



## NEWS RELEASE

FOR IMMEDIATE RELEASE

### **BUILDERS CAPITAL MORTGAGE CORP. REPORTS ANNUAL RESULTS FOR 2021:**

#### ***Strengthened and Broadened Mortgage Portfolio Drives Increase in Profits***

**CALGARY, ALBERTA -- April 27, 2022** – Builders Capital Mortgage Corp. (TSX VENTURE: BCF) (“Builders Capital” or “the Company”) announced the release of its annual report and financial results for the year ending December 31, 2021.

#### **Highlights include:**

- Consistent with the Company’s targeted distribution plan, total dividend payments of \$0.80 per share were made to our Class A public shareholders in 2021. This represents an 8% annual return on the original \$10.00 issue price for the eighth consecutive year and since inception.
- Total comprehensive income grew to \$2.3 million, or an increase of 10% year-over-year.
- Earnings per share increased to \$0.80, up 11% from \$0.72 in 2020.
- Assets held for sale were successfully reduced by 16% year-over-year. By year-end, assets held for sale represented just 6.5% of shareholders’ equity.
- Geographic diversity of our portfolio was further enhanced by continued growth in the BC market, a recent expansion into Nova Scotia, and a 6% decrease in the proportion of mortgage funds deployed in Alberta.
- We achieved an approximate weighted average loan-to-value ratio of 74.5% on our mortgage portfolio, in line with our 75% target level.

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

“The increase in the earnings of Builders Capital continues a steady and positive trend that began in 2020 and reflects the continuing ability of the Company to deal resiliently with difficult economic conditions and take great advantage of market opportunities when those conditions improve. In particular, the more robust real estate markets we’ve been experiencing of late have led to faster turnover rates for our mortgage portfolio, better financial performance for our borrowing clients and strong demand for our brand of financing. Even if markets cool somewhat, demand for new construction is forecast to remain strong for some time to come and we expect Builders Capital to remain well-positioned to take advantage of those opportunities.

“Fortunately, our aggressive approaches to dealing with a few lingering problem loans, success in reducing our foreclosed assets held for sale and much improved geographic diversification have allowed us to build a stronger balance sheet with a greatly reduced loan-loss ratio. By early in 2022 all of the assets we held for sale at the end of 2021 had been sold, and we now look forward to maintaining both this robust growth trend and continuing satisfaction of our dividend payment history.”

In its January 2022 Focus on Canadian Housing report, RBC Economics stated that, “Even after shattering all sorts of records in 2021 – for high sales and prices and low inventories – Canada’s housing market isn’t about to buckle. Plenty of unmet demand remains and will continue to fuel tremendous activity across the country.” Our experience in the 2021 year leads us to believe that this premise holds true for all the markets that we service and bodes well for a robust residential construction sector going forward. We are looking forward to capitalizing on opportunities that these conditions afford.

## Financial Overview

	Year ended December 31, 2021 \$	Year ended December 31, 2020 \$	Year ended December 31, 2019 \$
Revenues	3,061,163	3,230,735	2,921,678
Total comprehensive earnings	2,330,023	2,124,919	1,445,634
Net mortgages receivable, end of period	28,405,141	24,274,040	22,340,692
Total assets	30,518,304	27,352,266	27,152,829
Shareholders’ equity	26,887,779	26,816,558	26,554,715
Basic and Diluted Earnings per share	0.80	0.72	0.50
Cash dividends declared	2,258,802	2,047,833	2,061,004
Cash dividends declared per Class A share	0.80	0.80	0.80
Cash dividends declared per Class B share	0.72	0.48	0.53

A more detailed discussion of the Company’s financial results can be found in Builders Capital’s Fiscal 2021 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](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:**

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