

May 15, 2025



**MOUNT LOGAN**  
CAPITAL

## Mount Logan Capital Inc. Announces First Quarter 2025 Financial Results

***Declared quarterly distribution of C\$0.02 per common share in the second quarter of 2025, the twenty-third consecutive quarter of a shareholder distribution***

***Asset management segment generated \$8.1 million in Fee Related Earnings ("FRE") for the trailing twelve months ended March 31, 2025, a 25% increase over the prior year period***

***Generated \$7.8 million of Spread Related Earnings ("SRE") for the trailing twelve months ended March 31, 2025, which reflects 1.3% of spread earnings on Ability's assets***

***During January 2025, the Company announced it entered into a definitive agreement to combine with 180 Degree Capital Corp. (Nasdaq: TURN) in an all-stock transaction. The surviving entity is expected to operate as Mount Logan Capital Inc. ("New Mount Logan") and to be listed on Nasdaq under the symbol MLCI***

***In January 2025, Mount Logan completed its previously announced investment in Runway Growth Capital LLC, a \$1.3 billion private credit asset manager, alongside BC Partners Credit***

*All amounts are stated in United States dollars, unless otherwise indicated*

TORONTO, May 15, 2025 (GLOBE NEWSWIRE) -- Mount Logan Capital Inc. (Cboe Canada: MLC) ("Mount Logan" or the "Company") announced today its financial results for the three months ended March 31, 2025.

### First Quarter 2025 Highlights

- **FRE for the asset management segment** was \$2.2 million for the quarter, an increase of 37% compared to the first quarter of 2024, due to improved economics on the Company's service agreement with Sierra Crest Investment Management over an interval fund, and the decrease in general, administrative and other expenses from the expiry of transition services agreements and other one-time expenses incurred in the first quarter of 2024. FRE for the trailing twelve months was \$8.1 million, an increase of 25% from the comparative trailing twelve-month period, primarily attributable to increases in management fees.
- **Total revenue for the asset management segment of the Company** was \$3.2 million, a decrease of \$0.8 million, or 21%, as compared to the first quarter of 2024. The decrease was driven by a reduction in and normalization of incentive fees associated with a single managed fund in winddown, and an increase in net loss from investment activities, both of which we view as transitory elements. First quarter asset management revenues also exclude \$1.2 million of management fees associated with Mount Logan's management of the assets of Ability Insurance Company ("Ability"), a wholly-owned subsidiary of the Company. Normalized Ability management fees for the first quarter of 2025 were \$1.6 million, excluding one-time expenses, which are not expected to continue throughout the remainder of the year.
- **Total net investment income for the insurance segment** was \$19.0 million for the three months ended March 31, 2025, a decrease of \$2.8 million, or 13%, as compared to the first quarter of 2024, owing to interest expense related to the interest rate swap, decrease in bond yields and decrease in the long term investments portfolio. Excluding the funds withheld assets under reinsurance contracts

and Modco, the insurance segment's net investment income was \$14.5 million, an increase of \$0.4 million, or 3%, as compared to the first quarter of 2024.

- **Achieved 6.9%<sup>1</sup> yield on the insurance investment portfolio** for the quarter ended March 31, 2025. This was impacted by higher investment expense on funds withheld assets under the Modco arrangement. Excluding the funds withheld under reinsurance contracts and Modco, the yield was 8.8%.
- **Ability's total assets managed by Mount Logan** increased to \$645.7 million as of March 31, 2025, an increase of \$28.9 million from first quarter 2024 of \$616.8 million. As of March 31, 2025, the insurance segment included \$1.02 billion in total investment assets, down \$23.0 million, or 2%, from the first quarter of 2024 investment assets of \$1.04 billion. During the quarter, Mount Logan began managing a portion of Ability's modified coinsurance assets with Vista.
- **Book value of the insurance segment** as of March 31, 2025 was \$85.9 million, an increase of \$3.3 million as compared to \$82.6 million for the first quarter of 2024.
- **SRE for the insurance segment** was \$7.8 million for the trailing twelve months ended March 31, 2025, down \$1.7 million from the trailing twelve months ended March 31, 2024 of \$9.5 million, primarily driven by an increase in cost of funds, partially offset by increased net investment income and lower operating expenses. The increase in cost of funds was primarily driven by unfavorable in-force update to the Long Term Care business (Guardian block) of \$1.8 million for the trailing twelve months ended March 31, 2025, while there was a favorable in-force update to the LTC business (Medico block) observed of \$4.8 million for the twelve months ended March 31, 2024.

### Subsequent Events

- **Declared a shareholder distribution in the amount of C\$0.02 per common share** for the quarter ended March 31, 2025, payable on June 2, 2025 to shareholders of record at the close of business on May 27, 2025. This cash dividend marks the twenty-third 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.
- **A preliminary joint proxy statement/prospectus was filed with the United States Securities and Exchange Commission (the "SEC") for the previously announced merger of Mount Logan with 180 Degree Capital Corp. (Nasdaq: TURN) ("180 Degree Capital"),** in an all-stock transaction (the "Business Combination"). The surviving entity is expected to be a Delaware corporation operating as New Mount Logan listed on Nasdaq under the symbol "MLCI". As required under U.S. federal securities laws and related rules and regulations, the joint proxy statement/prospectus included Mount Logan's audited financial statements for the years ended December 31, 2024 and 2023 prepared in accordance with U.S. Generally Accepted Accounting Principles. In connection with the Business Combination, shareholders of Mount Logan will receive proportionate ownership of New Mount Logan determined by reference to Mount Logan's transaction equity value at signing, subject to certain pre-closing adjustments, relative to 180 Degree Capital's Net Asset Value ("NAV") at closing. Shareholders holding approximately 26% of the outstanding shares of Mount Logan and approximately 20% of the outstanding shares of 180 Degree Capital signed voting agreements supporting the Business Combination, and an additional 8% of Mount Logan and 7% of 180 Degree Capital shareholders, respectively, have provided written non-binding indications of support for the Business Combination.
- **Portman Ridge Finance Corporation (Nasdaq: PTMN) and Logan Ridge Finance Corporation (Nasdaq: LRFC) merger remains subject to the receipt of certain shareholder approvals** and the satisfaction of other closing conditions. Mount Logan currently earns management fees from LRFC and has a minority stake in PTMN's manager, Sierra Crest Investment Management.

### Management Commentary

- **Ted Goldthorpe, Chief Executive Officer and Chairman of Mount Logan** stated, "We are pleased to report our first quarter 2025 results, reflecting the continued earnings power of our asset management and insurance platforms. While AUM growth slowed in Q1 2025, consistent with broader macro challenges, we demonstrated our ability to generate strong, positive Fee Related Earnings on the asset management segment, and Spread Related Earnings in the insurance platform, providing a solid foundation for momentum in 2025. Our managed funds demonstrated performance resilience and low volatility as compared to the public credit and equity markets, which

we view as a testament to our focus on private credit assets. Looking ahead, we see ample opportunities to drive AUM growth across our core managed vehicles, enact operational improvements and efficiencies, while also advancing strategic priorities to scale the business through reinvestment across our segments and accretive acquisition opportunities, which includes our recently announced transactions with 180 Degree Capital and Runway, which we believe will be significant catalysts for long-term growth and investment into our business.”

### Selected Financial Highlights

- **Total Capital of the Company** was \$144.9 million as at March 31, 2025, a decrease of \$5.4 million as compared to December 31, 2024. Total capital consists of debt obligations and total shareholders' equity.
- **Consolidated net income (loss) before taxes** was \$(13.7) million for the first quarter of 2025, a decrease of \$26.8 million from \$13.1 million in the first quarter of 2024. The decrease was primarily attributable to the increase in net insurance finance expenses, decrease in net investment income and increase in general, administrative and other expenses under the insurance segment, as well as an increase in corporate transaction costs under the asset management segment related to the Business Combination when compared to the first quarter of 2024.
- **Basic Earnings (loss) per share (“EPS”)** was (\$0.48) for the first quarter of 2025, a decrease of \$0.99 from \$0.51 for the first quarter of 2024.
- **Adjusted basic EPS** was (\$0.29) for the first quarter of 2025, a decrease of \$0.83 from \$0.54 for the first quarter of 2024.

### Results of Operations by Segment

(\$ in Thousands)

|                                              | Three Months Ended |                      |                   |
|----------------------------------------------|--------------------|----------------------|-------------------|
|                                              | March 31,<br>2025  | December<br>31, 2024 | March 31,<br>2024 |
| <b>Reported Results</b>                      |                    |                      |                   |
| <b>Asset management</b>                      |                    |                      |                   |
| Revenue                                      | \$ 3,192           | \$ 4,442             | \$ 4,030          |
| Expenses                                     | 12,578             | 13,440               | 7,615             |
| Net income (loss) - asset management         | (9,386)            | (8,998)              | (3,585)           |
| <b>Insurance</b>                             |                    |                      |                   |
| Revenue <sup>(1)</sup>                       | 18,982             | (622)                | 17,555            |
| Expenses                                     | 23,280             | (16,142)             | 822               |
| Net income (loss) - insurance                | (4,298)            | 15,520               | 16,733            |
| Income before income taxes                   | (13,684)           | 6,522                | 13,148            |
| Provision for income taxes                   | 361                | 37                   | (56)              |
| <b>Net income (loss)</b>                     | <b>\$ (13,323)</b> | <b>\$ 6,559</b>      | <b>\$ 13,092</b>  |
| Basic EPS                                    | \$ (0.48)          | \$ 0.25              | \$ 0.51           |
| Diluted EPS                                  | \$ (0.48)          | \$ 0.23              | \$ 0.50           |
| <b>Adjusting Items</b>                       |                    |                      |                   |
| <b>Asset management</b>                      |                    |                      |                   |
| Transaction costs <sup>(2)</sup>             | (4,545)            | (1,921)              | (251)             |
| Acquisition integration costs <sup>(3)</sup> | —                  | —                    | (250)             |
| Non-cash items <sup>(4)</sup>                | (737)              | (2,940)              | (346)             |
| Impact of adjusting items on expenses        | (5,282)            | (4,861)              | (847)             |
| <b>Adjusted Results</b>                      |                    |                      |                   |
| <b>Asset management</b>                      |                    |                      |                   |
| Revenue                                      | \$ 3,192           | \$ 4,442             | \$ 4,030          |
| Expenses                                     | 7,296              | 8,579                | 6,768             |
| Net income (loss) - asset management         | (4,104)            | (4,137)              | (2,738)           |
| Income before income taxes                   | (8,402)            | 11,383               | 13,995            |
| Provision for income taxes                   | 361                | 37                   | (56)              |

|                          |                   |                  |                  |
|--------------------------|-------------------|------------------|------------------|
| <b>Net income (loss)</b> | <b>\$ (8,041)</b> | <b>\$ 11,420</b> | <b>\$ 13,939</b> |
| Basic EPS                | \$ (0.29)         | \$ 0.44          | \$ 0.54          |
| Diluted EPS              | \$ (0.29)         | \$ 0.40          | \$ 0.54          |

(1) Insurance Revenue line item is presented net of insurance service expenses and net expenses from reinsurance contracts held.

(2) Transaction costs are related to business acquisitions and strategic initiatives transacted by the Company.

(3) 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.

(4) Non-cash items include amortization and impairment of acquisition-related intangible assets and impairment of goodwill, if any.

## Asset Management

### Total Revenue – Asset Management

(\$ in Thousands)

|                                               | <b>Three Months Ended</b> |                       |
|-----------------------------------------------|---------------------------|-----------------------|
|                                               | <b>March 31, 2025</b>     | <b>March 31, 2024</b> |
| Management and incentive fee                  | \$ 2,928                  | \$ 3,494              |
| Equity investment earning                     | 282                       | 224                   |
| Interest income                               | 268                       | 271                   |
| Dividend income                               | 38                        | 112                   |
| Other Income                                  | 299                       | —                     |
| Net gains (losses) from investment activities | (623)                     | (71)                  |
| <b>Total revenue — asset management</b>       | <b>\$ 3,192</b>           | <b>\$ 4,030</b>       |

## Fee Related Earnings (“FRE”)

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)

|                                                                                                        | <b>Three Months Ended</b> |                       |
|--------------------------------------------------------------------------------------------------------|---------------------------|-----------------------|
|                                                                                                        | <b>March 31, 2025</b>     | <b>March 31, 2024</b> |
| <b>Net income (loss) and comprehensive income (loss)</b>                                               | <b>\$ (13,323)</b>        | <b>\$ 13,092</b>      |
| <b>Adjustment to net income (loss) and comprehensive income (loss):</b>                                |                           |                       |
| Total revenue - insurance <sup>(1)</sup>                                                               | (18,982)                  | (17,555)              |
| Total expenses - insurance                                                                             | 23,280                    | 822                   |
| Net income - asset management <sup>(2)</sup>                                                           | (9,025)                   | (3,641)               |
| <i>Adjustments to non-fee generating asset management business and other recurring revenue stream:</i> |                           |                       |
| Management fee from Ability                                                                            | 1,566                     | 1,429                 |
| Interest income                                                                                        | —                         | —                     |
| Dividend income                                                                                        | (39)                      | (112)                 |

|                                                              |                 |                 |
|--------------------------------------------------------------|-----------------|-----------------|
| Net gains (losses) from investment activities <sup>(3)</sup> | 623             | 71              |
| Administration and servicing fees                            | 504             | 366             |
| Transaction costs                                            | 4,545           | 251             |
| Amortization and impairment of intangible assets             | 737             | 346             |
| Interest and other credit facility expenses                  | 1,857           | 1,702           |
| General, administrative and other                            | 1,479           | 1,233           |
| <b>Fee Related Earnings</b>                                  | <b>\$ 2,247</b> | <b>\$ 1,645</b> |

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

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

(3) Includes unrealized gains or losses on the debt warrants.

| (\$ in Thousands)                                                                                      | Trailing Twelve Months Ended |                  |
|--------------------------------------------------------------------------------------------------------|------------------------------|------------------|
|                                                                                                        | March 31, 2025               | March 31, 2024   |
| <b>Net income (loss) and comprehensive income (loss)</b>                                               | <b>\$ (20,826)</b>           | <b>\$ 26,088</b> |
| <b>Adjustment to net income (loss) and comprehensive income (loss):</b>                                |                              |                  |
| Total revenue - insurance <sup>(1)</sup>                                                               | (65,582)                     | (76,512)         |
| Total expenses - insurance                                                                             | 60,979                       | 35,450           |
| Net income - asset management <sup>(2)</sup>                                                           | (25,429)                     | (14,974)         |
| <i>Adjustments to non-fee generating asset management business and other recurring revenue stream:</i> |                              |                  |
| Management fee from Ability                                                                            | 6,162                        | 4,853            |
| Interest income                                                                                        | (1)                          | —                |
| Dividend income                                                                                        | (425)                        | (640)            |
| Net gains (losses) from investment activities <sup>(3)</sup>                                           | 1,995                        | 157              |
| Administration and servicing fees                                                                      | 1,743                        | 1,228            |
| Transaction costs                                                                                      | 6,468                        | 3,814            |
| Amortization and impairment of intangible assets                                                       | 4,369                        | 1,178            |
| Interest and other credit facility expenses                                                            | 8,090                        | 6,425            |
| General, administrative and other                                                                      | 5,177                        | 4,481            |
| <b>Fee Related Earnings</b>                                                                            | <b>\$ 8,149</b>              | <b>\$ 6,522</b>  |

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

(2) Represents net income for asset management, as presented across the interim Consolidated Statements of Comprehensive Income (Loss).

(3) Includes unrealized gains or losses on the debt warrants.

## Insurance

### Total Revenue – Insurance

(\$ in Thousands)

**Three Months Ended**

|                                                                                             | March 31,<br>2025 | March 31,<br>2024 |
|---------------------------------------------------------------------------------------------|-------------------|-------------------|
| Insurance service result                                                                    | \$ (2,197)        | \$ (3,092)        |
| Net investment income                                                                       | 19,004            | 21,804            |
| Net gains (losses) from investment activities                                               | 6,958             | 2,666             |
| Realized and unrealized gains (losses) on embedded derivative — funds withheld              | (4,783)           | (3,829)           |
| Other income                                                                                | —                 | 6                 |
| <b>Total revenue — net of insurance services expenses and net expenses from reinsurance</b> | <b>\$ 18,982</b>  | <b>\$ 17,555</b>  |

### Spread Related Earnings (“SRE”)

The Company uses SRE to assess the performance of the insurance segment, excluding the impact of certain market volatility and other one-time, non-core components of insurance segment income (loss). Excluded items under SRE are investment gains (losses), effects of discount rates and other financial variables on the value of insurance obligations (which is a component of “net insurance finance income/(expense)”), other income and certain general, administrative & other expenses. The Company believes this measure is useful to securityholders as it provides additional insight into the underlying economics of the insurance segment, as further discussed below.

For the insurance segment, SRE equals the sum of (i) the net investment income on the insurance segment’s net invested assets (excluding investment income earned on funds held under reinsurance contracts) less (ii) cost of funds (as described below) and (iii) certain operating expenses.

Cost of funds includes the impact of interest accretion on insurance and investment contract liabilities and amortization of losses recognized for new insurance contracts that are deemed onerous at initial recognition. It also includes experience adjustments which represents the difference between actual and expected cashflows and includes the impact of certain changes to non-financial assumptions.

The Company reconciles SRE to net income (loss) before tax from its insurance segment activities, as follows:

|                                                                         | Three Months Ended |          |             |          |           |            |           |          |
|-------------------------------------------------------------------------|--------------------|----------|-------------|----------|-----------|------------|-----------|----------|
|                                                                         | Q1-2025            | Q4-2024  | Q3-2024     | Q2-2024  | Q1-2024   | Q4-2023    | Q3-2023   | Q2-2023  |
| <b>Net income (loss) and comprehensive income (loss) before tax</b>     | \$ (13,639)        | \$ 6,522 | \$ (17,378) | \$ 3,847 | \$ 13,148 | \$ (1,946) | \$ 16,243 | \$ (903) |
| <b>Adjustment to net income (loss) and comprehensive income (loss):</b> |                    |          |             |          |           |            |           |          |
| Total revenue - asset management (1)                                    | (3,192)            | (4,442)  | (3,826)     | (3,394)  | (4,030)   | (3,723)    | (3,186)   | (2,996)  |
| Total expenses - asset management                                       | 12,533             | 13,440   | 7,481       | 6,651    | 7,615     | 7,839      | 6,868     | 6,133    |
| Net income - insurance (2)                                              | (4,298)            | 15,520   | (13,723)    | 7,104    | 16,733    | 2,170      | 19,925    | 2,234    |

*Adjustments to  
Insurance segment  
business:*

|                                                              |               |                 |                 |                 |                 |                   |                 |               |
|--------------------------------------------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|---------------|
| Management fees to ML Management                             | (1,167)       | (1,167)         | (1,501)         | (1,529)         | (1,429)         | (1,345)           | (1,110)         | (969)         |
| Net (gains) losses from investment activities <sup>(3)</sup> | (5,718)       | 17,681          | (13,267)        | 887             | (2,995)         | (10,116)          | (2,113)         | (1,454)       |
| Other Income <sup>(4)</sup>                                  | —             | —               | —               | —               | —               | (7,353)           | —               | —             |
| Net insurance finance (income)/expense <sup>(5)</sup>        | 12,506        | (28,702)        | 30,940          | (5,442)         | (11,769)        | 14,399            | (17,684)        | (5,275)       |
| Loss on onerous contracts <sup>(6)</sup>                     | (1,548)       | (545)           | (822)           | 945             | 6,884           | 286               | 2,451           | 4,214         |
| General, administrative and other <sup>(7)</sup>             | 600           | 338             | 239             | 464             | 447             | 502               | 1,289           | 1,546         |
| <b>Spread Related Earnings</b>                               | <b>\$ 375</b> | <b>\$ 3,125</b> | <b>\$ 1,866</b> | <b>\$ 2,429</b> | <b>\$ 7,871</b> | <b>\$ (1,457)</b> | <b>\$ 2,758</b> | <b>\$ 296</b> |

(1) Includes add-back of management fees paid by Ability to ML Management.

(2) Represents net income before tax for the insurance segment, as presented in the annual Consolidated Statement of Comprehensive Income (Loss).

(3) Excludes net (gains) losses from investment activities on assets retained by the Company under funds withheld arrangement with Front Street Re and Vista.

(4) Represents non-operating income.

(5) Includes the impact of changes in interest rates and other financials assumptions and excludes interest accretion on insurance contract liabilities and reinsurance contract assets.

(6) Represents the unamortized portion of future interest accretion and ceded commissions paid at the time of issue of new MYGA insurance contracts. Future interest accretion and ceded commissions are amortized over the average duration of MYGA contracts reinsured which aligns with the recognition of insurance service revenue. Loss on onerous contracts are part of Insurance service expense.

(7) Represents certain costs incurred by the insurance segment for purposes of IFRS reporting but not the day to day operations of the insurance company.

The following table presents SRE, the performance measure of the insurance segment:

**(\$ in Thousands)**

|                                                              | <b>Trailing Twelve Months Ended</b> |                       |
|--------------------------------------------------------------|-------------------------------------|-----------------------|
|                                                              | <b>March 31, 2025</b>               | <b>March 31, 2024</b> |
| Fixed Income and other investment income, net <sup>(1)</sup> | \$ 54,342                           | \$ 50,502             |
| Cost of funds                                                | (38,352)                            | (32,318)              |
| <b>Net Investment spread</b>                                 | <b>15,990</b>                       | <b>18,184</b>         |
| Other operating expenses                                     | (8,195)                             | (8,716)               |
| <b>Spread Related Earnings</b>                               | <b>\$ 7,795</b>                     | <b>\$ 9,468</b>       |
| <b>SRE % of Average Net Investments</b>                      | <b>1.3%</b>                         | <b>1.7%</b>           |

(1) Excludes net investment income from investment activities on assets retained by the Company under funds withheld arrangement with Front Street Re and Vista Life and Casualty Reinsurance Company ("Vista").

Spread related earnings ("SRE") was \$7.8 million for the trailing twelve months ended March 31, 2025 compared with \$9.5 million for the trailing twelve months ended March 31, 2024, a decrease of \$1.7 million. SRE decreased year over year due to higher cost of funds, partially offset by increased investment income and lower other operating expenses. Cost of funds increased primarily due to unfavorable impact of \$1.8 million as a result of in-force update to LTC business (Guardian block) whereas the trailing twelve months ended March 31, 2024 had a favorable in-force impact of \$4.8 million to LTC business (Medico block). Investment income increased primarily due to an increase in total insurance investment assets as a result of new multi-year guaranteed annuity ("MYGA") business and improvement in yield across the investment portfolio. Other operating expenses decreased as a result of efforts to reduce overall operating cost.

SRE as a percentage of average net invested assets was 1.3% for the trailing twelve months ended March 31, 2025 compared with 1.7% for the trailing twelve months ended March 31, 2024.

### Liquidity and Capital Resources

As of March 31, 2025, the asset management segment had \$77.8 million (par value) of borrowings outstanding, of which \$33.8 million had a fixed rate and \$44.0 million had a floating rate. As of March 31, 2025, the insurance segment had \$17.3 million (par value) of borrowings outstanding, of which \$14.3 million had a fixed rate and \$3.0 million had a floating rate. 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 March 31, 2025 and December 31, 2024, the total liquid assets of the Company were as follows:

#### (\$ in Thousands)

| As at                                    | March 31,<br>2025 | December 31,<br>2024 |
|------------------------------------------|-------------------|----------------------|
| Cash and cash equivalents                | \$ 125,808        | \$ 85,988            |
| Restricted cash posted as collateral     | 12,526            | 15,716               |
| Investments                              | 609,514           | 639,932              |
| Management fee receivable                | 2,927             | 3,268                |
| Receivable for investments sold          | 23                | 17,045               |
| Accrued interest and dividend receivable | 20,959            | 20,489               |
| Total liquid assets                      | <b>\$ 771,757</b> | <b>\$ 782,438</b>    |

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 at March 31, 2025, the Company had working capital of \$218.8 million, reflecting current assets of \$241.7 million, offset by current liabilities of \$22.9 million, as compared with working capital of \$231.2 million as at December 31, 2024, reflecting current assets of \$245.3 million, offset by current liabilities of \$14.1 million. The decrease in working capital was primarily attributable to the decrease in cash within the asset management business combined with the increase in accrued expenses across asset management and insurance.

### Interest Rate Risk

The Company has obligations to policyholders and other debt obligations that expose it to interest rate risk. The Company also owns debt assets and interest rate swaps that are exposed to interest rate risk. The fair value of these obligations and assets may change if base rate changes in interest rates occur.



The following table summarizes the potential impact on net assets of hypothetical base rate changes in interest rates assuming a parallel shift in the yield curve, with all other variables remaining constant.

| <b>As at</b>                           | <b>March 31,<br/>2025</b> | <b>December<br/>31, 2024</b> |
|----------------------------------------|---------------------------|------------------------------|
| 50 basis point increase <sup>(1)</sup> | \$ (8,836)                | \$ 7,559                     |
| 50 basis point decrease <sup>(1)</sup> | 5,913                     | (18,939)                     |

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

Actual results may differ significantly from this sensitivity analysis. 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, May 16, 2025 at 11:00 a.m. Eastern Time to discuss the first quarter 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](http://www.mountlogancapital.ca) in the 'Investor Relations' section under "Events".

Canada Dial-in Toll Free: 1-833-950-0062

US Dial-in Toll Free: 1-833-470-1428

[International Dial-ins](#)

Access Code: 813165

## 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. Mount Logan 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.

ML Management was organized in 2020 as a Delaware limited liability company and is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended. The primary business of ML Management is to provide investment management services to (i) privately offered investment funds exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act") advised by ML Management, (ii) a non-diversified closed end management investment company that has elected to be regulated as a business development company, (iii) Ability, and (iv) non-diversified closed-end management investment companies registered under the 1940 Act that operate as interval funds. ML Management also acts as the collateral manager to collateralized loan obligations backed by debt obligations and similar assets.

Ability 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 also no longer insuring or re-insuring new long-term care risk.

## 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 about the benefits of the closing of the acquisition of a minority interest in Runway as well as the proposed transaction involving the Company and 180 Degree Capital, including future financial and operating results, the Company's and 180 Degree Capital's plans, objectives, expectations and intentions, the expected timing and likelihood of completion of the proposed transaction, the regulatory environment in which the Company operates, and the results of, or outlook for, the Company's operations or for the Canadian and U.S. economies, 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 potential benefits of combining Mount Logan's and Ovation's platform including an increase in fee-related earnings as a result of the acquisition; the decrease in expenses in the asset management segment; the historical growth in the asset management segment and insurance segment being an indicator for future growth; the growth and scalability of the Company's business 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; the expansion of the Company's loan portfolio; synergies to be achieved by both the Company and Runway through the Company's strategic minority investment in Runway; 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 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; ability to obtain the requisite Company and 180 Degree Capital shareholder approvals, as well as governmental and regulatory approvals required for the proposed transaction with 180 Degree Capital, the risk that an event, change or other circumstance could give rise to the termination of the proposed transaction with 180 Degree Capital, the risk that a condition to closing of the proposed transaction with 180 Degree Capital may not be satisfied, the risk of delays in completing the proposed transaction with 180 Degree Capital, the risk that the businesses of the Company and with 180 Degree Capital will not be integrated successfully, 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.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(in thousands of United States dollars, except share and per share amounts)

| As at                                  | Notes | March 31,<br>2025   | December 31,<br>2024 |
|----------------------------------------|-------|---------------------|----------------------|
| <b>ASSETS</b>                          |       |                     |                      |
| <i><b>Asset Management:</b></i>        |       |                     |                      |
| Cash                                   |       | \$ 2,563            | \$ 8,933             |
| Investments                            | 6     | 25,605              | 21,668               |
| Intangible assets                      | 9     | 24,064              | 24,801               |
| Other assets                           |       | 8,622               | 8,187                |
| <b>Total assets — asset management</b> |       | <b>60,854</b>       | <b>63,589</b>        |
| <i><b>Insurance:</b></i>               |       |                     |                      |
| Cash and cash equivalents              |       | 123,245             | 77,055               |
| Restricted cash posted as collateral   | 18    | 12,526              | 15,716               |
| Investments                            | 6     | 1,019,969           | 1,045,436            |
| Reinsurance contract assets            | 13    | 408,492             | 392,092              |
| Intangible assets                      | 9     | 2,444               | 2,444                |
| Goodwill                               | 9     | 55,015              | 55,015               |
| Other assets                           |       | 21,298              | 38,183               |
| <b>Total assets — insurance</b>        |       | <b>1,642,989</b>    | <b>1,625,941</b>     |
| <b>Total assets</b>                    |       | <b>\$ 1,703,843</b> | <b>\$ 1,689,530</b>  |
| <b>LIABILITIES</b>                     |       |                     |                      |
| <i><b>Asset Management</b></i>         |       |                     |                      |
| Due to affiliates                      | 10    | \$ 8,994            | \$ 10,470            |
| Debt obligations                       | 12    | 78,401              | 78,427               |
| Derivatives - debt warrants            | 12    | 737                 | 504                  |
| Accrued expenses and other liabilities |       | 9,770               | 5,097                |

|                                             |    |                     |                     |
|---------------------------------------------|----|---------------------|---------------------|
| <b>Total liabilities — asset management</b> |    | 97,902              | 94,498              |
| <b>Insurance</b>                            |    |                     |                     |
| Debt obligations                            | 12 | 17,250              | 14,250              |
| Insurance contract liabilities              | 13 | 1,069,625           | 1,048,413           |
| Investment contract liabilities             | 14 | 222,074             | 227,041             |
| Derivatives                                 | 18 | 1,864               | 5,192               |
| Funds held under reinsurance contracts      |    | 238,371             | 239,918             |
| Accrued expenses and other liabilities      |    | 7,856               | 2,995               |
| <b>Total liabilities — insurance</b>        |    | 1,557,040           | 1,537,809           |
| <b>Total liabilities</b>                    |    | 1,654,942           | 1,632,307           |
| <b>EQUITY</b>                               |    |                     |                     |
| Common shares                               | 11 | 121,372             | 116,118             |
| Warrants                                    | 11 | 1,129               | 1,129               |
| Contributed surplus                         |    | 8,063               | 7,917               |
| Surplus (Deficit)                           |    | (59,805)            | (46,083)            |
| Cumulative translation adjustment           |    | (21,858)            | (21,858)            |
| <b>Total equity</b>                         |    | 48,901              | 57,223              |
| <b>Total liabilities and equity</b>         |    | <b>\$ 1,703,843</b> | <b>\$ 1,689,530</b> |

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

|                                                                                                                      |              | <b>Three months ended</b> |                           |
|----------------------------------------------------------------------------------------------------------------------|--------------|---------------------------|---------------------------|
|                                                                                                                      | <b>Notes</b> | <b>March 31,<br/>2025</b> | <b>March 31,<br/>2024</b> |
| <b>REVENUE</b>                                                                                                       |              |                           |                           |
| <b>Asset management</b>                                                                                              |              |                           |                           |
| Management and incentive fee                                                                                         | 7            | \$ 2,928                  | \$ 3,494                  |
| Equity investment earning                                                                                            |              | 282                       | 224                       |
| Interest income                                                                                                      |              | 268                       | 271                       |
| Dividend income                                                                                                      |              | 38                        | 112                       |
| other Income                                                                                                         |              | 299                       |                           |
| Net gains (losses) from investment activities                                                                        | 4            | (623)                     | (71)                      |
| <b>Total revenue — asset management</b>                                                                              |              | <b>3,192</b>              | <b>4,030</b>              |
| <b>Insurance</b>                                                                                                     |              |                           |                           |
| Insurance revenue                                                                                                    | 8            | 23,389                    | 22,741                    |
| Insurance service expenses                                                                                           | 8            | (25,534)                  | (25,184)                  |
| Net expenses from reinsurance contracts held                                                                         | 8            | (52)                      | (649)                     |
| Insurance service result                                                                                             |              | (2,197)                   | (3,092)                   |
| Net investment income                                                                                                | 5            | 19,004                    | 21,804                    |
| Net gains (losses) from investment activities                                                                        | 4            | 6,958                     | 2,666                     |
| Realized and unrealized gains (losses) on embedded derivative — funds withheld                                       |              | (4,783)                   | (3,829)                   |
| Other income                                                                                                         |              | —                         | 6                         |
| <b>Total revenue, net of insurance service expenses and net expenses from reinsurance contracts held — insurance</b> |              | <b>18,982</b>             | <b>17,555</b>             |
| <b>Total revenue</b>                                                                                                 |              | <b>22,174</b>             | <b>21,585</b>             |
| <b>EXPENSES</b>                                                                                                      |              |                           |                           |
| <b>Asset management</b>                                                                                              |              |                           |                           |

|                                                          |    |                    |                  |
|----------------------------------------------------------|----|--------------------|------------------|
| Administration and servicing fees                        | 10 | 1,237              | 1,423            |
| Transaction costs                                        |    | 4,545              | 251              |
| Amortization and impairment of intangible assets         | 9  | 737                | 346              |
| Interest and other credit facility expenses              | 12 | 1,857              | 1,702            |
| General, administrative and other                        |    | 4,202              | 3,893            |
| <b>Total expenses — asset management</b>                 |    | <b>12,578</b>      | <b>7,615</b>     |
| <b>Insurance</b>                                         |    |                    |                  |
| Net insurance finance (income) expenses                  | 5  | 17,808             | (7,252)          |
| Increase (decrease) in investment contract liabilities   | 14 | 1,957              | 2,279            |
| (Increase) decrease in reinsurance contract assets       |    | 966                | 3,556            |
| General, administrative and other                        |    | 2,549              | 2,239            |
| <b>Total expenses — insurance</b>                        |    | <b>23,280</b>      | <b>822</b>       |
| <b>Total expenses</b>                                    |    | <b>35,813</b>      | <b>8,437</b>     |
| <b>Income (loss) before taxes</b>                        |    | <b>(13,684)</b>    | <b>13,148</b>    |
| Income tax (expense) benefit — asset management          | 15 | 361                | (56)             |
| <b>Net income (loss) and comprehensive income (loss)</b> |    | <b>\$ (13,323)</b> | <b>\$ 13,092</b> |
| <b>Earnings per share</b>                                |    |                    |                  |
| Basic                                                    |    | \$ (0.48)          | \$ 0.51          |
| Diluted                                                  |    | \$ (0.48)          | \$ 0.50          |
| <b>Dividends per common share — USD</b>                  |    | <b>\$ 0.01</b>     | <b>\$ 0.02</b>   |
| <b>Dividends per common share — CAD</b>                  |    | <b>\$ 0.02</b>     | <b>\$ 0.02</b>   |

<sup>1</sup>The yield is calculated based on the net investment income less management fees paid to Mount Logan divided by the average of investments in financial assets for the current year and prior year.



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Source: Mount Logan Capital Inc.