2025 – $89,045,576).

The contractual maturity dates of the investment portfolio as at September 30, 2026:

2026	**$ 239,986,875**
2027	**314,241,917**
2028	**44,378,162**
Marketable securities	**50,966**
Total gross investments	**$ 598,657,920**

Borrowers who have open loans generally have the option to repay principal at any time prior to the maturity date without penalty, subject to written notice, according to the terms of each mortgage loan.

The investment portfolio as at September 30, 2026, included twenty-five investments totaling $88,815,061 (December 31, 2025 – twenty investments totaling $112,564,688) with maturity dates that are past due and for which no extensions or renewals were in place. Seven of these investments totaling $47,654,944 (December 31, 2025 – five investments totaling $23,087,599) have provisions recorded against them included in the Corporation's allowance for credit losses. The remaining eighteen investments with maturity dates that are past due and for which no extensions or renewals were in place amount to $41,160,117 (December 31, 2025 – fifteen investments totaling $89,477,089). These investments do not require individual allowances, as sufficient collateral exists and a collective allowance is already in place.

As at September 30, 2026, 205 of the Corporation's 238 investments (investment amount of $565,641,025) are shared with other participants (December 31, 2025 – 211 of the Corporation's 242 investments totaling $582,901,817).

The Mortgage Banker services the entire investment in which the Corporation is a participant, on behalf of all participants and except for the case of an investment with a first priority syndicate participant (i.e. loans payable), the Corporation ranks pari-passu with other members of the syndicate as to receipt of principal, interest and fees. As at September 30, 2026 and December 31, 2025, no investment with first priority syndicate participation was outstanding.

Investments classified at FVTPL:

Total Investments at FVTPL at September 30, 2026 were $2,767,904 (December 31, 2025 – $4,092,044) which included: (i) Four Canadian Related debt investments (December 31, 2025 – five Canadian Related debt investments) totaling $3,454,231 (December 31, 2025 – $4,772,504) with a fair value decrease of $735,000 (December 31, 2025 – $735,000), and (ii) marketable securities totaling $48,673 (December 31, 2025 – $54,540).

During the nine months ended September 30, 2026, the fair value loss on investments decreased by $3.9 million. This was primarily due to the write-off of an investment measured at fair market value that had been fully impaired through an unrealized loss in the previous reporting periods.

The Corporation establishes fair value for investments that are classified as FVTPL using an appropriate valuation technique. The Corporation determines the fair value of its investments using a variety of methods, including

independent appraisals, market comparables, and capitalization rates. The fair value of investments is assessed based on current market conditions and relevant data available as of the reporting date.

As of September 30, 2026, the Corporation's investment portfolio is primarily secured by first mortgages, with conventional first mortgages representing 95.6% of the total net portfolio. The Corporation's investment strategy focuses on diversification across various asset types and participation in loan syndicates to mitigate exposure. The short-term nature of these investments, along with the significant collateral backing, typically reduces the necessity for loss allowances. However, when the carrying value of an investment exceeds its estimated recoverable amount, an expected credit loss is recognized.

NOTE 6 CASH AND CASH EQUIVALENTS, CREDIT FACILITY AND BANK INDEBTEDNESS

The Corporation has revolving syndicate credit facilities with The Toronto – Dominion Bank, as administrative agent, and the lenders party thereto, with $25,000,000 drawn as at September 30, 2026 (December 31, 2025 – $25,265,769). In addition, the Corporation also had $3,021,119 bank indebtedness (cash and cash equivalents December 31, 2025 – $14,263,033). Interest on the credit facility and bank indebtedness is predominantly charged at a rate that varies with bank prime and may have a component with a fixed interest rate established based on a formula linked to the Canadian Overnight Repo Rate Average (CORRA) rates. The syndicate credit arrangement comprises a revolving operating facility, a component of which is a demand facility and a component of which has a committed term (as further detailed in note 15 (c)).

Bank indebtedness is secured by a general security agreement. The syndicate credit agreement is secured by the mortgage pool and also contains certain financial covenants that must be maintained. As at September 30, 2026 and December 31, 2025, the Corporation was in compliance with all financial covenants.

The draw on the credit facility in the amount of $25,000,000 at September 30, 2026 (December 31, 2025 – $25,265,769), related to borrowings in Canadian dollars of $25,000,000, (December 31, 2025 US dollar borrowings $12,597,234 (in Canadian dollars $17,265,769) and $8,000,000 in Canadian dollars).

NOTE 7 CONVERTIBLE DEBENTURES

		NINE MONTHS ENDED SEPTEMBER 30, 2026		YEAR ENDED DECEMBER 31, 2025
Carrying value, beginning of the period	**$**	**135,587,918**	$	133,583,951
Issued		**—**		28,150,000
Equity component of debenture		**—**		(1,600,000)
Debenture offering costs		**—**		(1,360,388)
Conversions of debentures to shares		**—**		(17,000)
Repayment		**(24,966,000)**		(25,000,000)
Implicit interest rate in excess of coupon rate		**737,047**		957,636
Deferred finance cost		**595,325**		873,719
Carrying value, end of the period	**$**	**111,954,290**	$	135,587,918

The continuity of the convertible debentures for the nine months ended September 30, 2026 is as follows:

DEBENTURE	BALANCE, BEGINNING OF PERIOD	ISSUED	CONVERSIONS	IMPLICIT INTEREST RATE IN EXCESS OF COUPON	DEFERRED FINANCE COST	REPAYMENTS	BALANCE, END OF PERIOD	MATURITY DATE
FC.DB.J 5.5%	$ 24,957,676	$ —	$ —	$ (5,925)	$ 14,249	$ (24,966,000)	$ —	31-Jan-26
FC.DB.K 5.0%	44,097,075	—	—	282,278	219,796	—	44,599,149	30-Sep-28
FC.DB.L 5.0%	41,267,901	—	—	324,987	220,056	—	41,812,944	31-Mar-29
FC.DB.M 5.5%	25,265,266	—	—	135,707	141,224	—	25,542,197	31-Dec-32
Total	**$ 135,587,918**	**$ —**	$ —	**$ 737,047**	**$ 595,325**	**$ (24,966,000)**	**$ 111,954,290**	

As at September 30, 2026, debentures payable bear interest at the weighted average effective rate of 5.12% per annum (December 31, 2025 – 5.19% per annum). Refer to note 12 for interest expense and interest paid for the three and nine months ended September 30, 2026. Notwithstanding the carrying value of the convertible debentures, the principal balance outstanding to the debenture holders is $117,850,000 as at September 30, 2026 (December 31, 2025 – $142,816,000).

On February 2, 2026, the Corporation fully repaid its 5.50% convertible unsecured subordinated debentures (FC.DB.J). The repayment was made through a cash payment of the total principal amount of $24,966,000, along with all accrued interest up to the maturity date.

The continuity of the convertible debentures for the year ended December 31, 2025:

DEBENTURE	BALANCE, BEGINNING OF YEAR	ISSUED	CONVERSIONS	IMPLICIT INTEREST RATE IN EXCESS OF COUPON	DEFERRED FINANCE COST	REPAYMENTS	BALANCE, END OF YEAR	MATURITY DATE
FC.DB.I 5.4%	$ 24,890,390	$ —	$ —	$ 25,966	$ 83,644	$ (25,000,000)	$ —	30-Jun-25
FC.DB.J 5.5%	24,684,772	—	(17,000)	125,552	164,352	—	24,957,676	31-Jan-26
FC.DB.K 5.0%	43,445,765	—	—	357,444	293,866	—	44,097,075	30-Sep-28
FC.DB.L 5.0%	40,563,024	—	—	410,661	294,216	—	41,267,901	31-Mar-29
FC.DB.M 5.5%	—	25,189,612	—	38,013	37,641	—	25,265,266	31-Dec-32
Total	$ 133,583,951	$ 25,189,612	$ (17,000)	$ 957,636	$ 873,719	$ (25,000,000)	$ 135,587,918	

On May 12, 2025, the Corporation completed the repayment of 5.40% convertible unsecured subordinated debentures (FC.DB.I). This repayment was completed with a cash payment of the aggregate principal amount of $25,000,000 and all accrued interest to the time of repayment.

On October 14, 2025, the Corporation completed a public offering of 5.50% convertible unsecured subordinated debentures at a price of $1,000 per debenture for gross proceeds of $25,000,000. On October 21, 2025, the over–allotment option for this offering was exercised whereby additional 5.50% convertible unsecured debentures at a price of $1,000 per debenture for gross proceeds of $3,150,000 were issued. The debentures mature on December 31, 2032 and interest is paid semi-annually on the last day of June and December of each year. The debentures are convertible at the option of the holder at any time prior to the maturity date at a conversion price of $14.06 per share.

NOTE 8 SHAREHOLDERS' EQUITY

The beneficial interest in the Corporation is represented by a single class of shares that are unlimited in number. Each share carries a single vote at any meeting of shareholders and carries the right to participate pro rata in any dividends.

(a) Shares issued and outstanding:

The following shares were issued and outstanding as at September 30, 2026:

	# OF SHARES	**AMOUNT**
Balance, beginning of period	**36,738,425**	**$ 413,106,262**
New shares issued during the period under Dividend Reinvestment Plan	**2,050**	**24,504**
Balance, end of period	**36,740,475**	**$ 413,130,766**

The following shares were issued and outstanding as at December 31, 2025:

	# OF SHARES	AMOUNT
Balance, beginning of period	36,734,405	$ 413,055,256
Conversion of convertible debenture to shares	1,164	17,000
New shares issued during the year under Dividend Reinvestment Plan	2,856	34,006
Balance, end of period	36,738,425	$ 413,106,262

Shares issued during the nine months ended September 30, 2026 under the Dividend Reinvestment Plan were 2,050 (Twelve months ended December 31, 2025 – 2,856).

(b) Incentive option plan

The following is the status of the stock options issued under the Corporation's stock option plan:

	NINE MONTHS ENDED SEPTEMBER 30, 2026			YEAR ENDED DECEMBER 31, 2025		
	NUMBER OF OPTIONS	**WEIGHTED AVERAGE EXERCISE PRICE**	**AMOUNT[3]**	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	AMOUNT[3]
Outstanding, beginning of period	**3,245,000**	**$ 11.73**	**$ 2,700,593**	3,245,000	$ 11.73	$ 2,618,154
Options granted/amortization amount	**—**	**—**	**61,659**	—	—	82,439
Outstanding, end of period	**3,245,000**	**11.73**	**$ 2,762,252**	3,245,000	$ 11.73	$ 2,700,593
Number of options exercisable	**2,895,000**	**$ 11.74**		2,895,000	$ 11.74	

[3] The amount outstanding corresponds to the stock-based compensation associated with the issued stock options.

The following options were issued and outstanding as at September 30, 2026:

EXPIRY DATE	**NUMBER OF OPTIONS OUTSTANDING**	**EXERCISE PRICE**	**NUMBER OF OPTIONS EXERCISABLE**
August 14, 2030	1,515,000	$ 11.70	1,515,000
December 6, 2031	100,000	13.97	100,000
July 6, 2032	1,630,000	11.62	1,280,000
Total	3,245,000	$ 11.73	2,895,000

The weighted average remaining life expectancy of the outstanding options is 4.9 years.

(c) Dividend reinvestment plan and direct share purchase plan

The Corporation has a dividend reinvestment plan and direct share purchase plan for its shareholders that allows participants to reinvest their monthly cash dividends or purchase additional shares of the Corporation at a share price equivalent to the weighted average price of shares for the preceding five-day period.

NOTE 9 EARNINGS PER SHARE

The following table reconciles the numerators and denominators of the basic and diluted earnings per share for the three and nine months ended September 30, 2026, and 2025:

BASIC EARNINGS PER SHARE CALCULATION:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEP. 30, 2026	SEP. 30, 2025	**SEP. 30, 2026**	SEP. 30, 2025
Numerator for basic earnings per share:				
Net earnings for the period	**$ 8,612,539**	$ 9,088,270	**$ 25,860,310**	$ 28,735,689
Denominator for basic earnings per share:				
Weighted average shares	**36,740,158**	36,737,105	**36,739,428**	36,735,946
Net basic earnings per share	**$ 0.234**	$ 0.247	**$ 0.704**	$ 0.782

DILUTED EARNINGS PER SHARE CALCULATION:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEP. 30, 2026	SEP. 30, 2025	**SEP. 30, 2026**	SEP. 30, 2025
Numerator for diluted earnings per share:				
Net earnings for period	**$ 8,612,539**	$ 9,088,270	**$ 25,860,310**	$ 28,735,689
Interest on convertible debentures	**—**	415,899	**124,943**	1,246,489
Net diluted earnings for the period	**8,612,539**	9,504,169	**25,985,253**	29,982,178
Denominator for diluted earnings per share:				
Weighted average shares	**36,740,158**	36,737,105	**36,739,428**	36,735,946
Net shares that would be issued:				
Assuming the proceeds from options are used to repurchase units at the average share price	**32,428**	129,696	**76,707**	84,391
Assuming debentures are converted	**—**	1,711,164	**194,176**	1,711,164
Diluted weighted average shares	**36,772,586**	38,577,965	**37,010,311**	38,531,501
Diluted earnings per share	**$ 0.234**	$ 0.246	**$ 0.702**	$ 0.778

NOTE 10 DIVIDENDS

The Corporation intends to make dividend payments to the shareholders on a monthly basis on or about the 15th day of each following month. The operating policies of the Corporation set out that the Corporation intends to distribute to shareholders within 90 days after the year end at least 100% of the net income of the Corporation determined in accordance with the Income Tax Act (Canada), subject to certain adjustments.

For the three months ended September 30, 2026, the Corporation recorded dividends of $8,597,220 (three months ended September 30, 2025 – $8,595,506) to its shareholders. Dividends were $0.234 per share (three months ended September 30, 2025 – $0.234 per share).

For the nine months ended September 30, 2026, the Corporation recorded dividends of $25,791,152 (nine months ended September 30, 2025 – $25,788,822) to its shareholders. Dividends were $0.702 per share (nine months ended September 30, 2025 – $0.702 per share).

As at September 30, 2026, $2,865,757 (December 31, 2025 – $5,951,625) was accrued and paid after quarter end.

NOTE 11 RELATED PARTY TRANSACTIONS AND BALANCES

The Corporation's Manager (a company related to certain officers and/or directors of the Corporation) receives an allocation of interest, referred to as the Corporation's joint venture interest arrangement, calculated at 0.75% per annum of the Corporation's daily outstanding performing investment balances. For the three months ended September 30, 2026, this amount was $1,066,785 (September 30, 2025 – $1,207,191). For the nine months ended September 30, 2026 this amount was $3,151,894 (September 30, 2025 – $3,531,901). Included in accounts payable and accrued liabilities at September 30, 2026 are amounts payable to the Corporation's Manager of $314,525 (December 31, 2025 – $405,853).

The Mortgage Banker (a company related to certain officers and/or directors of the Corporation) receives certain fees from the borrowers as follows: loan servicing fees equal to 0.10% per annum on the principal amount of each of the Corporation's investments; 75% of all of the commitment and renewal fees generated from the Corporation's investments; and 25% of all of the special profit income generated from the non-conventional investments after the Corporation has yielded a 10% per annum return on its investments. Interest and fee income of the Corporation is net of the loan servicing fees paid to the Mortgage Banker of approximately $420,253 for the nine months ended September 30, 2026 (September 30, 2025 – $470,920). The Mortgage Banker also retains all overnight float interest and incidental fees and charges payable by borrowers on the Corporation's investments.

The Corporation's Joint Venture Agreement and Mortgage Banking Agreement contain, respectively, allowances for the payment of termination fees to the Corporation Manager and Mortgage Banker in the event that the respective agreements are either terminated or not renewed.

A significant number of the Corporation's investments are shared with other investors of the Mortgage Banker, which may include members of management of the Mortgage Banker and/or Officers or directors of the Corporation. The Corporation ranks equally with other members of the syndicate as to receipt of principal and income.

The Corporation holds a mortgage receivable secured by a registered first charge over real property, from an entity considered a related party by virtue of certain common officers and directors. The mortgage bears interest calculated daily as the 30-day average Secured Overnight Financing Rate plus 250 basis points with a maturity date of January 1, 2027. As at September 30, 2026, the outstanding principal balance was $17,193,570 (USD $12,118,389) (December 31, 2025 — $16,609,464 (USD $12,118,389) with the Corporation having an 81% participation interest of $13,924,432 (USD $9,814,232) (December 31, 2025 — $13,451,386 (USD $9,814,232)). The mortgage was

originated and is maintained on terms the Corporation believes to be consistent with prevailing market conditions and was approved in accordance with the Corporation's policies and procedures.

During the three months ended September 30, 2026, the Company acquired a portfolio of chattel mortgages from a Company with common directors and officers. The mortgages were acquired for consideration of approximately $4.6 million, which management determined approximated the carrying value and fair value of the underlying assets at the acquisition date. The transaction was completed on terms and conditions equivalent to those that would have prevailed in an arm's-length transaction.

The acquired mortgages are included in mortgage investments in the condensed consolidated interim statements of financial position.

Certain members of our Board of Directors and senior management and their related entities co-invested approximately $33 million with the Corporation alongside its Investment Portfolio as at September 30, 2026.

Key management compensation:

For the three months ended September 30, 2026, the total directors' fees were $80,250 (September 30, 2025 – $80,250). Certain key management personnel are also directors of the Corporation and received compensation from the Corporation's Manager. The Directors and Officers held 856,530 shares in the Corporation as at September 30, 2026 (December 31, 2025 – 850,100).

Aggregate compensation paid to key management personnel (including payments to related parties for their recovery of costs), consisted of short-term employee compensation of $994,418 (September 30, 2025 – $1,052,708) for the three months ended September 30, 2026 and for the nine months ended September 30, 2026 was $3,568,233 (September 30, 2025 – $3,730,717). All compensation was paid by the Corporation's Manager and not by the Corporation.

NOTE 12 INTEREST EXPENSE

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEP. 30, 2026	SEP. 30, 2025	**SEP. 30, 2026**	SEP. 30, 2025
Bank interest expense	**$ 591,691**	$ 1,070,348	**$ 1,678,300**	$ 3,154,915
Debenture interest expense	**1,955,583**	1,878,791	**5,973,931**	6,219,664
Interest expense	**2,547,274**	2,949,139	**7,652,231**	9,374,579
Deferred finance costs amortization - convertible debentures	**(195,820)**	(189,656)	**(595,325)**	(646,424)
Implicit interest rate in excess of coupon rate - convertible debentures	**(251,449)**	(225,071)	**(737,047)**	(691,135)
Changes in accrued interest payable	**734,187**	786,935	**799,748**	809,526
Cash interest paid	**$ 2,834,192**	$ 3,321,347	**$ 7,119,607**	$ 8,846,546

NOTE 13 CONTINGENT LIABILITIES

The Corporation is involved in certain litigation arising out of the ordinary course of investing in loans. Although such matters cannot be predicted with certainty, management believes the claims are without merit and does not consider the Corporation's exposure to such litigation to have a material impact on these unaudited interim condensed consolidated financial statements.

NOTE 14 FAIR VALUE

The fair values of cash and cash equivalents, amounts receivable, bank indebtedness, credit facility, accounts payable and accrued liabilities, and shareholders' dividends payable approximate their carrying values due to their short-term maturities.

The fair value of the investment portfolio approximates its carrying value as the majority of the loans are repayable in full at any time without penalty and generally have floating interest rates. There is no quoted price in an active market for the mortgage and loan investments. The Corporation makes its determinations of fair value based on its assessment of the current lending market for mortgage and loan investments of same or similar terms. As a result, the fair value of mortgage and loan investments is based on Level 3 of the fair value hierarchy.

The following table presents the changes in related debt investments (at FVTPL) for the nine months ended September 30, 2026 and year ended December 31, 2025:

CHANGES TO RELATED DEBT INVESTMENTS AT FVTPL	**SEPTEMBER 30, 2026**	DECEMBER 31, 2025
Balance, beginning of period	**$ 4,092,044**	$ 4,229,447
Funding of investments	**38,783**	197,051
Repayments of investments	**(1,357,056)**	(1,589,782)
Unrealized foreign exchange	**—**	(190,079)
Fair value	**(5,867)**	1,445,407
Balance, end of period	**$ 2,767,904**	$ 4,092,044

The fair values of loans payable approximate their carrying values due to the fact that the majority of the loans are: (i) repayable in full, at any time, upon the repayment of the underlying loan that secures the loan payable, and (ii) have floating interest rates linked to bank prime.

The fair value of convertible debentures, including their conversion option, has been determined based on the closing price of the debentures of the Corporation on the Toronto Stock Exchange for the respective date.

The tables below present the fair value hierarchy of the Corporation's financial instruments as at September 30, 2026 and December 31, 2025 other than our related debt investments as disclosed above. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

SEPTEMBER 30, 2026	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Convertible debentures	**$ 118,036,205**	—	—	**$ 118,036,205**

DECEMBER 31, 2025	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Convertible debentures	$ 143,540,676	—	—	$ 143,540,676

There were no transfers between level 1, level 2 and level 3 during the nine months ended September 30, 2026 and year ended December 31, 2025.

NOTE 15 RISK MANAGEMENT

The Corporation is exposed to the symptoms and effects of global economic conditions and other factors that could adversely affect its business, financial condition, and operating results. Many of these risk factors are beyond the Corporation's direct control. The Corporation Manager and Board of Directors play an active role in monitoring the Corporation's key risks and in determining the policies that are best suited to manage these risks. There has been no change in the process since the previous year.

The Corporation's business activities, including its use of financial instruments, expose the Corporation to various risks, the most significant of which are interest rate risk, credit and operational risks, and liquidity risk.

(a) Interest rate risk

(i) Interest income risk

A significant portion of the Corporation's investment portfolio comprises investments in short term mortgage loans that generally are repaid by the borrowers in under twenty-four months. The reinvestment of funds received from such repayments are invested at current market interest rates. As such, the weighted average interest rate applicable to the investment portfolio changes with time. This creates an ongoing risk that the weighted average interest rate on the investment portfolio will decrease, which will have a negative impact on the Corporation's interest income and net profit. To help mitigate this risk most of the Corporation's investments have floating interest rate with a fixed floor thereby taking advantage of rising rates but limiting the downside risk of falling rates.

(ii) Interest expense risk

The Corporation's floating-rate debt comprises bank indebtedness and credit facility, with each bearing interest based on bank prime and/or based on CORRA rates as a benchmark.

At September 30, 2026, if interest rates at that date had been 100 basis points lower or higher, with all other variables held constant, comprehensive income and equity for the period would be affected as follows:

	CARRYING VALUE	-1%	+1%
Financial assets:			
Amounts receivable and prepaid expenses	**$ 5,798,658**	**$ —**	**$ —**
Investment portfolio	**564,337,019**	**(149,108)**	**3,882,995**
Financial liabilities:			
Bank indebtedness	**3,021,119**	**30,211**	**(30,211)**
Credit facility	**25,000,000**	**250,000**	**(250,000)**
Accounts payable and accrued liabilities	**2,018,878**	**—**	**—**
Shareholders' dividends payable	**2,865,757**	**—**	**—**
Convertible debentures	**111,954,290**	**—**	**—**
Total change		**$ 131,103**	**$ 3,602,784**

(b) Credit and operational risks

Credit risk is the possibility that a borrower under one of the mortgages comprising the investment portfolio, may be unable to honour the debt commitment as a result of a negative change in the borrowers' financial position or market conditions that could result in a loss to the Corporation.

Any instability in the real estate sector or an adverse change in economic conditions in Canada could result in declines in the value of real property securing the Corporation's investments. There have been significant increases in real estate values in various sectors of the Canadian market over the past few years. A correction or revaluation of real estate in such sectors will result in a reduction in values of the real estate securing mortgage loans that comprise the Corporation's investment portfolio. This could result in impairments in the mortgage loans or loan losses in the event the real estate security has to be realized upon by the lender. The Corporation's maximum exposure to credit risk is represented by the carrying values of amounts receivable and the investment portfolio. The Corporation minimizes its credit risk by ensuring that the collateral value of the security fully protects first, second and subsequent mortgage advances and that there is a viable exit strategy for each loan. In addition, the Corporation limits its concentration risk by diversifying its investment portfolio by way of location, property type, loan to value, maximum loan amount on any one property and maximum loan amounts to one borrower. The Corporation is also exposed to credit risk arising from its deposits held with financial institutions. Cash and cash equivalents are maintained with Canadian financial institutions and the wholly owned subsidiaries of these financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand, subject to certain conditions, and are maintained with Canadian financial institutions of reputable credit and therefore bear minimal credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting its financial obligations as they become due.

The Corporation's liquidity requirements relate to its obligations under its bank indebtedness, credit facility, convertible debentures, and its obligations to make future advances under its existing portfolio. Liquidity risk is managed by ensuring that the sum of (i) availability under the Corporation's bank borrowing line, (ii) the sourcing of other borrowing facilities, and (iii) projected repayments under the existing investment portfolio, exceeds projected needs (including funding of further advances under existing and new investments).

As at September 30, 2026, the Corporation had not utilized its full leverage availability, being a guideline of 50% of its first mortgage investments. Unadvanced committed funds under the existing investment portfolio amounted to $85,419,875 as at September 30, 2026 (December 31, 2025 – $89,045,576). These commitments are anticipated to be funded from the Corporation's syndicate credit facility and borrower repayments.

The Corporation has a committed revolving syndicate credit facility with The Toronto – Dominion Bank, as administrative agent, and the lenders party thereto, of $205 million to fund the timing differences between investment advances and investment repayments with a maturity date of October 7, 2027.

In the current economic climate and capital market conditions, there are no assurances that the bank borrowing line will be renewed or that it could be replaced with another lender if not renewed. If it is not extended at maturity, repayments under the Corporation's investment portfolio would be utilized to repay the bank indebtedness. There are limitations in the availability of funds under the revolving credit facility. The Corporation's investments are predominantly short-term in nature, and as such, the continual repayment by borrowers of existing investments creates liquidity for ongoing investments and funding commitments. Loans payable, when implemented, relate to borrowings on specific investments within the Corporation's portfolio and only have to be repaid once the specific loan is paid out by the borrower.

If the Corporation is unable to continue to have access to its bank borrowing line and credit facility, the size of the Corporation's investment portfolio will decrease, and the income historically generated through holding a larger portfolio by utilizing leverage will not be earned.

Contractual obligations as at September 30, 2026 are due as follows:

	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	4-7 YEARS
Bank indebtedness	$ 3,021,119	$ —	$ 3,021,119	$ —
Credit facility	25,000,000	—	25,000,000	—
Accounts payable and accrued liabilities	2,018,878	2,018,878	—	—
Shareholders' dividends payable	2,865,757	2,865,757	—	—
Convertible debentures	117,850,000	—	89,700,000	28,150,000
Subtotal - Liabilities	150,755,754	4,884,635	117,721,119	28,150,000
Future advances under portfolio	85,419,875	85,419,875	—	—
Liabilities and contractual obligations	$ 236,175,629	$ 90,304,510	$ 117,721,119	$ 28,150,000

The bank indebtedness and credit facility are liabilities resulting from the funding of the Corporation's investments. Repayment of investments results in a direct and corresponding pay down of the bank indebtedness and/or credit facility. The obligations for future advances under the Corporation's investment portfolio are anticipated to be funded

from the Corporation's credit facility and borrower repayments. Upon funding of same, the funded amount forms part of the Corporation's investments.

Future interest payments on debentures (assuming the amounts remain unchanged) would be $6,033,250 in less than 1 year, $8,674,000 for 1 to 3 years and $5,031,813 for 4 to 7 years.

(d) Capital risk management

The Corporation defines capital as being the funds raised through the issuance of publicly traded securities of the Corporation. The Corporation's objectives when managing capital/equity are:

- to safeguard the Corporation's ability to continue as a going concern, so that it can continue to provide returns for shareholders, and
- to provide an adequate return to shareholders by obtaining an appropriate amount of debt, commensurate with the level of risk.

The Corporation manages the capital/equity structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Corporation may issue new shares or convertible debentures or repay bank indebtedness (if any) and loans payable.

The Corporation's investment guidelines, which can be varied at the discretion of the Board of Directors, incorporate various guidelines and investment operating policies. The Corporation's guidelines include the following: the Corporation (i) will not invest more than 10% of the amount of its capital in any single conventional first mortgage where the loan to value on such loan is less than 60%, (ii) will not invest more than 8% of the amount of its capital in any single conventional first mortgage where the loan to value on such loan is between 60% and 70%, (iii) will not invest more than 5% of the amount of its capital in any single conventional first mortgages where the loan to value on such loan exceeds 70%, (iv) will not invest more than 2.5% of the amount of its capital in any single non-conventional mortgage or conventional investment that is not a first mortgage, and (v) will only borrow funds in order to acquire or invest in investments in amounts up to 60% of the book value of the Corporation's portfolio of conventional first mortgages. Capital is defined as the sum of shareholders' equity plus the face amount of convertible debentures. The Corporation is required by its bank lender to maintain various covenants, including minimum equity amount, interest coverage ratios, indebtedness as a percentage of the performing first mortgage portfolio size, and indebtedness to total assets. The Corporation is in compliance with all such bank covenants.

(e) Currency risk

Currency risk is the risk that the fair value or future cash flows of the Corporation's foreign currency-denominated investments and cash and cash equivalents will fluctuate based on changes in foreign currency exchange rates. Consequently, the Corporation is subject to currency fluctuations that may impact its financial position and results of operations.

NOTE 16 SUPPLEMENTARY INFORMATION

The following table reconciles the changes in cash flows from financing activities for the credit facility and convertible debentures:

	CREDIT FACILITY	CONVERTIBLE DEBENTURES
BALANCE AT JANUARY 1, 2026	**$ 25,265,769**	**$ 135,587,918**
Financing cash flow activities:		
Repayment of credit facility	**(68,794,807)**	**—**
Withdrawal from credit facility	**68,529,038**	**—**
Repayment and conversions of convertible debentures	**—**	**(24,966,000)**
Balance after financing cash flow activities	**25,000,000**	**110,621,918**
Financing non-cash activities:		
Implicit interest rate in excess of coupon rate (note 7)	**—**	**737,047**
Deferred finance cost amortization (note 7)	**—**	**595,325**
Total non-cash flow financing activities	**—**	**1,332,372**
BALANCE AT SEPTEMBER 30, 2026	**$ 25,000,000**	**$ 111,954,290**

NOTE 17 SUBSEQUENT EVENTS

On October 28, 2026, the Corporation completed an amendment to its syndicated credit facility. Pursuant to the amendment, the maturity date of the facility was extended from October 7, 2027 to October 7, 2028. No other changes arising from the amendment had a material impact on the Corporation's condensed consolidated interim financial statements.



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