



NEWS RELEASE

BUILDERS CAPITAL MORTGAGE CORP. REPORTS SECOND QUARTER RESULTS:

Quarterly earnings at highest level since 2016

Strength of Builders Capital's Core Business Continues to Drive Resilience

CALGARY, ALBERTA (August 24, 2020) – Builders Capital Mortgage Corp. (TSX VENTURE: BCF) (“Builders Capital” or “the Company”) today released its second quarter financial results for the period ending June 30, 2020.

Highlights include:

- Quarterly comprehensive income of \$629,545 reaches highest level since Q4 2016
- Earnings exceed the amount required to pay planned Class A Non-Voting Share dividends by 1.6 times.
- Consistent with our targeted distribution, dividends paid to Class A public shareholders in the second quarter were \$0.1995 per share, representing an 8% annual return on the original \$10.00 issue price for the 26th consecutive quarter since inception
- Our mortgage portfolio grows 7.8% in the quarter and 22.1% year-over-year to represent 102% of our shareholders’ equity figure
- Weighted average loan to value ratio of mortgage portfolio reduced to approximately 72%
- Assets held for sale were reduced by 21.3% in the quarter and 32.6% year-over-year.

Sandy Loutitt, President of Builders Capital, commented as follows:

“While real estate values in our primary markets have been softening recently, we at Builders Capital have worked hard to realize on a number of loans for which the equity had been eroded by these declines. The fact that our aggressive efforts to counter this impact have been successful in transitioning the portfolio began to appear last quarter, and have come to fruition this quarter with our highest net income in more than three years. In concert with these efforts aimed at portfolio repositioning, we have also worked the average loan-to-value ratio of our mortgages down to what for us are historically low figures and have thereby further enhanced the resilience of the portfolio.

While we are concerned that the measures put in place to fight the COVID-19 pandemic and the low oil prices may continue to cause headwinds for real estate markets, we are confident that Builders Capital is now, and will remain, well positioned to cope with the challenges that may arise and we look forward to continued improvement in the Company’s results.”

Financial Overview

	Three months ended June 30, 2020 \$	Three months ended June 30, 2019 \$	Three months ended June 30, 2018 \$
Revenues	860,036	698,111	845,660
Total comprehensive income	629,545	472,190	492,823
Total assets	30,813,268	27,789,720	32,234,463
Shareholders' equity	27,225,059	27,258,301	26,522,452
Basic and diluted earnings per share	0.21	0.16	0.18
Cash dividends declared	401,912	588,715	542,343
Cash dividends declared per Class A share	0.1995	0.1995	0.1995
Cash dividends declared per Class B share	-	0.2096	0.1763

A more detailed discussion of the Company's financial results can be found in Builders Capital's Second Quarter 2020 Management's Discussion and Analysis, which has been posted along with condensed consolidated interim financial statements for the quarter on the Company's website (www.builderscapital.ca) and filed on SEDAR (www.sedar.com).

About Builders Capital

Builders Capital is a mortgage lender providing short-term course-of-construction financing to builders of residential, wood-frame properties in Western Canada. The Company commenced active operations on December 12, 2013 on the closing of its initial public offering, whereupon it acquired a portfolio of mortgages from two predecessor companies.

Builders Capital's investment objective is to generate attractive returns, relative to risk, in order to provide stable and consistent distributions to shareholders while remaining focused on capital preservation and satisfying the criteria mandated for mortgage investment corporations ("MIC") as defined in the *Income Tax Act*.

As an MIC, Builders Capital is not subject to income tax provided that it distributes all of its taxable income as dividends to shareholders within 90 days of its December 31st year-end. Such dividends are generally treated by shareholders as interest income, so that each shareholder is in the same tax position as if their proportionate share of mortgage investments made by the company had been made directly by the shareholder.

Forward-Looking Information

This news release contains forward-looking statements within the meaning of applicable securities legislation, including 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 estimates and assumptions that are subject to risks and uncertainties which could cause actual results to differ materially from the forward-looking statements contained in this news release. These include, among other things, risks associated with mortgage lending, competition for mortgage lending, real estate values, interest rate fluctuations, environmental matters, government and private industry response to the current COVID-19 epidemic, and the general economic environment. The company cautions that the foregoing list is not exhaustive, as other factors could adversely affect its results, performance or achievements. Readers are cautioned against undue reliance on any forward-looking statements. 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 will be consistent with these forward-looking statements. Except as required by applicable law, Builders Capital undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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