

November 8, 2023



MOUNT LOGAN
CAPITAL

Mount Logan Capital Inc. Announces Third Quarter 2023 Financial Results

Successfully Closes Strategic Acquisition, \$0.65 Increase in Basic Earnings per Share Quarter-over-Quarter, Record Quarter for Asset Management Fee Revenues, and Completes \$250 million Multi-Year Guaranteed Annuities (“MYGA”) Reinsurance Obligations

Raises \$17 million of Capital to Support Insurance Segment Growth Activities

Declares Quarterly Distribution of C\$0.02 Per Common Share in the Third Quarter of 2023, Marking the Seventeenth Consecutive Quarter of a Shareholder Distribution

TORONTO, Nov. 08, 2023 (GLOBE NEWSWIRE) -- Mount Logan Capital Inc. (NEO: MLC) (the “Company” or “Mount Logan”) announced today its financial results for the quarter ended September 30, 2023. All amounts are stated in United States dollars, unless otherwise indicated. The financial results have been adjusted for the adoption of IFRS 17 Insurance Contracts (“IFRS 17”) which became effective January 1, 2023. IFRS 17 is effective for years beginning as of January 1, 2023, and has been applied retrospectively with a transition date of January 1, 2022. IFRS 17 does not impact the underlying economics of the business, nor does it impact the Company’s business strategies.

Third Quarter 2023 Highlights

- **On July 5, 2023, completed the previously announced transaction with Ovation Partners, LP (the “Ovation Advisor”) for the management of Ovation’s Alternative Income platform.** The Company completed the transactions under its membership interest and asset purchase agreement (the “Ovation Purchase Agreement”) with the Ovation Advisor, a Texas-based specialty-finance focused asset manager, pursuant to which the Company acquired (collectively, the “Ovation Acquisition”) all of the membership interests of Ovation and certain assets from the Ovation Advisor, pursuant to which ML Management has become the investment advisor to the platform. The Alternative Income platform is focused on investments in commercial lending, real estate lending, consumer finance and litigation finance.
- **Basic Earnings per share (“EPS”)** was \$0.62 for the three months ended September 30, 2023, an increase of \$0.65 from \$(0.03) for the three months ended June 30, 2023. The increase in EPS across basic and adjusted presentation, as discussed below, resulted primarily from a change in net insurance finance expense driven by an increase in market interest rates in the quarter.
- **Adjusted basic EPS** was \$0.68 for the quarter ended September 30, 2023, an increase of \$0.63 from \$0.05 for the three months ended June 30, 2023.

- **Management fees** for the asset management segment were a record \$2.5 million for the quarter ended September 30, 2023, an increase of \$0.4 million from the three months ended June 30, 2023 and \$1.3 million higher when compared to the three months ended September 30, 2022. The increase year-over-year resulted from the Ovation Acquisition in respect of which the Company receives a management fee and incentive fees that commenced in the second quarter of 2023.
- **Total net investment income for the insurance segment of the Company** was \$26.2 million, an increase of \$4.9 million as compared to \$21.3 million for the second quarter of 2023 and an increase of \$10.7 million as compared to \$15.5 million for the third quarter of 2022. The increase is primarily due to the increase in interest rates and the increase in Ability's bond portfolio.
- **Investment contract liabilities, including MYGA products**, had a carrying value¹ of \$168.1 million as of quarter ended September 30, 2023, an increase of \$9.4 million when compared to a carrying value¹ of \$158.7 million as of the quarter ended June 30, 2023. The increase of investment contract liabilities primarily through premium growth through the reinsurance of MYGA helps increase the Company's total working capital and contributes to higher total assets in the insurance segment. As of September 30, 2023, the \$250 million of MYGA coinsurance agreements have been satisfied.
- **Insurance segment raised** \$17 million of capital during the third quarter across a \$12 million surplus note issuance at Ability Insurance Company and an additional \$5 million contribution from a Lind Bridge note issuance. The capital raises help drive growth for the insurance segment across assets and progress us towards our long-term vision for the business.

Subsequent Events

- **Declared a shareholder distribution in the amount of C\$0.02 per common share** for the fourth quarter of 2023, payable on November 30, 2023, to shareholders of record at the close of business on November 20, 2023. This cash dividend marks the seventeenth consecutive quarter of the Company issuing a C\$0.02 distribution to its shareholders. 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.

Management Commentary

- **Ted Goldthorpe, Chief Executive Officer and Chairman of Mount Logan** stated, "Following the close of the third quarter of 2023, we continue to see strong earnings momentum across both the asset management and insurance solutions segments of the Company. For the second straight quarter, both revenue for the asset management segment and net investment income for the insurance solutions segment grew quarter-over-quarter and year-over-year. I also would like to highlight that our Basic earnings per share grew to \$0.62 this quarter, up \$0.65 per share from the second quarter. Ability further progressed on its reinsurance activities of fixed annuities, helping grow total assets of the platform. We also completed the final closing of the Ovation transaction early in the quarter, which will drive incremental fee-related earnings for the business in the future and add further depth and diversification of our specialized credit investment strategies. I am grateful to our team for their tireless work and commitment to the platform and am excited for the opportunity to update our shareholders on additional progress on increasing fee-related earnings, growing assets at the insurance company and capitalizing on the growth opportunities present with our recent acquisitions."

¹Carrying value of fixed annuity products is amortized at a rate that exactly discounts the projected actual cash flows to the net carrying amount of the liability at the date of issue.

Selected Financial Highlights

- **Total revenue for the asset management segment of the Company** was \$3.2 million for the three months ended September 30, 2023, an increase of \$0.2 million as compared with \$3.0 million for the three months ended June 30, 2023, and an increase of \$1.1 million as compared with \$2.1 million for the three months ended September 30, 2022. The increase year-over-year in revenue was largely driven by increased management fees and equity investment earnings.
- **Total revenue for the insurance segment of the Company** for the three months ended September 30, 2023, of \$18.4 million, an increase of \$8.7 million as compared to \$9.7 million for the three months ended June 30, 2023, and an increase of \$27.9 million as compared to \$(9.5) million for the three months ended September 30, 2022. The increase year-over-year is primarily due to increase in interest rate, the increase in Ability's bond portfolio, and a \$32.2 million increase in net gains from investment activities due to increase in market value of CLOs, offset by a \$13.9 million decrease in realized and unrealized losses on embedded derivatives – funds withheld.
- **Reported net income (loss)** available to holders of common shares for the three months ended September 30, 2023, was \$15.9 million. This compares to reported net income (loss) of \$(0.7) million for the three months ended June 30, 2023. This increase in reported and adjusted net income (loss), as discussed below, resulted primarily from an increase in net gains from investment activities in the insurance segment of the Company and an increase in net insurance finance income due to risk-adjusted interest rate changes.
- **Adjusted net income (loss)** available to holders of common shares for the three months ended September 30, 2023, was \$17.3 million. This compares to reported adjusted net income of \$1.1 million for the three months ended June 30, 2023. Adjusted net income (loss) in the current and prior year periods excludes transaction costs, acquisition-related costs (including integration costs), and amortization of acquisition-related intangible assets for the asset management segment and certain market-related impacts and experience-related items for the insurance segment.
- **Fee Related Earnings ("FRE") for the asset management segment of the Company** was \$0.7 million for the three months ended September 30, 2023, a decrease of \$0.4 million as compared to \$1.1 million in the corresponding period in the prior year.
- **Total Capital** as of September 30, 2023, was \$132.0 million, an increase of \$14.0 million from December 31, 2022. Total capital consists of debt obligations and total shareholders' equity.

Results of Operations by Segment

(\$ in Thousands)

	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Reported Results ⁽²⁾					

**Asset
management**

Revenue	\$	3,186	\$	2,996	\$	2,139	\$	8,108	\$	6,694
Expenses		6,868		6,133		3,401		18,841		8,913
Net income (loss) - asset management		(3,682)		(3,137)		(1,262)		(10,733)		(2,219)

Insurance

Revenue ⁽³⁾		18,443		9,667		(9,468)		38,296		(45,224)
Expenses		(1,482)		7,433		(25,220)		41,410		(91,292)
Net income (loss) - insurance		19,925		2,234		15,752		(3,114)		46,068

Income before income taxes		16,243		(903)		14,490		(13,847)		43,849
Provision for income taxes		(331)		248		149		(348)		(195)

Net income

(loss)	\$	15,912	\$	(655)	\$	14,639	\$	(14,195)	\$	43,654
Basic EPS	\$	0.62	\$	(0.03)	\$	0.66	\$	(0.61)	\$	1.97
Diluted EPS	\$	0.61	\$	(0.03)	\$	0.65	\$	(0.61)	\$	1.94

**Adjusting
Items****Asset
management**

Transaction costs ⁽⁴⁾		(872)		(1,278)		—		(2,308)		—
Acquisition integration costs ⁽⁵⁾		(375)		(375)		(375)		(1,125)		(1,375)
Non-cash items ⁽⁶⁾		(139)		(140)		(199)		(419)		(597)
Impact of adjusting items on expenses		(1,386)		(1,793)		(574)		(3,852)		(1,972)

**Adjusted
Results****Asset
management**

Revenue	\$	3,186	\$	2,996	\$	2,139	\$	8,108	\$	6,694
Expenses		5,482		4,340		2,827		14,989		6,941
Net income (loss) - asset management		(2,296)		(1,344)		(688)		(6,881)		(247)
Income before		17,629		890		15,064		(9,995)		45,821

income taxes								
Provision for income taxes		(331)	248		149		(348)	(195)
Net income (loss)	\$	17,298	\$ 1,138	\$	15,213	\$	(10,343)	\$ 45,626
Basic EPS	\$	0.68	\$ 0.05	\$	0.69	\$	(0.44)	\$ 2.06
Diluted EPS	\$	0.67	\$ 0.05	\$	0.68	\$	(0.44)	\$ 2.03

- (2) Certain comparative figures have been reclassified to conform with the current year's presentation, including the reclassification of "Net realized and unrealized gain (loss)" to "Revenue"
- (3) Insurance Revenue line item is presented net of insurance service expenses and net expenses from reinsurance contracts held.
- (4) Transaction costs are related to business acquisitions and strategic initiatives transacted by the Company.
- (5) Acquisition integration costs are consulting and administration services fees related to integrating a business into the Company. Acquisition integration costs are recorded in general, administrative and other expenses.
- (6) Non-cash items include amortization of acquisition-related intangible assets and impairment of goodwill, if any.

Asset Management

Total Revenue – Asset Management

(\$ in Thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Management fee	\$ 2,531	\$ 1,188	\$ 5,914	\$ 3,814
Equity investment earning	221	183	1,141	996
Interest income	274	311	813	951
Dividend income	166	—	331	276
Net gains (losses) from investment activities	(6)	457	(91)	657
Total revenue — asset management	\$ 3,186	\$ 2,139	\$ 8,108	\$ 6,694

Fee Related Earnings ("FRE")

Fee related earnings ("FRE") is a non-IFRS financial measure used to assess the asset management segment's generation of profits from revenues that are measured and received on a recurring basis and are not dependent on future realization events. The Company calculates FRE, and reconciles FRE to net income from its asset management activities, as follows:

(\$ in Thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net income (loss) and comprehensive income (loss)	15,912	14,639	(14,195)	43,654
Adjustment to net income (loss) and comprehensive income (loss):				
Total revenue - insurance ⁽⁷⁾	(18,443)	9,468	(38,296)	45,224
Total expenses - insurance	(1,482)	(25,220)	41,410	(91,292)
Net income - asset management ⁽⁸⁾	(4,013)	(1,113)	(11,081)	(2,414)
<i>Adjustments to non-fee generating asset management business and other recurring revenue stream:</i>				
Management fee from Ability	1,110	607	2,902	1,616
Interest income	—	(37)	—	(138)
Dividend income	(166)	—	(331)	(276)
Net gains (losses) from investment activities	6	(457)	91	(657)
Administration and servicing fees	215	190	702	630
Transaction costs	872	—	2,308	—
Amortization of intangible assets	139	199	419	597
Interest and other credit facility expenses	1,555	867	4,212	2,394
General, administrative and other	1,009	862	4,387	2,697
Fee Related Earnings \$	727	\$ 1,118	\$ 3,609	\$ 4,449

(7) Includes add-back of management fees paid to ML Management.

(8) Represents net income for asset management, as presented in the unaudited Interim Consolidated Statement of Comprehensive Income (Loss).

Insurance

Total Revenue – Insurance

(\$ in Thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Insurance service result	\$ (6,455)	\$ (5,382)	\$ (20,144)	\$ (17,137)
Net investment income	26,233	15,527	67,804	38,358
Net gains (losses) from investment activities	574	(31,596)	4,751	(118,166)
Realized and unrealized gains (losses) on embedded derivative — funds withheld	(2,033)	11,898	(14,396)	48,959
Other income	124	85	281	2,762
Total revenue — net of insurance services expenses and net expenses from reinsurance	\$ 18,443	\$ (9,468)	\$ 38,296	\$ (45,224)

Liquidity and Capital Resources

As of September 30, 2023, the asset management segment of the Company had \$64.6 million (par value) of borrowings outstanding, of which \$32.1 million had a fixed rate and \$32.5 million had a floating rate. This balance was comprised of: 1) \$31.6 million of outstanding borrowings under a credit facility of a wholly-owned subsidiary of the Company, 2) \$15.0 million of seller notes due 2031 relating to the acquisition of Ability, 3) \$13.1 million borrowed by Lind Bridge L.P., a limited partnership of which the Company is, directly and indirectly, the sole limited partner and sole general partner, and of which \$5.05 million is due 2025 and \$8.06 million is due 2029, 4) \$4.0 million of seller notes from the acquisition of certain assets from Capitala Investment Advisors, LLC due 2025, and 5) \$0.8 million of outstanding borrowings under a credit facility of Ovation. Additionally, in the quarter ended September 30, 2023, the insurance segment of the Company had \$14.25 million (par value) of surplus debentures from: 1) Sentinel Security Life Insurance Company, which has a par value of \$2.25 million and matures in the second quarter of 2028, and 2) Pavonia Life Insurance Company of Michigan, which has a par value of \$12.0 million and matures in the fourth quarter of 2032.

Liquid assets, including high-quality assets that are marketable, can be pledged as security for borrowings, and can be converted to cash in a time frame that meets liquidity and funding requirements. As of September 30, 2023, and December 31, 2022, the total liquid assets of the Company were as follows:

(\$ in Thousands)

As at	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 114,853	\$ 65,898
Investments	605,894	692,693
Management fee receivable	2,637	1,385
Receivable for investments sold	21,483	1,249
Accrued interest and dividend receivable	-	16,157
Total liquid assets	\$ 744,867	\$ 777,382

The Company defines working capital as the sum of cash, restricted cash, investments that mature within one year of the reporting date, management fees receivable, receivables for investments sold, accrued interest and dividend receivables, and premium receivables, less the sum of debt obligations, payables for investments purchased, amounts due to affiliates, reinsurance liabilities, and other liabilities that are payable within one year of the reporting date.

As of September 30, 2023, the Company has working capital of \$209.6 million, reflecting current assets of \$248.3 million, offset by current liabilities of \$38.7 million, as compared with working capital of \$232.4 million as at June 30, 2023, reflecting current assets of \$248.3 million, offset by current liabilities of \$15.9 million. The decrease in working capital is primarily driven by maturity of short term investments and reinvestment of funds into long term investments.

Interest Rate Risk

The Company holds certain debt investments with fixed interest rates that exposes it to fair value interest rate risk. The Company also holds debt investments with variable interest rates that exposes it to cash flow interest rate risk and is partially mitigated with those debt investments subject to an interest rate floor. The Company also holds a debt obligation subject to variable interest rates, which partially mitigates it to cash flow interest rate risk.

The following table summarizes the potential annualized impact on net income of hypothetical base rate changes in interest rates on our debt investments and debt obligations assuming a parallel shift in the yield curve, with all other variables remaining constant.

(\$ in Thousands)

As at	September 30, 2023	December 31, 2022
50 basis point increase ⁽¹⁾	\$ (3,554)	\$ (2,843)
50 basis point decrease ⁽¹⁾	3,554	2,843

(1) Losses are presented in brackets and gains are presented as positive numbers.

Actual results may differ significantly from these sensitivity analyzes. As such, the sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors based on the assumptions outlined above.

Conference Call

The Company will hold a conference call on Friday, November 10, 2023, at 12:30 p.m. Eastern Time to discuss the third quarter 2023 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: 1-833-470-1428

International Dial-in: 1-404-975-4839

Access Code: 367148

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 ("ML Management") and Ability Insurance Company ("Ability"), respectively. The Company also earns investment income by investing 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, and minority equity stakes in funds and companies

Ability Insurance is a Nebraska domiciled insurer and reinsurer of long-term care policies and annuity products acquired by Mount Logan in the fourth quarter of fiscal year 2021. Ability is unique in the insurance industry in that its long-term care portfolio's morbidity risk has been largely reinsured to third-parties. Ability is also no longer insuring new long-term care risk and will continue to expand and diversify its business including through the reinsurance of annuity products which commenced in the second quarter of fiscal 2022.

Non-IFRS Financial Measures

This press 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 press 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 and increasing Ability's assets; the Company's plans to focus Ability's business on the reinsurance of annuity products; the expected benefits of combining Mount Logan's and Ovation's platform including an increase in fee-related earnings as a result of the acquisition; 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 including through the Company's minority investments, portfolio realizations, the protection of stakeholder value; the expansion of the Company's loan portfolio; the risk that changes to IFRS, including the adoption of IFRS 17, could have a material impact on the Company's financial results and access to capital; and the expansion of Mount Logan's capabilities. 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, increase its assets 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 continuing to integrate 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; the risk that the expected synergies of the acquisition of Ovation may not be realized as expected; 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, 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.

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MOUNT LOGAN CAPITAL INC.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in thousands of United States dollars, except share and per share amounts)

As at	September 30, 2023	December 31, 2022	January 1, 2022 ⁹
ASSETS			
Asset Management:			
Cash	\$ 3,012	\$ 1,525	\$ 14,433
Restricted cash	53	53	135
Due from affiliates	—	12	—
Investments	27,766	30,605	35,209
Intangible assets	29,332	21,501	22,060
Other assets	6,840	4,792	4,180
Total assets — asset management	67,003	58,488	76,017
Insurance:			
Cash and cash equivalents	111,841	64,373	29,733
Investments in financial assets	964,947	884,627	881,170
Reinsurance contract assets	431,002	455,115	617,618
Intangible assets	2,444	2,444	2,444
Goodwill	55,015	55,015	55,015
Other assets	33,402	24,178	18,251
Total assets — insurance	1,598,651	1,485,752	1,604,231
Total assets	\$ 1,665,654	\$ 1,544,240	\$ 1,680,248
LIABILITIES			
Asset Management			
Due to affiliates	\$ 10,122	\$ 1,110	\$ 3,852
Debt obligations	63,199	53,172	42,708
Contingent value rights	53	3,003	4,169
Accrued expenses and other liabilities	4,195	2,583	3,916
Total liabilities — asset management	77,569	59,868	54,645
Insurance			
Debt obligations	14,250	2,250	2,250
Insurance contract liabilities	1,093,633	1,073,251	1,311,855
Investment contract liabilities	168,104	89,358	—
Funds held under reinsurance contracts	234,823	231,839	291,296
Accrued expenses and other liabilities	22,689	25,404	4,885
Total liabilities — insurance	1,533,499	1,422,102	1,610,286
Total liabilities	1,611,068	1,481,970	1,664,931
EQUITY			

Common shares	115,607	108,055	108,055
Warrants	1,129	1,129	1,129
Contributed surplus	7,240	7,240	7,240
Surplus (Deficit)	(47,532)	(32,296)	(79,249)
Cumulative translation adjustment	(21,858)	(21,858)	(21,858)
Total equity	54,586	62,270	15,317
Total liabilities and equity	\$ 1,665,654	\$ 1,544,240	\$ 1,680,248

(9) Refer to notes 2 and 3 of the Unaudited Consolidated Financial Statements for further discussion.

MOUNT LOGAN CAPITAL INC.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(LOSS)
(in thousands of United States dollars, except share and per share amounts)

	Three months ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
REVENUE				
<i>Asset management</i>				
Management fee	\$ 2,531	\$ 1,188	\$ 5,914	\$ 3,814
Equity investment earning	221	183	1,141	996
Interest income	274	311	813	951
Dividend income	166	—	331	276
Net gains (losses) from investment activities	(6)	457	(91)	657
Total revenue — asset management	3,186	2,139	8,108	6,694
<i>Insurance</i>				
Insurance revenue	21,901	23,905	65,721	71,556
Insurance service expenses	(26,391)	(23,084)	(70,779)	(71,268)
Net expenses from reinsurance contracts held	(1,965)	(6,203)	(15,086)	(17,425)
Insurance service result	(6,455)	(5,382)	(20,144)	(17,137)
Net investment income	26,233	15,527	67,804	38,358
Net gains (losses) from investment activities	574	(31,596)	4,751	(118,166)
Realized and unrealized gains (losses) on embedded derivative — funds withheld	(2,033)	11,898	(14,396)	48,959
Other income	124	85	281	2,762

Total revenue, net of insurance service expenses and net expenses from reinsurance contracts held — insurance	18,443	(9,468)	38,296	(45,224)
Total revenue	21,629	(7,329)	46,404	(38,530)
EXPENSES				
Asset management				
Administration and servicing fees	1,108	749	2,496	971
Transaction costs	872	—	2,308	—
Amortization of intangible assets	139	199	419	597
Interest and other credit facility expenses	1,555	867	4,212	2,394
General, administrative and other	3,194	1,586	9,406	4,951
Total expenses — asset management	6,868	3,401	18,841	8,913
Insurance				
Net insurance finance (income) expenses	(13,432)	(29,811)	9,758	(102,555)
Increase (decrease) in investment contract liabilities	1,986	324	4,400	888
(Increase) decrease in reinsurance assets	6,326	760	15,897	760
General, administrative and other	3,638	3,507	11,355	9,615
Total expenses — insurance	(1,482)	(25,220)	41,410	(91,292)
Total expenses	5,386	(21,819)	60,251	(82,379)
Income (loss) before taxes	16,243	14,490	(13,847)	43,849
Income tax (expense) benefit — asset management	(331)	149	(348)	(195)
Net income (loss) and comprehensive income (loss)	\$ 15,912	\$ 14,639	\$ (14,195)	\$ 43,654
Earnings per share				
Basic	\$ 0.62	\$ 0.66	\$ (0.61)	\$ 1.97
Diluted	\$ 0.61	\$ 0.65	\$ (0.61)	\$ 1.94
Dividends per common share — USD	\$ 0.02	\$ 0.02	\$ 0.04	\$ 0.05

**Dividends per
common share —
CAD**

\$	0.02	\$	0.02	\$	0.06	\$	0.06
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Source: Mount Logan Capital Inc.