



NEWS RELEASE

FOR IMMEDIATE RELEASE

BUILDERS CAPITAL MORTGAGE CORP. REPORTS ANNUAL RESULTS FOR 2020:

A Cautious Approach Yields Positive Results In Uncertain Times

CALGARY, ALBERTA -- April 28, 2021 – Builders Capital Mortgage Corp. (TSX VENTURE: BCF) (“Builders Capital” or “the Company”) announces that it has released its annual report and financial results for the year ending December 31, 2020.

Highlights include:

- Consistent with the Company’s stated distribution target, dividends paid to Class A public shareholders in 2020 totaled \$0.80 per share representing an 8% annual return on the original \$10.00 issue price
- Builders Capital has achieved its 8% distribution target for the 7th consecutive year since inception
- Mortgage portfolio grew 8.7%
- Total comprehensive income increased by 47%
- Assets held for sale were reduced by 41.4%
- Geographic diversity in the portfolio was increased by a doubling of the proportion of the mortgage portfolio deployed in British Columbia
- In line with targets, a weighted average loan-to-value ratio of approximately 75% was achieved in the mortgage portfolio

In commenting on these results, Sandy Loutitt, President of Builders Capital, stated:

“Real estate markets in our operating regions have experienced a sustained downturn in recent years, with substantial declines in home selling prices and sales volumes. Despite the COVID-19 pandemic this trend seems to have reversed itself by late 2020. The Company has been able to position itself to take advantage of these improving conditions and, coupled with an aggressive refocusing on geographic diversification, has created a substantially stronger portfolio and achieved a 47% increase in net earnings over 2019.

“These more robust market conditions have also facilitated the sale of properties which had been held for sale for an extended period and allowed us to substantially address any other problem loans. Properties in Richmond, B.C. and Saskatoon, Saskatchewan were sold in the year cutting the value of our

small holdings of foreclosed properties almost in half. We look forward to selling the remainder of these assets in the near future. Consequently, Builders Capital has entered 2021 on a very positive footing and well positioned to attain further increases in earnings and improved returns for our shareholders.

Looking forward, we recognize that the supply in Canada’s housing market has recently fallen short of being able to satisfy the demand for housing. This in turn bodes very well for the construction industry in general and in particular suggests we will continue to experience positive demand for our brand of builder financing.”

In its April 2021 Monthly Housing Market Update, RBC Economics stated that, “sellers answered the call for more supply in March but, in the end, came well short of rebalancing Canada’s housing market.” Additionally, the Canadian Real Estate Association, in its March 15, 2021 Quarterly Forecasts, projected that, “current trends and the outlook for housing market fundamentals suggest activity will remain strong through 2021, resulting in a record number of sales.” We look forward to playing our part in helping to satisfy this demand.

Financial Overview

	Year ended December 31, 2020 \$	Year ended December 31, 2019 \$	Year ended December 31, 2018 \$
Revenues	3,230,735	2,921,678	3,429,265
Total comprehensive income	2,124,919	1,445,634	1,924,711
Total assets	27,352,266	27,152,829	28,918,136
Shareholders’ equity	26,816,558	26,554,715	26,250,889
Basic and diluted earnings per share	0.72	0.50	0.70
Cash dividends declared	2,047,833	2,061,004	2,171,973
Cash dividends declared per Class A share	0.80	0.80	0.80
Cash dividends declared per Class B share	0.48	0.53	0.74

A more detailed discussion of the Company’s financial results can be found in Builders Capital’s Fiscal 2020 Management’s Discussion and Analysis, which has been posted along with audited condensed financial statements for the year 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 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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