



## NEWS RELEASE

FOR IMMEDIATE RELEASE

### **BUILDERS CAPITAL MORTGAGE CORP. REPORTS SECOND QUARTER RESULTS:**

#### ***Ongoing Improvements in Real Estate Markets Lead to Significant Portfolio Growth***

**CALGARY, ALBERTA – August 23, 2021** – Builders Capital Mortgage Corp. (TSX VENTURE: BCF) (“Builders Capital” or “the Company”) announces that it has released its second quarter financial results for the period ending June 30, 2021.

**Highlights include:**

- Current mortgage portfolio grows by **37%**
- Assets held for sale were reduced by **16.6%** year-over-year and by **19.3%** in the quarter
- Consistent with its targeted distribution commitment, dividends paid to Class A shareholders in the quarter were **\$0.1995** per share, or a consistent **8%** annual return on the original \$10.00 issue price
- This is the 30<sup>th</sup> consecutive quarter since inception that Builders Capital has achieved its **8%** distribution target
- In line with management’s 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:

“Builders Capital’s recent high rate of mortgage payouts started in the fall of 2020 and has continued into this quarter thanks to overall strong real estate market conditions. Our strategy has always been to keep our loan duration short and our turnover high in order to maximize lender fees and to assist in mitigating risk and, happily, this strategy continues to prove successful. We work hard to encourage our borrowers to complete and to sell, or re-finance, their construction projects quickly and efficiently. While this high level of cash inflow did result in a dip in the size of our mortgage portfolio and created a slight drag on interest revenues earlier, we are pleased that through the end of the quarter we succeeded in sourcing additional quality mortgage investments and grew the portfolio by 50% from the end of April to the end of June.

“These stronger markets have also created an opportunity for us to further reduce assets held for sale and we have been busy converting non-productive inventory into productive mortgages. We continue to be very optimistic that our overall business strategy, including our ongoing drive for additional geographic diversification, will allow Builders Capital to meet current and future portfolio and distribution targets.”

## Financial Overview

	Three months ended June 30, 2021 \$	Three months ended June 30, 2020 \$	Six months ended June 30, 2021 \$	Six months ended June 30, 2020 \$
Revenues	691,848	704,149	1,395,997	1,563,674
Total comprehensive earnings	548,076	564,021	1,112,157	1,105,276
Net mortgages receivable, end of period	26,118,180	27,702,357	26,118,180	27,702,357
Total assets	28,669,052	30,813,268	28,669,052	30,813,268
Shareholders' equity	26,864,364	27,225,059	26,864,364	27,225,059
Earnings per share	0.19	0.21	0.38	0.38
Cash dividends declared	578,472	485,880	1,064,351	868,492
Cash dividends declared per Class A share	0.1995	0.1995	0.3967	0.3967
Cash dividends declared per Class B share	0.1972	-	0.2980	0.0756

A more detailed discussion of the Company's financial results can be found in Builders Capital's Second Quarter 2021 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](http://www.builderscapital.ca)) and filed on SEDAR ([www.sedar.com](http://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 31<sup>st</sup> 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.

### **For more information, please contact:**

John Strangway CPA, CA, Chief Financial Officer

Telephone: (403) 685-9888      Email: [jstrangway@builderscapital.ca](mailto:jstrangway@builderscapital.ca)

Website: [www.builderscapital.ca](http://www.builderscapital.ca)

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.