



FOR IMMEDIATE RELEASE

**ATRIUM MORTGAGE INVESTMENT CORPORATION
ANNOUNCES SECOND QUARTER RESULTS**

TORONTO: July 29, 2020 – 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 three and six month periods ended June 30, 2020.

Highlights

- **Quarterly revenues of \$16.2 million, down 2.0% from the second quarter of the prior year**
- **Quarterly net income of \$9.8 million, up 1.6% from the second quarter of the prior year**
- **\$0.23 basic and diluted earnings per share for the quarter**
- **\$0.47 basic and diluted earnings per share year-to-date**
- **Mortgage portfolio of \$679.96 million, 6.8% decrease from December 31, 2019**
- **High quality mortgage portfolio**
 - **85.4% of portfolio in first mortgages**
 - **93.9% of portfolio is less than 75% loan to value**
 - **average loan-to-value is 59.0%**

“We are pleased with the second quarter results which exceeded our quarterly dividend, even after taking another \$1.0 million loan loss provision. Atrium now has an aggregate loan loss provision exceeding 1.0% of our mortgage portfolio which will help protect our balance sheet from the impact of COVID 19. The increase in our loan loss provision is consistent with the actions of the major Canadian and US banks. In Q2, we also executed on our strategy to scale back lending in order to increase our liquidity and be in a position to cautiously resume lending as the real estate market emerges from the downturn. As a result, we expect that Q3 will be a more active quarter for new mortgages” said Rob Goodall, CEO of Atrium.

Interested parties are invited to participate in a conference call with management Thursday, July 30, 2020 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 7681038. For a replay of the conference call (available until August 12, 2020) please call 1 (855) 859-2056, conference ID 7681038.

Results of operations

Atrium ended its second quarter of 2020 with assets of \$691.7 million, and revenues of \$16.2 million, a decrease of 2.0% from the second quarter of the prior year. Net income for the second quarter of 2020 was \$9.8 million, an increase of 1.6% from the second quarter of the prior year.

Basic and diluted earnings per common share were \$0.23, for the three month period ended June 30, 2020, compared with \$0.25 basic and \$0.24 diluted earnings per common share for the comparable quarter in the prior year.

Revenue for the six months ended June 30, 2020 was \$33.3 million, an increase of 3.0% from the prior year. Net income for the six months ended June 30, 2020 was \$19.7 million, an increase of 4.1% from the

prior year. Basic and diluted earnings per common share were \$0.47 for the six months ended June 30, 2020, compared with \$0.49 basic and \$0.48 diluted earnings per common share for the six months ended June 30, 2019.

Atrium had \$675.3 million of mortgages receivable as at June 30, 2020, a decrease of 7.1% from December 31, 2019. During the six month period ended June 30, 2020, \$97.1 million of mortgage principal was advanced, and \$140.8 million was repaid.

The weighted average interest rate on the mortgage portfolio at June 30, 2020 was 8.55%, compared to 8.81% at December 31, 2019.

As at July 28, 2020, the company had collected 96% of the mortgage interest due in July, which is in line with historical collection rates.

Financial summary

Interim Consolidated Statements of Income and Comprehensive Income

(Unaudited, 000s, except per share amounts)

	Three months ended		Six months ended	
	June 30		June 30	
	2020	2019	2020	2019
Revenue	\$ 16,241	\$ 16,565	\$ 33,298	\$ 32,343
Mortgage servicing and management fees	(1,700)	(1,757)	(3,477)	(3,437)
Other expenses	(335)	(265)	(684)	(534)
Provision for mortgage losses	(1,000)	(400)	(2,000)	(800)
Income before financing costs	13,206	14,143	27,137	27,572
Financing costs	(3,385)	(4,476)	(7,452)	(8,670)
Net income and comprehensive income	<u>\$ 9,821</u>	<u>\$ 9,667</u>	<u>\$ 19,685</u>	<u>\$ 18,902</u>
Basic earnings per share	\$ 0.23	\$ 0.25	\$ 0.47	\$ 0.49
Diluted earnings per share	\$ 0.23	\$ 0.24	\$ 0.47	\$ 0.48
Dividends declared	\$ 9,536	\$ 8,870	\$ 19,040	\$ 17,518
Mortgages receivable, end of period	\$ 675,339	\$ 733,852	\$ 675,339	\$ 733,852
Total assets, end of period	\$ 691,705	\$ 751,060	\$ 691,705	\$ 751,060
Shareholders' equity, end of period	\$ 463,068	\$ 425,306	\$ 463,068	\$ 425,306

Analysis of mortgage portfolio

<u>Property Type</u>	June 30, 2020			December 31, 2019		
	Number	Outstanding amount	% of Portfolio	Number	Outstanding amount	% of Portfolio
(outstanding amounts in 000s)						
Low-rise residential	28	\$ 190,639	28.0%	32	\$ 216,144	29.6%
High-rise residential	17	170,270	25.0%	15	174,544	23.9%
Mid-rise residential	20	142,668	21.0%	21	160,456	22.0%
House and apartment	74	49,618	7.3%	91	66,083	9.1%
Condominium corporation	14	2,461	0.4%	14	2,659	0.4%
Residential portfolio	153	555,656	81.7%	173	619,886	85.0%
Commercial	20	124,299	18.3%	19	109,859	15.0%
Mortgage portfolio	<u>173</u>	<u>679,955</u>	<u>100.0%</u>	<u>192</u>	<u>729,745</u>	<u>100.0%</u>

June 30, 2020

Location of underlying property	Number of mortgages	Outstanding amount	Percentage outstanding	Weighted average loan to value	Weighted average interest rate
Greater Toronto Area	132	\$ 473,288	69.6%	61.6%	8.52%
Non-GTA Ontario	23	23,475	3.4%	64.4%	8.30%
Alberta	3	15,437	2.3%	76.6%	8.81%
British Columbia	15	167,755	24.7%	49.2%	8.59%
	<u>173</u>	<u>\$ 679,955</u>	<u>100.0%</u>	<u>59.0%</u>	<u>8.55%</u>

December 31, 2019

Location of underlying property	Number of mortgages	Outstanding amount	Percentage outstanding	Weighted average loan to value	Weighted average interest rate
Greater Toronto Area	153	\$ 509,299	69.8%	64.1%	8.85%
Non-GTA Ontario	20	20,625	2.8%	57.6%	8.33%
Alberta	4	15,141	2.1%	64.0%	8.80%
British Columbia	15	184,680	25.3%	46.9%	8.77%
	<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 interim consolidated financial statements and its management's discussion and analysis for the three and six months ended June 30, 2020, available on SEDAR at www.sedar.com, and on the company's website at www.atriummic.com.

Conference call

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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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