

Frontenac Mortgage Investment Corporation
Announces Filing of Amended and Restated Financial Statements and Resumption of Distributions,
Redemptions and Sales

Sharbot Lake, April 30, 2024

Frontenac Mortgage Investment Corporation (“**FMIC**”) announces that it has filed audited annual financial statements and related management’s discussion and analysis (“**MD&A**”) for the year ended December 31, 2023 (the “**2023 Audited Annual Financial Statements**”). The 2023 Audited Annual Financial Statements include amended and restated audited annual financial statements for the year ended December 31, 2022 (the “**2022 Restated Audited Annual Financial Statements**”). FMIC will also be filing amended and restated interim unaudited financial statements for the quarters ended March 31, 2023, June 30, 2023 and September 30, 2023 and MD&A thereof (together with the 2022 Restated Audited Annual Financial Statements, the “**Restatement**”). The Restatement is being filed with the agreement of the Ontario Securities Commission (the “**OSC**”) following a review by the OSC and relates to the measurement of mortgage impairment provisions in accordance with International Financial Reporting Standards (“**IFRS**”) for a loan package (the “**Loans**”) that had been made to a borrower in relation to a large residential development property (the “**Property**”) and has been impaired.

The Restatement corrects an error in the application of IFRS to the expected credit losses of the Loans (the “**Error**”). In general terms, it involves reducing the estimated proceeds from a sale of the Property, increasing the estimated expenses and liabilities associated with selling the Property pursuant to FMIC’s mortgage rights and increasing the estimated time that it would take to sell the Property under FMIC’s mortgage rights. The effect of the Restatement will be an increase in the provision for mortgage impairment losses, and a reduction in assets, net income and carrying value per share for the year ended December 31, 2022. As a result of the Restatement, the carrying value per share for the year-ended December 31, 2022 is \$29.44 compared to a carrying value per share of \$30 as originally reported as at December 31, 2022.

Purchasers who overpaid for shares of FMIC in 2023 as a result of the Error will be reimbursed in respect of the full amount of their overpayment. Additionally, the applicable management fee and administration fee paid to W.A. Robinson Asset Management Ltd., as manager, and Pillar Financial Services, as administrator will be adjusted to reflect the impact of the Restatement on FMIC’s assets under management.

The amended and restated financial statements as well as FMIC’s 2023 Audited Annual Financial Statements will be made available under FMIC’s profile on SEDAR+ at www.sedarplus.ca.

Resumption of Distributions, Redemptions and Sales

As disclosed in FMIC’s Press Release of March 25, 2024, FMIC approved and declared a special dividend of \$0.8247974 per share, payable on March 28, 2024 to shareholders of record as of March 26, 2024. This special dividend represented FMIC’s approximate net taxable income calculated as of December 31, 2023, less dividends paid in 2023, together with approximate net taxable income for January 31, 2024.

FMIC intends to make a further special distribution to shareholders in May 2024 representing its net income for the three months ended April 30, 2024 and expects to provide further details regarding this distribution in a separate press release . FMIC expects to continue its regular monthly distributions of net income beginning with the distribution of May 2024 net income.

Subsequent to processing the aforementioned special distribution of income, FMIC proposes to resume the processing of redemption requests (“**Redemption Requests**”), beginning with a special redemption on May 31, 2024, at the share value then calculated. As of April 29, 2024, FMIC has received requests to redeem \$50.2 million of common shares. FMIC will not redeem all requested Redemption Requests on May 31, 2024 but will restrict redemptions on that date to 5% of the aggregate net asset value of FMIC’s loan portfolio as of May 31, 2024 and will fulfill redemption requests on a pro rata basis, as opposed to a first-come first-serve basis. Shareholders wishing to participate in the special redemption and who have not already submitted a redemption request must provide their redemption requests to FMIC by 4:00 p.m. ET on May 24, 2024. Thereafter, FMIC will continue to process unfulfilled Redemption Requests, together with subsequently received Redemption Requests, on a quarterly pro rata basis irrespective of the timing of receipt by FMIC of the redemption requests prior to the then applicable redemption cut-off date, with the next regular

redemption beginning on August 30, 2024 at the share value calculated as of August 30, 2024. It is expected that such redemptions will be subject to the aforementioned quarterly redemption limitation of 5% of the aggregate net asset value of FMIC's loan portfolio.

Also subsequent to processing the aforementioned special distributions of income, FMIC expects to resume monthly sales of common shares to qualified purchasers in the exempt market, beginning on June 3, 2024. Subscriptions received that have been held in escrow will be processed by FMIC upon confirming such subscriptions with qualified investors.

For more information, please contact:

Amber Kehoe
Corporate Secretary
Frontenac Mortgage Investment Corporation
1-877-279-3061 Ext. 105

Forward-Looking Statements

This press release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "**forward-looking statements**") within the meaning of applicable Canadian securities laws, which may include, but are not limited to, information and statements regarding or inferring the future business, operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs of the Corporation. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "could", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "outlook", "expect", "may", "will", "project", "should" or similar words, including negatives thereof, suggesting future outcomes.

Forward-looking statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors beyond FMIC's ability to predict or control which may cause actual events, results, performance, or achievements of FMIC to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking statements herein. Forward-looking statements are not a guarantee of future performance. Although FMIC believes that any forward-looking statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such statements, there can be no assurance that any such forward-looking statements will prove to be accurate. Actual results may vary, and vary materially, from those expressed or implied by the forward-looking statements herein. Accordingly readers are advised to rely on their own evaluation of the risks and uncertainties inherent in forward-looking statements herein and should not place undue reliance upon such forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Any forward-looking statements herein are made only as of the date hereof, and except as required by applicable laws, FMIC assumes no obligation and disclaims any intention to update or revise any forward-looking statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward-looking statements herein, whether as a result of new information, future events or results, or otherwise.