



NEWS RELEASE

Mount Logan Capital Inc. Reports September 2022 Interim Results; Declares Shareholder Distribution

TORONTO, November 10, 2022 – Mount Logan Capital Inc. (NEO: MLC) (“Mount Logan,” “our,” “we,” or the “Company”) announces its financial results for the three and nine months ended September 30, 2022. All amounts are stated in United States dollars, unless otherwise indicated.

Business Highlights

- Successfully launched our new retail fund in third quarter 2022 with a niche opportunistic investment strategy, named Opportunistic Credit Interval Fund (“OCIF”).
- Entered a strategic arrangement to provide sub-advisory services to a recently launched fund in the United States that provides credit-related investment opportunities to retail investors, further growing our asset management fee base.
- Closed on an additional reinsurance agreement of up to \$100.0 million of premium of multi-year guaranteed annuities (“MYGA”) policies during the third quarter 2022 and subsequently raised an incremental \$7.5 million in debt to support further growth in our insurance segment.

Financial Results Highlights

Third Quarter 2022 Compared With Third Quarter 2021:

- Basic earnings per share for the three months ended September 30, 2022 was \$0.88, an increase from \$0.03 for the three months ended September 30, 2021.
- Total revenue for the three months ended September 30, 2022 was \$6.4 million in the insurance segment, primarily driven by an improvement in net investment income relative to the prior period, as well as new premium growth from the Company’s reinsurance of MYGA .
- Total revenue for the three months ended September 30, 2022 was \$1.7 million in the asset management segment, a decrease from \$3.2 million or (45)% for the three months ended September 30, 2021, which decrease was due, in part, to our on-going transition away from interest bearing assets held within our asset management segment and focus on growing fee-based revenue streams

Year-to-Date 2022 Compared With Year-to-Date 2021:

- Total revenue for the nine months ended September 30, 2022 was \$6.7 million in the asset management segment, an increase from \$6.3 million or 6.7% for the nine months ended September 30, 2021.
- Total revenue for the nine months ended September 30, 2022 was \$(2.3) million in the insurance segment, primarily driven by mark-to-market movement as a result of increases in market interest rates, partially offset by new premium growth.
- Basic earnings per share for the nine months ended September 30, 2022 was \$0.55, an increase from \$0.03 for the nine months ended September 30, 2021.



For the third quarter ended September 30, 2022, the Company recorded net income of \$19.6 million or \$0.88 per basic earnings per share and \$0.87 per diluted earnings per share.

Ted Goldthorpe, Chief Executive Officer and Chairman of Mount Logan noted, “Despite a challenging market backdrop this quarter, we continued to progress on our business plan. Through the third quarter of 2022, asset management revenues and attributable AUM remain ahead of the prior year. The insurance segment benefited from the higher yield of its investments and a reduction in its reserves during the quarter. We remain focused on growing both the asset management and insurance segments to drive long-term value for our shareholders. We look forward to continuing the progress made as we move into 2023.”

Result of Operations by Segment

The Company considers its business within two operating segments: asset management and insurance.

	Q3 2022	Q2 2022	Change (%)	YTD 2022	YTD 2021	Change (%)
Total revenue						
Asset management	\$ 1,748	\$ 2,340	-25%	\$ 6,706	\$ 6,292	7%
Insurance	6,364	3,413	86%	(2,249)	—	NM
Total expenses						
Asset management	3,010	3,096	-3%	8,925	6,257	43%
Insurance	(14,337)	(6,490)	-121%	(16,761)	—	NM
Net income (loss) before income taxes						
Asset management	(1,262)	(756)	-67%	(2,219)	35	-6440%
Insurance	20,701	9,903	109%	14,512	—	NM

Asset management

Total revenue of \$1.7 million in the third quarter of 2022 represents a decrease of \$0.6 million quarter-over-quarter, partially due to a reduction in interest and dividend income, reduced asset management fees due to a reduction in fees earned from temporary NAV compression, as well as incremental operating costs resulting from the Company’s investment in its growing retail platform. Year-to-date total revenue of \$6.7 million represents an increase of \$0.4 million year-over-year primarily related to the increase in management and servicing fees. Total expenses of \$3.0 million in the third quarter of fiscal 2022 represents a decrease of \$0.1 million quarter-over-quarter primarily related to the decrease in professional fees partially offset by the increase in interest and other credit facility expenses from increased borrowing and the higher interest rate of new borrowings. Year-to-date total expenses of \$8.9 million represents an increase of \$2.6 million year-over-year primarily related to increases in professional fees, acquisition integration costs and interest and credit facility expenses from increased average borrowings. Net loss of \$(1.3) million in the third quarter of fiscal 2022 was primarily driven by the decrease in management and servicing fees.

Insurance

Analysis of the insurance segment to the same period in the prior year is not relevant given the acquisition of Ability Insurance Company closed in the fourth quarter of fiscal 2021.

Total revenue of \$6.4 million in the third quarter of 2022 represents an increase of \$3.0 million quarter-over-quarter. The revenue increase is primarily due to an improvement in net investment income relative to the prior period, as well as new premium growth as a result of the Company’s reinsurance of MYGA. Total expenses of \$(14.3) million and \$(16.8) million for the three months and nine months ended September 30, 2022, respectively, were primarily driven by changes in actuarially determined balances.



Our interim consolidated financial statements for the three and nine months ended September 30, 2022 and related management's discussion and analysis will be available on the Company's website at www.mountlogancapital.ca and on SEDAR (www.sedar.com).

Dividend Declaration

The Board of Directors of the Company (the "Board") declared a cash dividend in the amount of C\$0.02 per common share to be paid on December 21, 2022 to shareholders of record on November 21, 2022. This is the sixteenth consecutive dividend Mount Logan has paid to its shareholders since closing its plan of arrangement in the fourth quarter of fiscal 2018. This dividend is designated by the Company as an eligible dividend for the purpose of the *Income Tax Act* (Canada) and any similar provincial or territorial legislation. An enhanced dividend tax credit applies to eligible dividends paid to Canadian residents.

The declaration and payment by the Company of any future cash dividends, including the amount thereof, will be at the discretion of the Board of Directors of the Company and will depend on, among other things, the financial condition, capital requirements and earnings of the Company.

Outlook for 2022

The Company's financial results in the balance of 2022 are expected to benefit from the addition of new investment advisory agreements that have been entered into during 2022, which have increased our assets under management, and the prior launch of reinsurance of multi-year guaranteed annuity policies in the insurance segment. We continue to assess strategic transactions that will grow our asset management and insurance segments.

Conference Call

We will hold a conference call on Friday, November 11, 2022 at 10:30 a.m. Eastern Time to discuss our third quarter 2022 financial results. Shareholders, prospective shareholders, and analysts are welcome to listen to the call. To join the call, please use the dial-in information below. A recording of the conference call will be available on our Company's website www.mountlogancapital.ca in the Investor Relations section under Events.

Dial-in Toll Free:	1-833-950-0062
International Dial-in Toll Free:	1-929-526-1599
Access Code:	978715

About Mount Logan Capital Inc.

Mount Logan Capital Inc. is an alternative asset management and insurance solutions company that is focused on public and private debt securities in the North American market and the reinsurance of annuity products primarily through its wholly-owned subsidiaries Mount Logan Management LLC and Ability Insurance Company. The Company also actively sources, evaluates, underwrites, manages, monitors and primarily invests in loans, debt securities, and other credit-oriented instruments that present attractive risk-adjusted returns and present low risk of principal impairment through the credit cycle.

Ability is a Nebraska domiciled insurer and reinsurer of long-term care policies acquired by Mount Logan in the fourth quarter of fiscal 2021. Ability is unique in the insurance industry in that its long-term care portfolio's morbidity risk has been largely re-insured to third parties, and Ability is no longer insuring or re-insuring new long-term care risk.



Non-IFRS Financial Measures

This news release makes reference to certain non-IFRS financial measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS financial measures by providing further understanding of the Company's results of operations from management's perspective. The Company's definitions of non-IFRS measures used in this news release may not be the same as the definitions for such measures used by other companies in their reporting. Non-IFRS measures have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company believes that securities analysts, investors and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. The Company's management also uses non-IFRS financial measures in order to facilitate operating performance comparisons from period to period.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements and information within the meaning of applicable securities legislation. Forward-looking statements can be identified by the expressions "seeks", "expects", "believes", "estimates", "will", "target" and similar expressions. The forward-looking statements are not historical facts but reflect the current expectations of the Company regarding future results or events and are based on information currently available to it. Certain material factors and assumptions were applied in providing these forward-looking statements. The forward-looking statements discussed in this release include, but are not limited to, statements relating to the Company's continued transition to an asset management and insurance platform business and the entering into of further strategic transactions to diversify the Company's business and further grow recurring management fee and other income; the Company's plans to focus Ability's business on the reinsurance of annuity products; the Company's business strategy, model, approach and future activities; portfolio composition and size, asset management activities and related income, capital raising activities, future credit opportunities of the Company, portfolio realizations, the protection of stakeholder value and the expansion of the Company's loan portfolio. All forward-looking statements in this press release are qualified by these cautionary statements. The Company believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, the Company can give no assurance that the actual results or developments will be realized by certain specified dates or at all. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including that the Company has a limited operating history with respect to an asset management oriented business model; Ability may not generate recurring asset management fees or strategically benefit the Company as expected; the expected synergies by combining the business of Mount Logan with the business of Ability may not be realized as expected; the risk that the Company may not be successful in integrating the business of Ability without significant use of the Company's resources and management's attention; the risk that Ability may require a significant investment of capital and other resources in order to expand and grow the business; the Company does not have a record of operating an insurance solutions business and is subject to all the risks and uncertainties associated with a broadening of the Company's business and the matters discussed under "Risks Factors" in the most recently filed annual information form and management discussion and analysis for the Company. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances except as required by securities laws. These forward-looking statements are made as of the date of this press release.

This press release is not, and under no circumstances is it to be construed as, a prospectus or an advertisement and the communication of this release is not, and under no circumstances is it to be construed as, an offer to sell or an offer to purchase any securities in the Company or in any fund or other investment vehicle. *This press release is not intended for U.S. persons. The Company's shares are not and will not be registered under the U.S. Securities Act of 1933, as amended,*



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and the Company is not and will not be registered under the U.S. Investment Company Act of 1940 (the “1940 Act”). U.S. persons are not permitted to purchase the Company’s shares absent an applicable exemption from registration under each of these Acts. In addition, the number of investors in the United States, or which are U.S. persons or purchasing for the account or benefit of U.S. persons, will be limited to such number as is required to comply with an available exemption from the registration requirements of the 1940 Act.

For additional information, please contact:

Jason Roos
Chief Financial Officer
Jason.Roos@mountlogancapital.ca

Mount Logan Capital Inc.
365 Bay Street, Suite 800
Toronto, ON M5H 2V1



Consolidated Statement of Financial Position

(in thousands of United States dollars)

As at	September 30, 2022	December 31, 2021
ASSETS		
<i>Asset Management:</i>		
Cash	\$ 6,275	\$ 14,433
Restricted cash	52	135
Due from affiliates	—	—
Investments	26,121	35,209
Intangible assets	21,463	22,060
Other assets	4,685	4,180
Total assets — asset management	58,596	76,017
<i>Insurance:</i>		
Cash and cash equivalents	40,933	29,733
Investments	833,603	881,170
Reinsurance assets	243,959	329,902
Intangible assets	4,707	2,504
Goodwill	55,015	55,015
Other assets	40,761	18,970
Total assets — insurance	1,218,978	1,317,294
Total assets	\$ 1,277,574	\$ 1,393,311
LIABILITIES		
<i>Asset Management</i>		
Due to affiliates	\$ 578	\$ 3,852
Debt obligations	45,996	42,708
Contingent value rights	2,969	4,169
Accrued expenses and other liabilities	1,329	3,916
Total liabilities — asset management	50,872	54,645
<i>Insurance</i>		
Debt obligations	2,250	2,250
Insurance contract liabilities	808,318	942,865
Investment contract liabilities	73,456	—
Funds held under reinsurance contracts	225,343	291,296
Reinsurance liabilities	10,606	10,528
Accrued expenses and other liabilities	10,363	6,421
Total liabilities — insurance	1,130,336	1,253,360
Total liabilities	1,181,208	1,308,005
EQUITY		
Common shares	108,055	108,055
Warrants	1,129	1,129
Contributed surplus	7,240	7,240
Surplus (Deficit)	1,800	(9,260)
Cumulative translation adjustment	(21,858)	(21,858)
Total equity	96,366	85,306
Total liabilities and equity	\$ 1,277,574	\$ 1,393,311



Consolidated Statements of Comprehensive Income (loss)

(in thousands of United States dollars, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
REVENUE				
Asset management				
Management and servicing fees	\$ 980	\$ 1,902	\$ 4,822	\$ 3,052
Interest income	311	795	951	2,254
Dividend income	—	15	276	152
Net gains (losses) from investment activities	457	473	657	834
Total revenue — asset management	1,748	3,185	6,706	6,292
Insurance				
Premium income				
Gross premiums	26,114		74,892	—
Premiums ceded to reinsurers	(16,747)		(50,137)	—
Net premiums	9,367	—	24,755	—
Net investment income	15,527		38,358	
Net gains (losses) from investment activities	(31,596)		(118,166)	
Realized and unrealized gains (losses) on embedded derivative — funds withheld	11,898		48,959	
Other income	1,168		3,845	
Total revenue — insurance	6,364	—	(2,249)	—
Total revenue	8,112	3,185	4,457	6,292
EXPENSES				
Asset management				
Administration fees	358	278	983	822
Transaction costs	—	500	—	1,005
Amortization of intangible assets	199	202	597	588
Interest and other credit facility expenses	867	965	2,394	1,517
General, administrative and other	1,586	1,167	4,951	2,325
Total expenses — asset management	3,010	3,112	8,925	6,257
Insurance				
Policy benefits and claims:				
Gross claims and benefits	24,720		79,521	
Increase (decrease) in insurance contract liabilities	(59,020)		(134,547)	
Increase (decrease) in investment contract liabilities	324		888	
Benefits and expenses ceded to reinsurers	(23,010)		(72,538)	
(Increase) decrease in reinsurance assets	37,728		96,449	
Net policy benefits and claims	(19,258)	—	(30,227)	—
Administration fees	1,745		5,634	
Interest expense	—		56	
Insurance expenses	1,414		3,851	
Other expenses	1,762		3,925	
Total expenses — insurance	(14,337)	—	(16,761)	—
Total expenses	(11,327)	3,112	(7,836)	6,257
Income (loss) before taxes	19,439	73	12,293	35
Income tax (expense) benefit — asset management	149	406	(195)	509
Net income (loss) and comprehensive income (loss)	\$ 19,588	\$ 479	\$ 12,098	\$ 544
Earnings per share				
Basic	\$ 0.88	\$ 0.03	\$ 0.55	\$ 0.03
Diluted	\$ 0.87	\$ 0.02	\$ 0.54	\$ 0.03
Dividends per common share — USD	\$ 0.02	\$ 0.02	\$ 0.05	\$ 0.05
Dividends per common share — CAD	\$ 0.02	\$ 0.02	\$ 0.06	\$ 0.06