

# Montfort

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## Montfort Capital Corporate Presentation

February 2023

# Disclaimer

## **Not an Offer to Purchase or Sell Securities**

This overview is for informational purposes only and is not an offer to sell or a solicitation of an offer to buy any securities in Montfort Capital Corp. (the "Company", "we", "us", "our") and may not be relied upon in connection with the purchase or sale of any security. Any decision to invest should only be made with professional advice and on the basis of all of the publicly available disclosure documents of the Company available on its SEDAR profile at [www.sedar.com](http://www.sedar.com).

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## **Forward-Looking Statements**

An investment in securities of the Company involves a significant degree of risk and must be considered highly speculative due to the nature of the Company's business. There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company and could cause the Company's operating and financial performance to differ materially from the estimates described in forward-looking information related to the Company, including without limitation, the risk that portfolio companies will not be able to make the payments they are required to make to the Company and by extension, the co-investors; the potential for the Company to sell down its interest in certain investments, thereby receiving proportionally less benefit from such investments held; the Company having insufficient financial resources to achieve its objectives; availability of further investments that are appropriate for the Company on terms that it finds acceptable or at all; successful completion of exits from investments on terms that constitute a gain when no such exits are currently anticipated; risks associated with early-stage companies that form part of the Company's portfolio; the risk of loss of an investor's entire investment in the Company; changes in the credit risk associated with collateral securities impacting the value of the collateral securing a loan; intense competition in all aspects of business; reliance on limited management resources; general economic risks; new laws and regulations and risk of litigation.

The above-mentioned risks and the risks disclosed in the Company's annual and quarterly MD&A and other documents and filings are not the only ones that could affect us. There are widespread risks associated with any form of business and specific risks associated with the Company's business. Additional risks and uncertainties not presently known to the Company or those that are currently deemed immaterial may also impair the Company's business operations. If any such risks occur, the business, financial condition, performance, business, reputation and operating results of the Company could be materially harmed.

## **Risk Factors:**

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The risks set out above are not the only risks facing the Company. There are widespread risks associated with any form of business and specific risks associated with the Company's business. Additional risks and uncertainties not presently known to the Company or those that are currently deemed immaterial may also impair the Company's business operations. If any such risks actually occur, the business, financial condition and operating results of the Company could be materially harmed.

## **Non-IFRS Financial Measures**

The Company reports its financial results in accordance with IFRS, however, we use a combination of financial measures, ratios, and non-IFRS measures to assess the Company's performance. The non-IFRS measures used in this presentation do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS. Management believes these measures are useful to investors as it best reflects the performance of our activities and allows for better comparability from period to period as well as to trend analysis.

In this presentation, we use the non-IFRS measure Assets under Management (AuM), which is defined as the Company's aggregate value of assets managed and from which administrative fees are generated from.

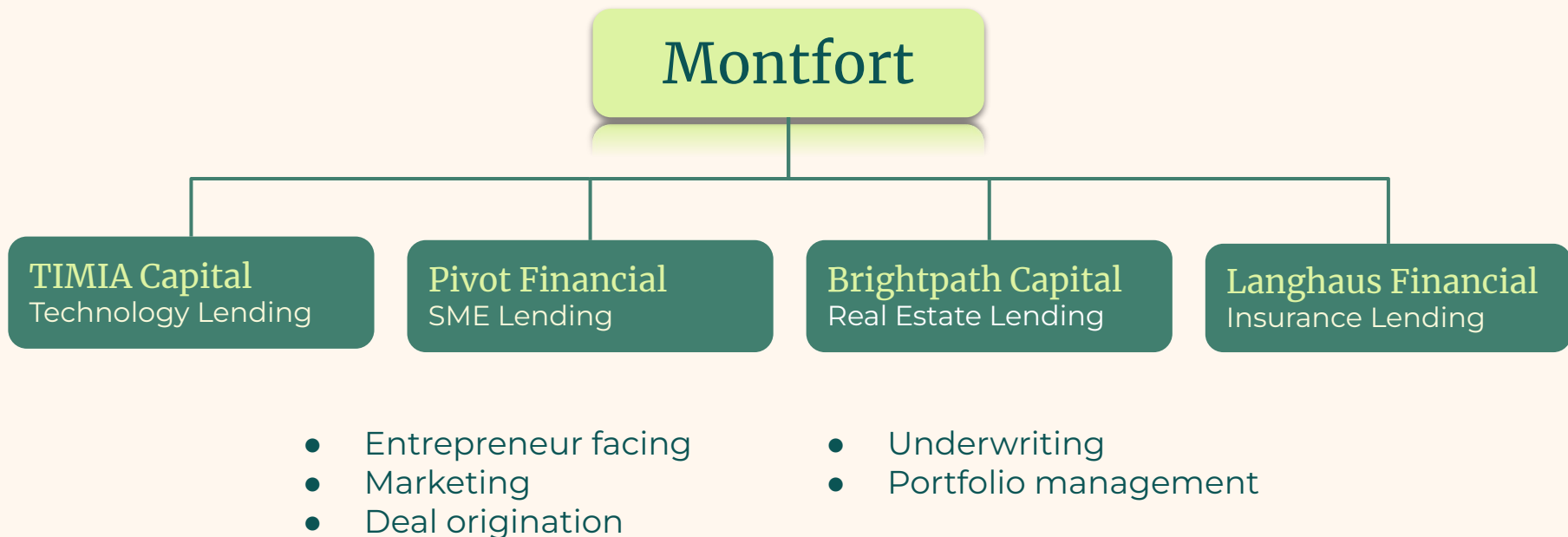
## **Currency**

All references to currency herein refer to Canadian dollars unless otherwise specified.

# Mission Statement

Montfort is building and managing a family of specialty finance companies utilizing its technology platform to achieve improved performance, transparency and cost savings.

# Corporate Structure



# Montfort Business Units

**TIMIA Capital**  
Technology Lending

Non-dilutive growth capital for recurring revenue technology businesses between \$2 - \$20 million. Alternative financing solutions enable founders to keep more equity in their business.

**Pivot Financial**  
SME Lending

Private lender addressing the borrowing needs of small and medium enterprises in Canada, represent 1 - 100 employees and \$1 million to \$100 million in revenue.

**Brightpath Capital**  
Real Estate Lending

An experienced originator and administrator of short duration first and second residential mortgage investments.

**Langhaus Financial**  
Insurance Lending

A leading non-bank provider of insurance policy-backed lending solutions to high-net-worth individuals and entrepreneurs throughout Canada.

# TIMIA Capital Business



## Revenue Based Technology Lending Market

Market Opportunity: 50,000 + companies in  
North America and growing at > 25% per annum<sup>1</sup>

Global Examples:



## Proprietary Origination Platform

- Sources private technology companies looking for debt using online tools
- Efficient and low cost origination unmatched by competitors
- Auto-qualifies the most attractive and unique technology investment opportunities for yield investors
- Auto-manages both risk and the flow of cash on a monthly basis
- Collects payments for yield investors, charges recurring fees over the life of the facility
- TIMIA's platform is highly scalable

<sup>1</sup>Internal data

# Pivot Financial Business



## Asset Backed SME Lending

Market Opportunity: 1.2 million companies in Canada <sup>2</sup>

Term Loans, AR Factoring  
Lender Finance

## Background

- Acquired in September 2021 with \$125 million assets under management <sup>1</sup>
- Accounts receivable factoring and purchase order financing
- Asset-based lending
  - Directly off balance sheet
  - Sub-advisor to Celernus Pivot Private Credit Fund
- Lender finance
- Large addressable market with over 1.2 million SME in Canada

<sup>1</sup>Includes Celernus Pivot assets of ~\$40M

<sup>2</sup>Industry Canada Statistics. [https://www.ic.gc.ca/eic/site/061.nsf/eng/h\\_03126.html](https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03126.html)

# Brightpath Acquisition



- Brightpath acquisition closed August 16, 2022
- An experienced originator and administrator of short duration first and second residential mortgage investments.
- Operates primarily in Ontario and B.C. markets.
- Underwritten and managed over 2,400 mortgages with total historical mortgage values completed in excess of \$490 million to date.
- Licensed with FSCO/FSRA/BCFSA as a mortgage broker and administrator.
- Maintained a historical default rate of less than 1% of invested capital.



# Langhaus Financial Acquisition



- Acquired 78 % of Langhaus on October 3, 2022
- A leading non-bank provider of insurance policy-backed lending solutions to high-net-worth individuals and entrepreneurs throughout Canada.
- Works cooperatively with Canada's major insurance companies and top advisers to design flexible lending programs.
- Experts in structured finance transactions and complex borrower structures that fall outside the typical purview of Canadian banks.
- Decades of expertise operating public and private businesses in the fields of banking, insurance, corporate consulting and financial communications.

# Montfort's Growth Opportunity

## Growth Axis

Private Credit vs. Other Asset Classes

## Scalability

Fastest growing credit investment class;

- a. Growing from 15% of total credit market in 2015 to >30% in 2021<sup>1</sup>
- b. Private credit expected to double again by 2026<sup>1</sup>

## Profitability

Fee earnings are higher than other credit classes.  
Utilize technology to find cost efficiencies.

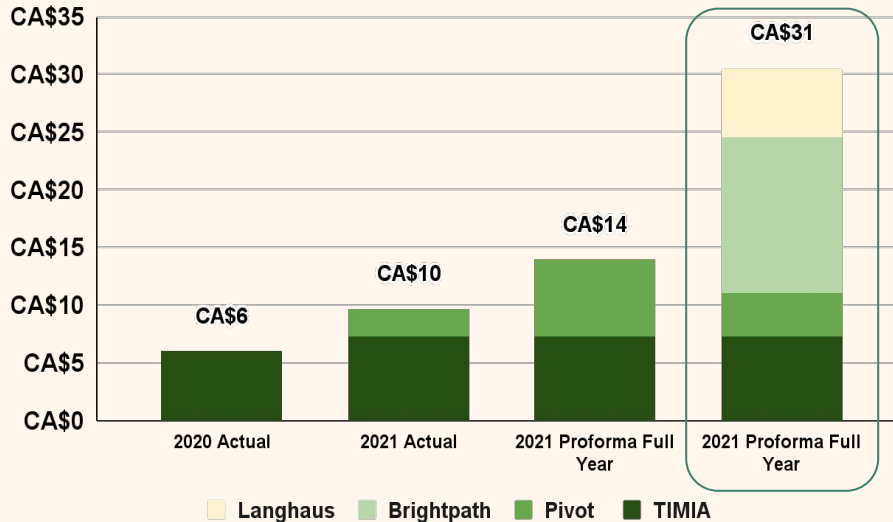
## Uncorrelated Returns

Private credit returns uncorrelated to broader market, increasing appeal of asset class.

<sup>1</sup> Source: Preqin Sept, 2021

# Proforma 2021 Revenue: Post Acquisitions

Consolidated and Actual Proforma Revenue (\$M)<sup>1</sup>



- Pivot Financial acquisition closed September 2021
- Brightpath acquisition August 2022
- Langhaus acquisition October 2022
- Includes a full year of Pivot results
- 2020 & 2021 actual financial results
- Montfort's pro forma revenue was \$31M in 2021 with strong organic growth anticipated for 2022

<sup>1</sup> Proforma presented on the basis of each company's actual full 2021 results added together.

# Management Team



**Michael Walkinshaw**  
CEO / Director



**Andrew Abouchar**  
CFO



**Ken Thomson**  
CSO / Director



**Blake Albright**  
CCO / Director

Montfort's Management has combined **20+ years** in **each** of Private Credit, Private Equity, and Equity Venture Capital, combined with 15 years of public market experience.

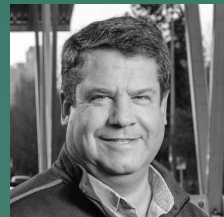
## Board of Directors



**Howard Atkinson**  
Board Chairperson



David Demers



Paul Geyer



Jan Lederman

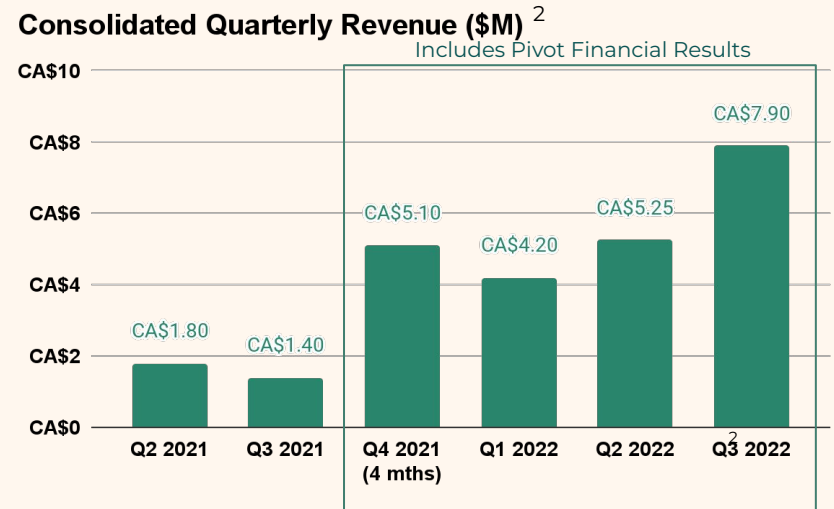
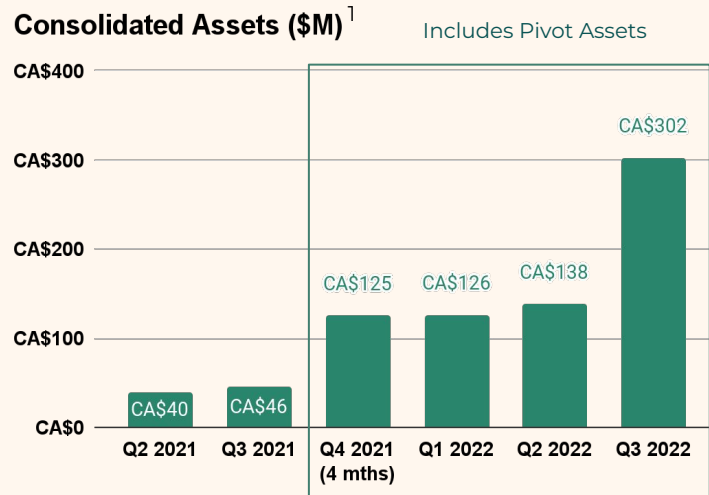


Thealzel Lee



Robert Napoli

# Consolidated Asset and Revenue Growth



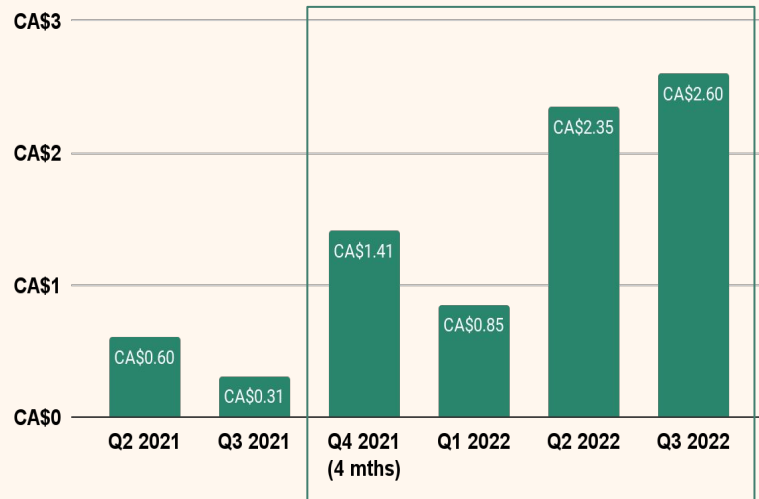
<sup>1</sup> Does not include Celernus Pivot Assets

<sup>2</sup> Q4 2021 had ~ \$500K in gains on exits, Q1 2022 had none, Q2 2022 had ~ \$750K, Q3 had none

# Consolidated Net Income

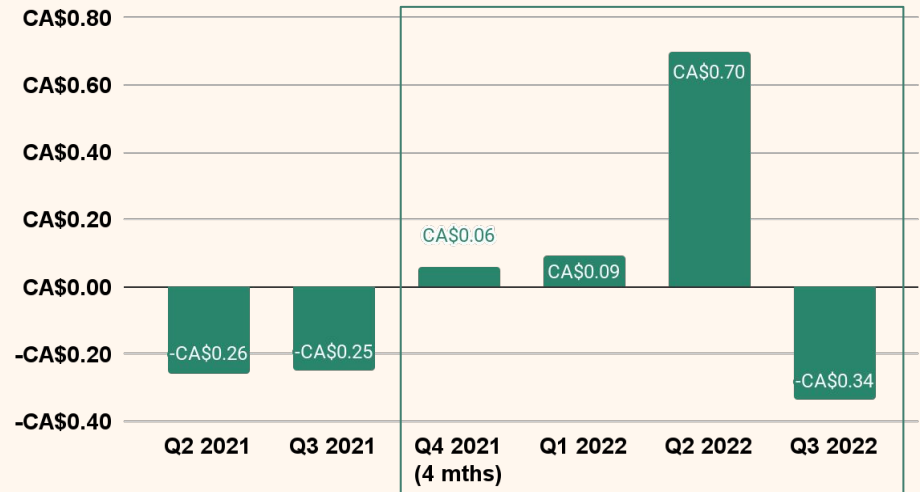
Consolidated Net Income (\$M) <sup>1</sup>

Includes Pivot Assets



Consolidated Net Income for Common Shareholders (\$M) <sup>1</sup>

Includes Pivot Financial Results



<sup>1</sup> Q4 2021 had ~ \$500K in gains on exits, Q1 2022 had none, Q2 2022 had ~ \$750K, Q3 had none

# Capital Structure - (as of October 31, 2022)

Common shares outstanding:

91.5 million total outstanding

100.8 million fully diluted

Market capitalization: ~\$46 million

28.5 million Series A Preferred shares

Common share warrants outstanding: 2.5 million with weighted average @ \$0.50

Common share options outstanding: 6.8 million with weighted average @ \$0.30

Insider ownership: ~55%

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# Investment Highlights

- Deep industry expertise across management: + 40 years of specialty lending
- Proprietary technology: origination platform developed over the past 6 years provides scalability and efficiency for increase in deal flow
- Scalable: Pivot, Brightpath and Langhaus significantly increases assets under management, expands vertical market reach and improves operating leverage
- Accelerating growth: number of deals originated and revenue growth are accelerating





# Contact

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