



FOR IMMEDIATE RELEASE

ATRIUM MORTGAGE INVESTMENT CORPORATION ANNOUNCES YEAR END RESULTS AND SPECIAL DIVIDEND

TORONTO: February 9, 2021 – Atrium Mortgage Investment Corporation (TSX: AI, AI.DB.B, AI.DB.C, AI.DB.D, AI.DB.E) today released its financial results for the year ended December 31, 2020.

Highlights

- **Mortgage portfolio of \$745.3 million, 2.1% increase from prior year**
- **High quality mortgage portfolio**
 - **81.7% of portfolio in first mortgages**
 - **91.4% of portfolio is less than 75% loan to value**
 - **average loan-to-value is 61.0%**
- **Revenues of \$65.0 million**
- **Net income of \$39.2 million**
- **\$0.93 basic and diluted earnings per share for the year ended December 31, 2020**
- **\$0.02 per share special dividend to shareholders of record December 31, 2020**

“We are very pleased with our 2020 results. Our mortgage portfolio grew by 6.5%, or \$45.5 million, in Q4 on the strength of a record dollar volume of new loan originations. Our mortgage portfolio continues to show strong resilience to the economic downturn caused by COVID-19 and we continue to have very little exposure to the hardest hit sectors- retail, hospitality and long-term care/retirement homes. The mortgage portfolio ended the year with an average loan to value of 61.0%. Atrium earned net income of \$39.2 million in 2020, a record for the company, and up 1.6% from the prior year. Earnings per share exceed our total dividends for the year, even after expensing a \$3.8 million loan loss provision in 2020. Atrium increased its aggregate loan loss provision to 1.23% of our mortgage portfolio, which will help protect the balance sheet from the continuing impact of COVID-19 in 2021,” said Rob Goodall, CEO of Atrium. “Lastly, we are in the process of significantly increasing the size of our loan origination team and feel optimistic about our ability to grow our portfolio in 2021.”

Conference call

Interested parties are invited to participate in a conference call with management Wednesday, February 10, 2021 at 4:00 p.m. ET to discuss the results. To participate or listen to the conference call live, please call 1 (888) 241-0551 or (647) 427-3415, conference ID 5157028. For a replay of the conference call (available until February 23, 2021) please call 1 (855) 859-2056, conference ID 5157028.

Results of operations

Atrium ended the year with assets of \$755.3 million, up from \$743.6 million at the end of 2019. Revenues were \$65.0 million, a decrease of 1.7% from the prior year. Net income for 2020 was a record \$39.2 million, an increase of 1.6% from the prior year. Revenues fell slightly as a result of a lower weighted average interest rate in 2020 due to the drop in the Prime Rate in March 2020, coupled with a lower mortgage

portfolio balance in the second quarter of 2020 as we scaled back lending at the beginning of the COVID-19 pandemic. Net income increase as a result of lower interest expenses due to the repayment of convertible debentures and a lower weighted average cost of borrowing on our credit facility in 2020 compared to 2019. These lower interest expenses were offset largely by the higher provision for mortgage losses. Atrium's allowance for mortgage losses at December 31, 2020 totaled \$9.2 million, or 1.23% of the mortgage portfolio.

Basic and diluted earnings per common share were \$0.93 for the year ended December 31, 2020, compared with \$0.97 basic and \$0.96 diluted earnings per common share for the prior year.

Mortgages receivable as at December 31, 2020 were \$739.0 million, an increase of 1.6% from December 31, 2019. During the year ended December 31, 2020, \$271.3 million of mortgage principal was advanced and \$254.7 million was repaid. The weighted average interest rate on the mortgage portfolio at December 31, 2020 was 8.65%, compared to 8.81% at December 31, 2019.

Atrium collected 98% of the mortgage interest due in January, which is in line with historical collection rates.

Financial summary

Consolidated Condensed Statements of Income and Comprehensive Income

	Year ended December 31 2020	Year ended December 31 2019	Year ended December 31 2018
Revenue	\$ 65,019	\$ 66,171	\$ 58,316
Mortgage servicing and management fees	(7,036)	(6,996)	(6,279)
Other expenses	(1,410)	(1,086)	(1,142)
Impairment loss on investment property	-	(806)	-
Provision for mortgage losses	(3,760)	(1,490)	(1,800)
Income before financing costs	52,813	55,793	49,095
Financing costs	(13,625)	(17,225)	(15,326)
Net income and comprehensive income	<u>\$ 39,188</u>	<u>\$ 38,568</u>	<u>\$ 33,769</u>
Basic earnings per share	\$ 0.93	\$ 0.97	\$ 0.95
Diluted earnings per share	\$ 0.93	\$ 0.96	\$ 0.94
Dividends declared	\$ 38,970	\$ 38,314	\$ 33,658
Mortgages receivable, end of year	\$ 739,025	\$ 727,325	\$ 682,721
Total assets, end of year	\$ 755,315	\$ 743,631	\$ 699,750
Shareholders' equity, end of year	\$ 462,887	\$ 455,520	\$ 387,306

Analysis of mortgage portfolio

<u>Property Type</u>	<u>December 31, 2020</u>			<u>December 31, 2019</u>		
	<u>Number</u>	<u>Outstanding amount</u>	<u>% of Portfolio</u>	<u>Number</u>	<u>Outstanding amount</u>	<u>% of Portfolio</u>
(outstanding amounts in 000s)						
Mid-rise residential	25	\$ 199,525	26.8%	23	\$ 177,242	24.3%
Low-rise residential	21	174,362	23.4%	32	216,144	29.6%
High-rise residential	16	170,074	22.8%	13	157,758	21.6%
House and apartment	63	45,522	6.1%	91	66,083	9.1%
Condominium corporation	13	2,165	0.3%	14	2,659	0.4%
Residential portfolio	138	591,648	79.4%	173	619,886	85.0%
Commercial	20	153,666	20.6%	19	109,859	15.0%
Mortgage portfolio	<u>158</u>	<u>\$ 745,314</u>	<u>100.0%</u>	<u>192</u>	<u>\$ 729,745</u>	<u>100.0%</u>

December 31, 2020

<u>Location of underlying property</u>	<u>Number of mortgages</u>	<u>Outstanding amount</u>	<u>Percentage outstanding</u>	<u>Weighted average loan to value</u>	<u>Weighted average interest rate</u>
Greater Toronto Area	119	\$ 548,447	73.6%	63.2%	8.68%
Non-GTA Ontario	21	21,706	2.9%	64.7%	8.32%
British Columbia	16	163,685	22.0%	51.0%	8.57%
Alberta	2	11,476	1.5%	98.5%	8.94%
	<u>158</u>	<u>\$ 745,314</u>	<u>100.0%</u>	<u>61.0%</u>	<u>8.65%</u>

December 31, 2019

<u>Location of underlying property</u>	<u>Number of mortgages</u>	<u>Outstanding amount</u>	<u>Percentage outstanding</u>	<u>Weighted average loan to value</u>	<u>Weighted average interest rate</u>
Greater Toronto Area	153	\$ 509,299	69.8%	64.1%	8.85%
Non-GTA Ontario	20	20,625	2.8%	57.6%	8.33%
British Columbia	15	184,680	25.3%	46.9%	8.77%
Alberta	4	15,141	2.1%	64.0%	8.80%
	<u>192</u>	<u>\$ 729,745</u>	<u>100.0%</u>	<u>59.5%</u>	<u>8.81%</u>

For further information on the financial results, and further analysis of the company's mortgage portfolio, please refer to Atrium's consolidated financial statements and its management's discussion and analysis for the year ended December 31, 2020, available on SEDAR at www.sedar.com, and on the company's website at www.atriummic.com.

About Atrium

Canada's Premier Non-Bank Lender™

Atrium is a non-bank provider of residential and commercial mortgages that lends in major urban centres in Canada where the stability and liquidity of real estate are high. Atrium's objectives are to provide its shareholders with stable and secure dividends and preserve shareholders' equity by lending within conservative risk parameters. Atrium is a Mortgage Investment Corporation (MIC) as defined in the Canada *Income Tax Act*, so is not taxed on income provided that its taxable income is paid to its shareholders in the form of dividends within 90 days after December 31 each year. Such dividends are generally treated by shareholders as interest income, so that each shareholder is in the same position as if the mortgage investments made by the company had been made directly by the shareholder. For further information about Atrium, please refer to regulatory filings available at www.sedar.com or investor information on Atrium's website at www.atriummic.com.

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