

MCAN Financial

Investor Presentation

May 8, 2023

Forward Looking Information

This presentation may contain forward-looking information within the meaning of applicable Canadian securities laws, including statements regarding the business and anticipated financial performance of MCAN Mortgage Corporation d/b/a MCAN Financial Group and its subsidiaries (the “Company”). These statements are based on current expectations and are subject to a number of risks and uncertainties that may cause actual results to differ materially from those contemplated by the forward-looking statements. Some of the factors that could cause such differences include legislative or regulatory developments, competition, technology changes, global market activity, interest rates, changes in government and economic policy, general economic conditions in geographic areas where MCAN operates and the impact of, and responses to, a pandemic. Often, but not always, forward-looking information can be identified by the use of words such as “may,” “believe,” “will,” “anticipate,” “expect,” “planned,” “estimate,” “project,” “future,” and variations of these or similar words or other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters.

The Company cautions readers not to place undue reliance on forward-looking statements when making decisions, as many risks and uncertainties could cause actual results, performance or achievements to be materially different from any future results, including those described in the Company’s annual information form, management’s discussion and analysis and other documents filed under the Company’s profile on SEDAR at www.sedar.com. Certain statements included in this presentation may also be considered a “financial outlook” for purposes of applicable Canadian securities laws. The Company presents its outlook to assist shareholders in understanding management’s assumptions and expectations on how the future will impact financial performance of the Company, and as such, these statements may not be appropriate for purposes other than this presentation. The Company does not undertake to update any forward-looking statements, whether oral or written, except as required by securities laws.

Non-GAAP and Other Financial Measures

This investor presentation references a number of non-GAAP and other financial measures and ratios to assess the Company’s performance such as return on average shareholders' equity, spread of corporate mortgages over term deposit interest and expenses, net corporate mortgage spread income, and book value per common share. These measures are not calculated in accordance with International Financial Reporting Standards ("IFRS"), are not defined by IFRS and do not have standardized meanings that would ensure consistency and comparability between companies using these measures. These metrics are considered to be non-GAAP and other financial measures and are defined and reconciled to the most directly comparable IFRS measure in the "Non-GAAP and Other Financial Measures" section of the Company’s Q1 2023 MD&A available on SEDAR at www.sedar.com, which section is incorporated herein by reference.

MCAN Financial Group

MCAN Financial

MCAN Home

Residential lending exclusively with mortgage professionals.

MCAN Capital

Real estate and residential construction-based financing and investments.

MCAN Wealth

CDIC-insured investment solutions.

INVESTING IN COMMUNITIES AND HOMES FOR CANADIANS



How we invest

- homeownership through mortgage lending.
- residential construction lending for borrowers building homes.
- a portfolio of long-term REIT investments expertly managed.
- private investment funds focused on lending and developing homes.
- our ownership interest in MCAP, privately owned and Canada’s largest mortgage financing company.

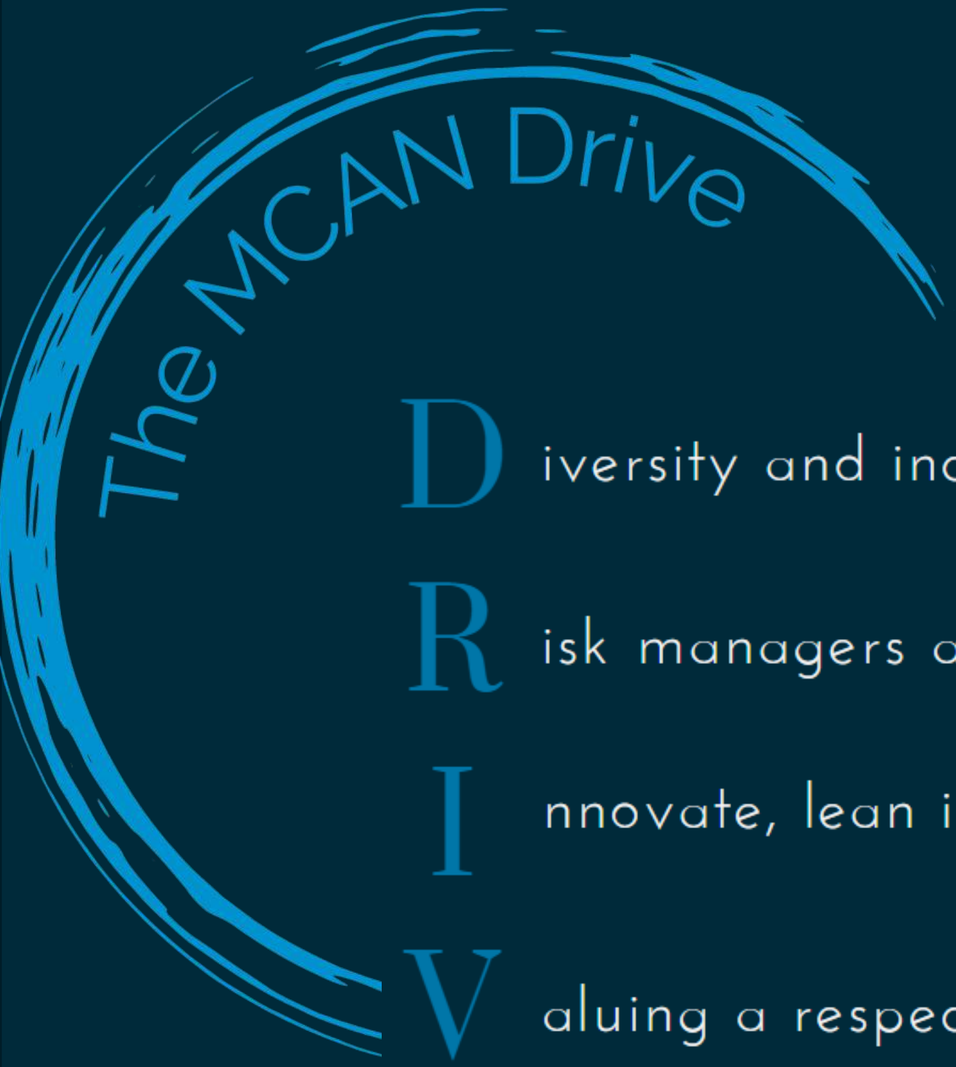
Our Vision is to be the preferred mortgage lender and investor within our chosen real estate markets in Canada.

Our Mission every day is to deliver sustainable growth and value for our stakeholders through:

- relationship-driven mortgage lending and investing.
- quality work from an expert, engaged and committed team.
- dedication to excellence in service of our clients, our colleagues, and our community.







D iversity and inclusion powering our ONE team mindset.

R isk managers are in all of us.

I nnovate, lean in to optimize and grow our business together.

V aluing a respectful, collaborative and relationship-focused team.

E mpowered to act like an owner, think like a customer.

MCAN at-a-glance: March 31, 2023

$4.2B	Total Assets **(+2% from December 31, 2022)**
$522M	Market Capitalization **(+1% from December 31, 2022)**
$23.3M	Net Income **(+50% from Q1 2022)**
$21.0M	Net Corporate Mortgage Spread Income[1] **(+75% from Q1 2022)**
18.6%	Return on Average Shareholders' Equity[1,2]

Data presented for the three months ended March 31, 2023, except as otherwise noted

[1] Considered to be a non-GAAP and other financial measure. For further details, refer to the "Non-GAAP and Other Financial Measures" section of this investor presentation. Non-GAAP and other financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

[2] Return on Average Shareholders' Equity for the three months ended March 31, 2023

MCAN's Business Model

Uniquely structured as a flow-through Mortgage Investment Corporation ("MIC[1]")

- not taxed at the corporate level
- distributes all taxable earnings annually
- 67% of non-consolidated tax assets required to be held in residential mortgages and cash

Federally Regulated Financial Institution since 1991

- strong governance and risk management practices throughout the company
- lower cost of liability funding vs MIC peers
- experience managing the business through many housing and real estate cycles

LONG TERM OBJECTIVES

- Sustained **10% average annual growth of assets**
- Sustained **13-15% ROE**
- Sustained and prudent **dividend growth**

[1]MCAN is a Mortgage Investment Corporation ("MIC") under the *Income Tax Act* (Canada). A MIC is a flow-through vehicle that is able to deduct from income for tax purposes dividends paid within 90 days of year-end. The Company expects to pay sufficient dividends to ensure that it is not subject to income taxes in the MIC entity. MCAN would be subject to tax at a statutory tax rate of 38% to the extent that it does not pay sufficient dividends to eliminate its taxable income.

MCAN Value Proposition

We differentiate ourselves from MIC peers with:

1. A lower risk profile; and
2. Higher returns driven by lower funding costs.

We differentiate ourselves from OSFI-regulated peers with:

1. Our construction and other investment portfolio focus.

Unique Business Model with Strong Fundamentals	**Attractive Financial Profile & Growth**	**Investment Portfolio a Source of Nascent Value**	**Seasoned Management Team with Industry Track Record**	**Consistent and Attractive Dividend Income**

MCAN Value Proposition

Unique Business Model with Strong Fundamentals

- **$4.2 billion of total assets**, including $2.04 billion corporate mortgage portfolio, $1.72 billion securitized mortgage portfolio and **meaningful corporate investments**
- 100% owned **origination platform (MCAN Home)**, deep third-party **originator and broker relationships, strong construction and commercial book** and **diverse investments portfolio**
- Unique corporate structure as the **only Mortgage Investment Corporation (MIC) that is OSFI-regulated**
  - **Lower risk profile** than peer MICs with access to **low-cost deposit funding**, **efficient management of balance sheet and business processes** and **securitization market**
  - As a MIC, **not taxed at the corporate level**
  - As an OSFI-regulated entity, have **strong risk management** and governance practices

Attractive Financial Profile & Growth

- **Long term average corporate asset growth above 10% target**
- Q1 2023 return on average shareholders' equity[1] of 18.60%
- **~14% average 10 year return on average shareholders' equity[1]**

Data presented at March 31, 2023

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MCAN Value Proposition

Investment Portfolio a Source of Nascent Value

- ~**14% ownership in MCAP**, Canada's largest independent mortgage finance company (majority owned by CDPQ), **generates substantial income** and represents **a significant source of growth**
- Unique opportunity for investors to participate in **top tier private real estate investment vehicles**
- Expertly managed **portfolio of REIT securities** held for current return and capital appreciation

Seasoned Management Team with Industry Track Record

- Driven management team with **significant experience in leadership positions at marquee companies** across Canadian financial services and real estate sectors
- **Track record** of managing higher growth businesses with diversified capital structures

Consistent and Attractive Dividend Income

- History of **recurring regular dividends**:
  - Current quarterly dividend of $0.36 per share
- Special stock dividend of $0.97 per share declared and distributed in March 2022[2]
- **Dividend yield of approximately 9.6%[1] and 10-year total shareholder return of approximately 11% (annualized)**

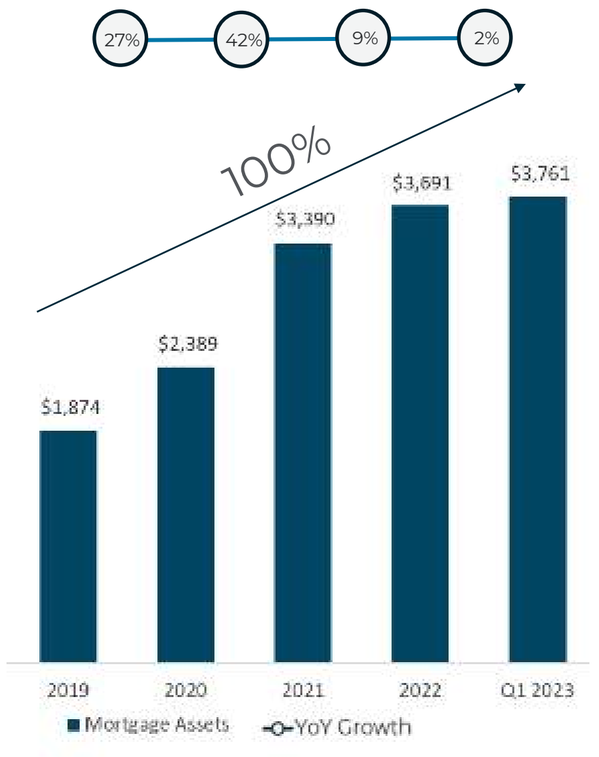
Data presented at March 31, 2023

[1] Based on closing price of MCAN common shares on the TSX of $15.00 on March 31, 2023.

[2] MCAN expects to distribute all of its 2023 taxable earnings via regular dividends

Business Model That Produces Results

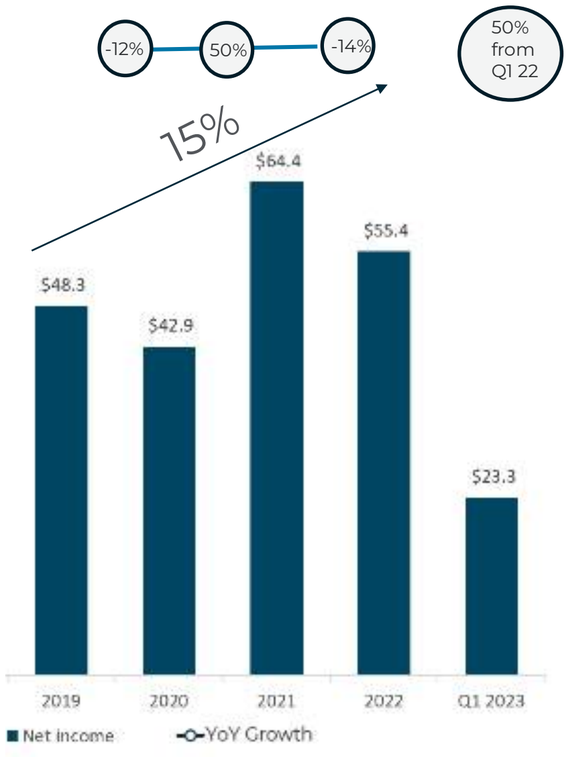
MORTGAGE ASSETS ($M)



Strong asset growth

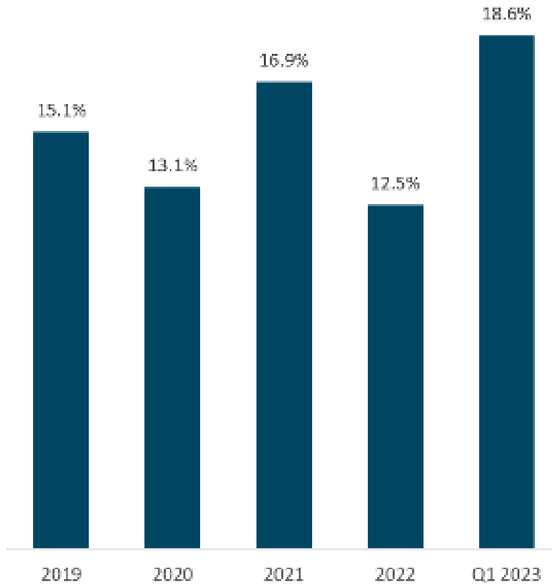
Historically negligible loan losses in the last 10 years

NET INCOME ($M)



Profitable growth driven by optimized funding and operating leverage

AVERAGE RETURN ON SHAREHOLDERS' EQUITY[1]

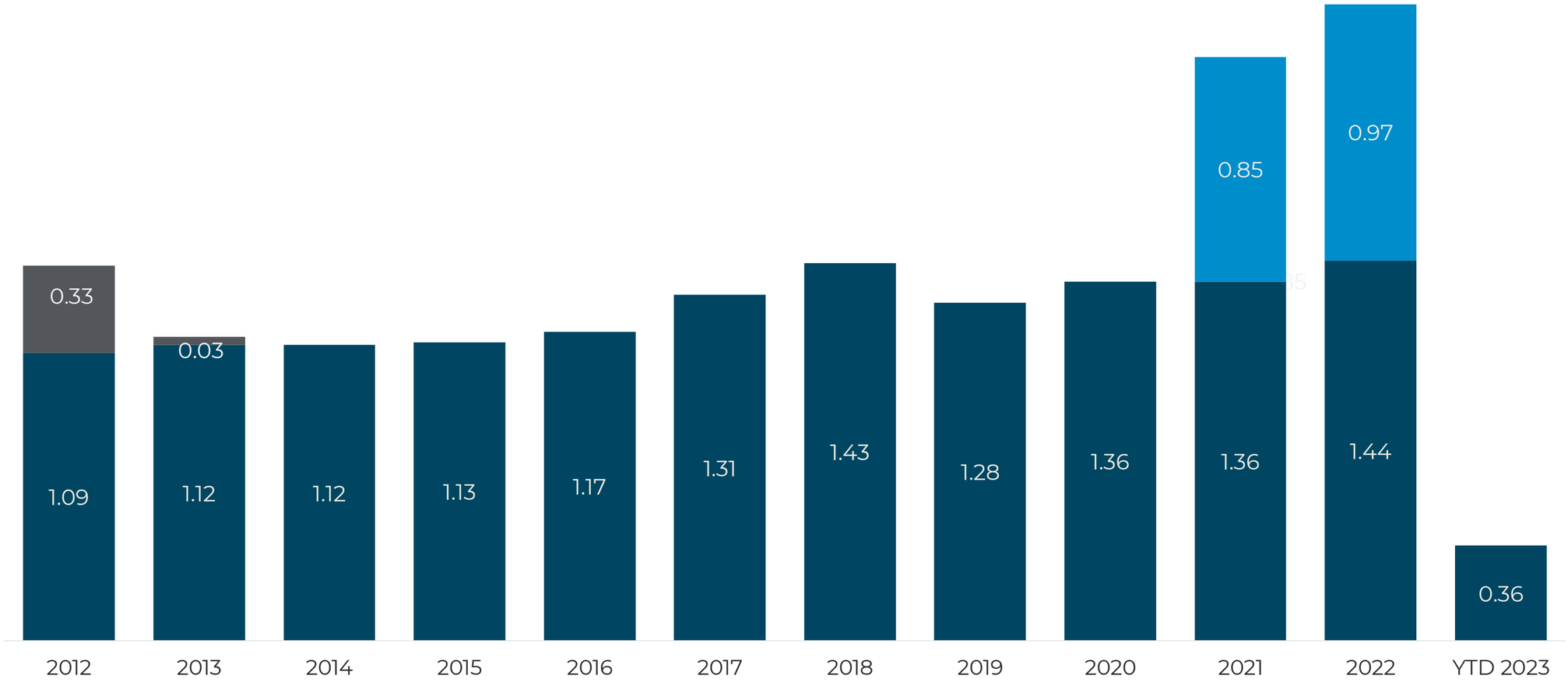


Highly efficient and risk-managed balance sheet driving attractive ROE

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32-Year History of Attractive Dividends

Paying dividends since 1992



Strong Total Shareholder Return

	Total Shareholder Return	CAGR[1]
3-Year	80.55%	21.77%
5-Year	47.54%	8.07%
10-Year	171.23%	10.48%

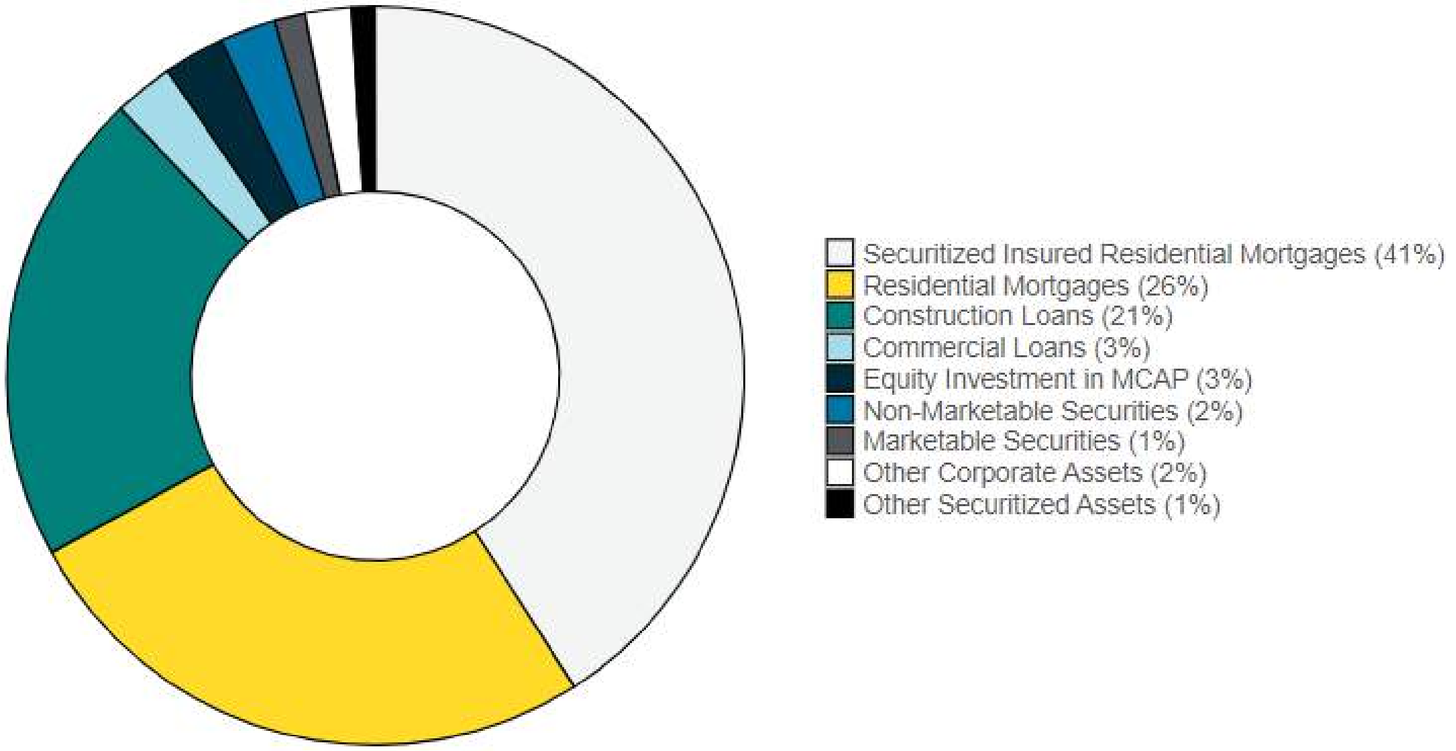
Source: Bloomberg

[1] Total shareholder return is adjusted for reinvested dividends; trading data as at March 31, 2023.

Diversified Quality Mortgages and Other Investments

$4.2B
Total
Assets

Mortgage Portfolio and Other Investments



Data presented at March 31, 2023

Portfolio Quality and Lending Criteria

Average corporate mortgage term to maturity (months)

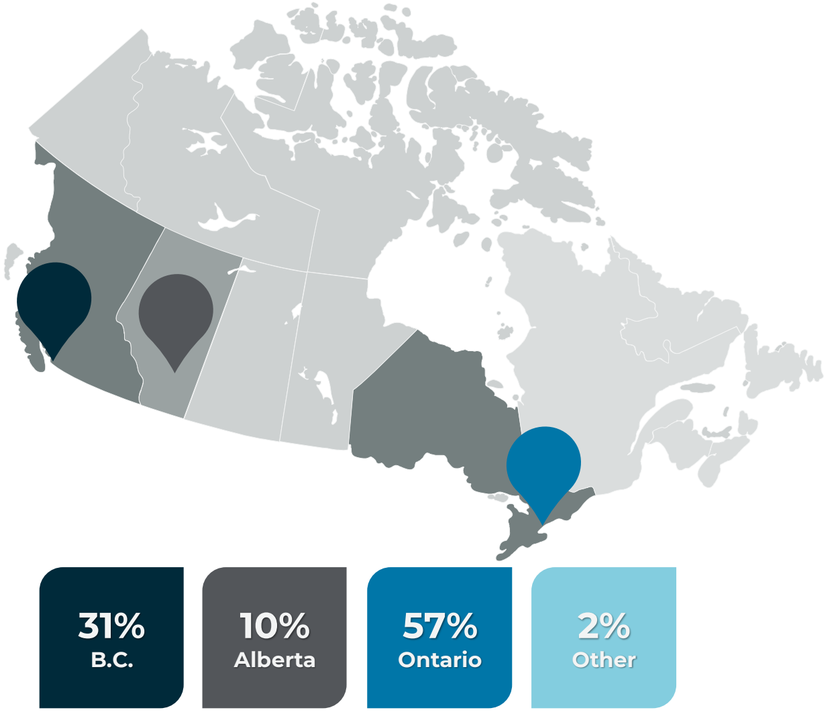
11.5

Average LTV at Origination

65.4%

- Prudent risk management practices are the foundation of the quality and diversification of our lending activities
- Concentration by asset class, geographic region, dollar amount and borrower are monitored regularly to ensure alignment with our Board-approved risk appetite

Corporate Mortgage Portfolio Geographic Distribution



Data presented at March 31, 2023

MCAN Home



Our Business

- Award winning business
- Focus on first time/first move-up homebuyers, self-employed professionals, property investors, individuals with credit challenges
- Purchases, refinances and renewals
- Fixed and adjustable-rate mortgages
- Geographical focus in major urban areas of Ontario, Alberta, and BC
- In-house origination, underwriting and boots on the ground in core markets
- Deep relationships with third-party mortgage brokers
- Pivot between securitization or sale of insured mortgages









MCAN HOME

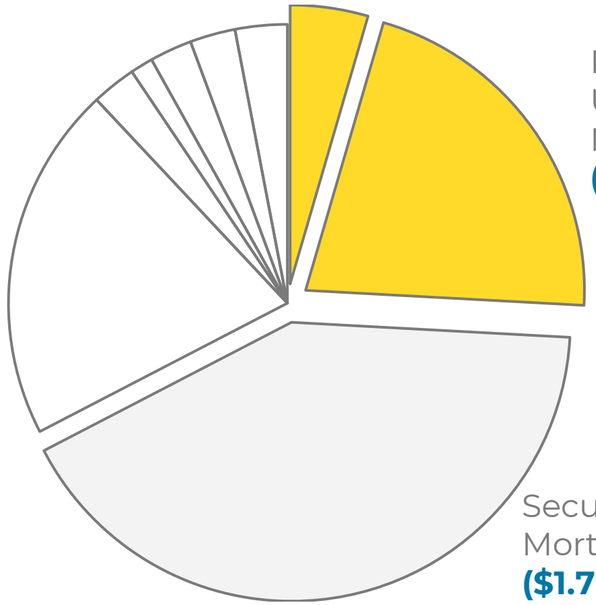
Q1 2023 Highlights

$131M
Total Originations

$68M
Insured Originations

$63M
Uninsured Originations

$124M
Renewals





2023 Outlook and Strategy

Outlook

- Moderating housing market demand in the short term
  - House prices likely have further to drop
- Pausing rate hiking cycle should encourage housing market in 2H 2023/2024
- Solid market fundamentals despite near term uncertainty

Strategy

- New products to meet market demand
- Continue to expand funding sources for these products
- Continued focus on service to borrowers and brokers
- Efficiencies through technology, business infrastructure and process improvements
- Expand geographic footprint
- Prudent and disciplined lending

Spotlight: Residential Mortgage Deal

People-first mortgage solutions designed for real life

We help young Canadians who are seeking alternative ways to enter the Canadian real estate market despite historical market obstacles.

THE CHALLENGE

Intense competition, decreased supply and increasing property valuations have pushed Canadians to consider non-traditional approaches to home ownership

THE SOLUTION

Co-ownership of an investment property in a non-major urban area offers the opportunity to build wealth for three young Canadians and close friends purchasing under a holding company

THE HIGHLIGHTS

Our residential lending team underwrote the loan, with consideration to unique deal aspects:

- Alternative lending area
- Investment property
- Co-ownership agreement
- Holding company



MCAN Capital



MCAN CAPITAL

Our Business

Construction and Commercial Lending

- Primarily residential construction loans for more affordable housing
- Focus on urban/suburban growth markets in ON, AB, BC with proximity to transit

Marketable Securities

- Expertly managed REIT portfolio
- Larger market capitalizations and diversification

Non-Marketable Securities

- Private real estate funds
- Investing with experienced originators and developers in Canada

MCAN CAPITAL

Q1 2023 Highlights

$963M

Construction and Commercial Portfolio

$120M

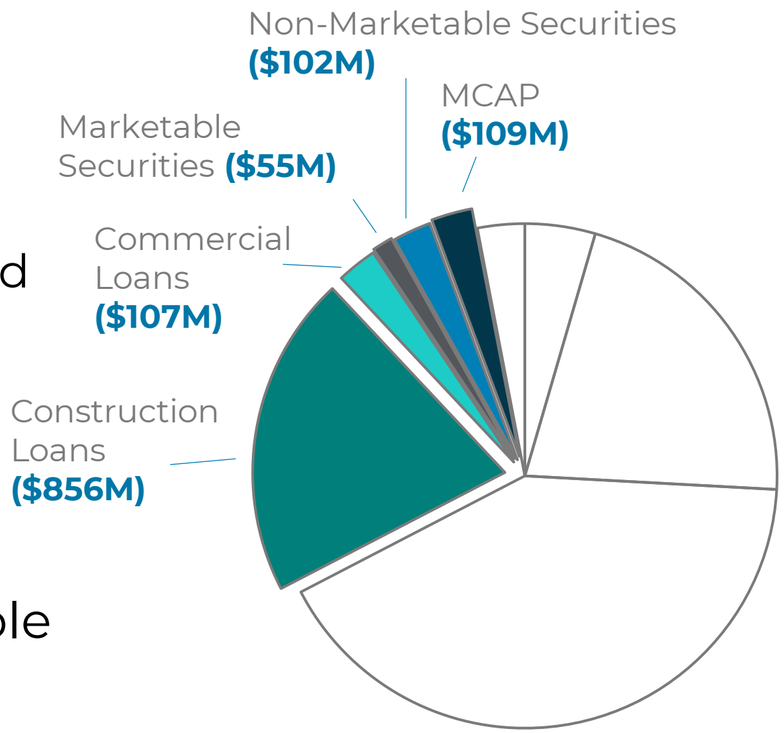
Construction and Commercial Originations

$14M

5-Year Marketable Securities Realized Capital Gains

$178M

Non-Marketable Securities Commitment





Unique Portfolio of Real Estate Based Investments

We are committed to increasing our investments in various funds that provide a current **above-average yield** or a projected **longer term return greater than 15%** over the life of the funds. All funds we invest in are **secured by real estate in Canada** and provide debt and equity capital to **experienced and successful originators and developers.** Sample investments shown below:

$102 million total portfolio; $76 million in capital commitments over the next 5 years; $5 million funded 2023 YTD

Investing with KingSett since **2014**

KingSett Capital invests in a diversified portfolio of mortgage loans secured by Canadian residential and commercial real estate.

- **KingSett High Yield Fund** – 14.95% distribution yield YTD Q1 2023
- **KingSett Senior Mortgage Fund LP** – 9.97% distribution yield YTD Q1 2023

Investing with Crown since **2015**

Crown Realty Partners integrates ESG-focused initiatives to acquire, lease, manage and reposition commercial real estate properties across Ontario.

- **Crown Realty V Limited Partnership** (Early funding/committed stage)
- In 2015 we invested in Crown LP funds, which liquidated in 2020, for an approx. 12% total return on investment

Investing with TAS since **2020**

(Early funding/committed stage)

TAS invests in and develops residential and mixed used properties. TAS focuses on tackling climate change, expanding affordability and equity, and building social capital to create neighbourhoods where people can thrive and belong.

- **TAS LP 3**
- **TAS LP 3 Co-Invest LP**
- **TAS Impact Development LP 4**

Investing with Pearl since **2021**

(Early funding/committed stage)

The Pearl Group executes a value-add strategy by acquiring, redeveloping, entitling, leasing and project managing commercial properties in the Greater Toronto Area.

- **Pearl Group Growth Fund LP**

Investing with Harbour since **2022**

(Early funding/committed stage)

Harbour Equity Capital Corp provides equity capital to real estate developers in joint ventures or co-ownership structures for ground up development of residential and mixed-use properties across Canada.

- **Harbour Equity JV Development Fund VI**

Investing with Broccolini since **2022**

(Early funding/committed stage)

Broccolini manages real estate development funds primarily focused on ground up development of industrial, residential and mixed-use properties across Canada, with a focus on Ontario and Quebec.

- **Broccolini Limited Partnership No. 8**

Investing with Fiera since **2022**

(Early funding/committed stage)

Fiera Real Estate focuses on development and redevelopment of multi-residential, industrial, office and retail properties located in growing major Canadian urban markets.

- **Fiera Real Estate Development Fund IV, LP**

Data presented at March 31, 2023

MCAN CAPITAL

2023 Outlook and Strategy

Construction and Commercial

- Continued focus on urban/suburban markets supported by increased immigration levels
- Solid relationships with co-investors/partners
- Maintain strong credit performance
- Manage loan run-off following project completions in 2023

Marketable Securities

- Continued market volatility given interest rate environment; but improved from 2022
- Strategic management of portfolio
- Target 9-11% total return

Non-Marketable Securities

- Long term holdings up to 10 years
- 12-15% target return for real estate equity funds
- 9-12% target return for real estate debt funds

Spotlight: Vancouver Real Estate Market

Leveraging our experience and strong strategic partnerships with originators

MCAN's investment in the Greater Vancouver Area is focused on more affordable housing with family-oriented amenities and good transit access to Metro Vancouver (e.g., Langley, Surrey, Coquitlam)

THE MARKET

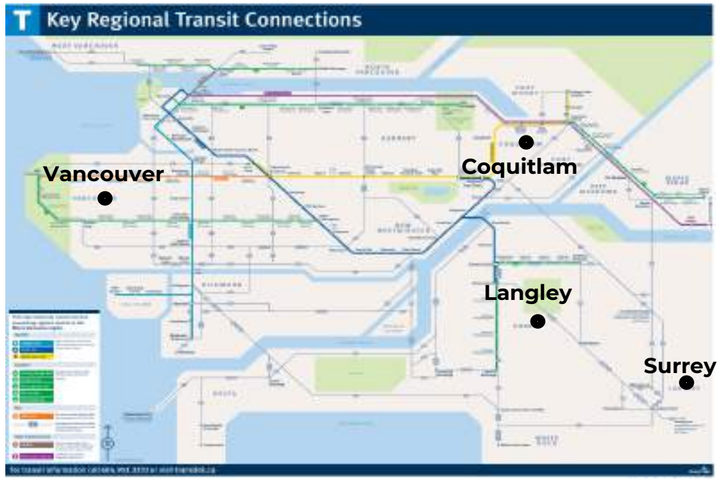
Broadly a sellers' market due to demand outweighing supply

SAMPLE CLIENT PROFILE

- Client financing provided for land acquisition, development through to construction, and successful completion
- Client has a history of successfully completing 10+ lower density projects; MCAN has directly financed 4 of these deals over the last 5 years in Langley / Surrey (GVA suburbs)

THE HIGHLIGHTS

- Client has a strong track record of project completion
- Strong risk return prime-based loan
- Originating partner provides 30+ years presence in this market through all real estate cycles, 'boots on the ground' oversight of project completion, and insight on local market dynamics



Source: translink.ca

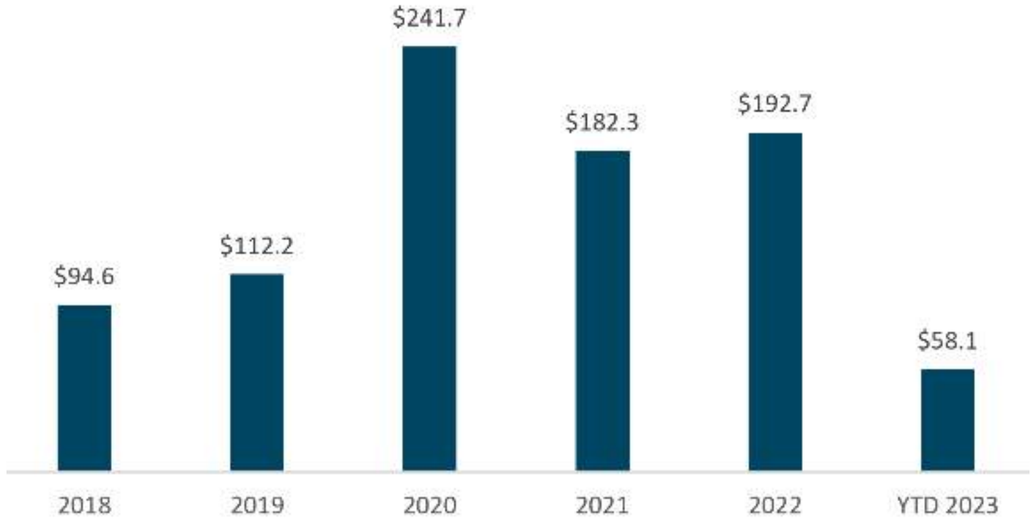
Investment in MCAP

- Strategic relationship with Canada's largest independent mortgage finance company ($154 billion in AUM at Feb 28, 2023), BBB DBRS Rating
- Privately owned - MCAN owns ~14% equity interest in MCAP (majority owned by CDPQ)
- MCAP serves many institutional investors and over 400,000 homeowners
  - Over 1,400 professionals in 8 offices across Canada
  - National mortgage originator and servicer

MCAP REVENUE ($M)



MCAP NET INCOME ($M)



MCAN Wealth



MCAN WEALTH

Our Business

- CDIC-insurable term deposits
- Low-cost liability funding
- Significant source of funding
- Short and long-term investment options
- Non-redeemable

MCAN WEALTH

Q1 2023 Highlights

$246M

Term Deposits Raised

15Mths

Average Term to Maturity

3

Total Number of Large Bank Boards Used to Source Term Deposits

>40

Total Number of Brokers and Agents Used to Source Term Deposits



2023 Outlook and Strategy

- Outlook
  - Active market for deposits
  - Continued volatility in Government of Canada bond rates will impact deposit market

- Strategy
  - Continued efficiencies in operations
  - Launch of our new digital deposit channel

MCAN FINANCIAL GROUP

ESG Overview

Our values and culture are rooted in our stakeholders, including our shareholders, customers, business partners and team members, and their communities. Our ESG practices focus on:

E	• Supporting sustainable residential communities by providing residential mortgages using **responsible underwriting and risk management** practices that **consider climate risk** on our portfolio • Providing capital and loans to real estate developers and investment funds who are committed to **community and climate-based responsible development,** primarily for **residential density development in urban communities close to mass transit**
S	• **Lending to, and investing in,** the development of **more affordable housing** • **Investing in the communities** where our shareholders, customers, business partners and team members call home • Creating a **positive experience by tailoring products and offerings** for our stakeholders and customers to achieve their objectives
G	• Ensuring **strong governance and risk management practices** aligned with our role as a publicly traded regulated financial institution focused on all our stakeholders and their communities

MCAN FINANCIAL GROUP

2022 ESG Highlights

8,260

Trees planted in partnership with *One Tree Planted*

$55M

Committed for investments in equity funds focused on the environment

$51,000

Amount of free mortgage payments covered via MCAN *ICON Partner Program*

$24M

Funded in construction of affordable housing projects



MCAN FINANCIAL GROUP

Our Amazing Team

- 13th overall on 2022 list of Best Workplaces™ in Canada
- *Report on Business* Women Lead Here last 4 years
- *Great Place to Work®* certified
  - 2022 Best Workplaces for Inclusion
  - 2022 Best Workplaces for Professional Development
  - 2022 and 2023 Best Workplaces for Women
  - 2022 Best Workplaces in Financial Services & Insurance
  - 2022 Best Workplaces in Ontario
  - 2023 Best Workplaces for Giving Back Award
  - 2023 Best Workplaces Managed by Women
- *Canadian Mortgage Professional* 2023 Top Mortgage Employer
- *Canadian Mortgage Professional* 2023 5-Star Mortgage Products
- *Canadian Mortgage Professional* 2023 Excellence Awardee for Underwriter and BDM of the Year
- 2023 Innovative HR Teams

"A fair place and room to grow. People are supportive and collaborative.
The "Can Do" attitude."

"Teamwork and diverse culture, as well as flexibility in work-life to balance both"

"I feel that I contribute to a growing company. We all care for one another on a human level"

Senior Leadership Team



Karen Weaver
President and
Chief Executive Officer

Karen has over 30 years of experience in real estate, financing and financial services, and corporate operations. Prior to joining MCAN, Karen served as Executive Vice President and Chief Financial Officer of publicly listed corporations including DH Corporation and First Capital Realty Inc. She held previous positions as Senior Vice President and CFO at Brookfield Properties Corporation, Canadian Operations and Gentra Inc.



Carl Brown
SVP Investments and Corporate Development

Carl has over 30 years of experience in the real estate financing sector, holding various progressively senior positions at MCAN and MCAP. His experience extends to treasury and funding management, servicing, investor operations, and credit and risk management.



Floriana Cipollone
SVP and
Chief Financial Officer

Floriana has over 30 years of progressive business experience, including 15 years as a Chief Financial Officer of publicly listed entities and over 20 years spent in the real estate or real estate financing sector. Prior to joining MCAN, she most recently served as the Chief Financial Officer of Plaza Retail REIT.



Avish Buck
SVP and
Chief Operating Officer

Avish has over 15 years of business experience in the investments, financial services, and real estate financing sector. Avish is responsible for MCAN's residential mortgage business as well as information technology and marketing across the organization. Prior to joining MCAN, Avish served as Vice President Operations at First National Financial.

MCAN Value Proposition

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Unique Business Model with Strong Fundamentals	**Attractive Financial Profile & Growth**	**Investment Portfolio a Source of Nascent Value**	**Seasoned Management Team with Industry Track Record**	**Consistent and Attractive Dividend Income**



Karen Weaver
President and Chief Executive Officer

(416) 203-5931



Floriana Cipollone
SVP and Chief Financial Officer

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Appendix

Balance Sheet Highlights

	Trend YoY	Q1 2023	Q1 2022
Uninsured Originations	⬇	$72 million	$120 million
Insured Originations*	⬇	$68 million	$181 million
Residential Construction Originations	⬆	$116 million	$89 million
Return on Average Shareholders' Equity[1]	⬆	18.60%	14.19%
Uninsured Balance	⬆	$886 million	$872 million
Construction & Commercial Balance	⬆	$963 million	$820 million
Corporate Assets	⬆	$2.38 billion	$2.28 billion
Securitized Mortgages	⬆	$1.77 billion	$1.72 billion
Book Value per Common Share[1]	⬆	$14.58	$14.08

* Insured Originations include mortgages sold at the commitment stage under Aggregator Program

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Earnings Highlights

The Board declared a Q2 2023 cash dividend of $0.36 per share.

	Trend YoY	Q1 2023	Q1 2022
Spread of Corporate Mortgages over Term Deposit Interest and Expense[1]	↑	3.78%	2.59%
Net Corporate Mortgage Spread Income[1]	↑	$21.0 million	$12.0 million
Net Investment Income - Corporate Assets	↑	$30.6 million	$20.8 million
Of which Equity Income from MCAP Commercial LP is	↑	$8.0 million	$5.2 million
Of which Unrealized Net Gain (Loss) on Securities is	↓	$1.0 million	$3.0million
Net Investment Income – Securitization Assets	↔	$0.9 million	$1.1 million
Provision for (Recovery of) Credit Losses	↓	$1.2 million	$(1.3)million
Net Income	↑	$23.3 million	$15.5 million
Basic and Diluted Earnings per Share	↑	$0.67	$0.52

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