

May 13, 2019



**MOUNT LOGAN**  
C A P I T A L

# Mount Logan Capital Inc. Announces First Quarter 2019 Financial Results

TORONTO, May 13, 2019 (GLOBE NEWSWIRE) -- Mount Logan Capital Inc. (NEO: MLC) ("Mount Logan," "our," "we," or the "Company") announces its first quarter 2019 financial results.

## Financial Highlights

- Interest income of \$660 thousand for the three months ended March 31, 2019.
- Adjusted total and comprehensive income was \$861 thousand, or \$0.01 per weighted average share.<sup>1</sup>
- As at March 31, 2019, the Company's portfolio holdings<sup>2</sup> based on Fair Value consisted of 81.5% first lien senior secured loans, 7.2% bonds, and 11.3% related to the Great Lakes Unitranche Joint Venture.
- The Company's net assets totaled \$43.0 million, or a net asset value per share of \$0.53.
- The Company has closed its leverage facility which can be used to enhance investment returns and increase our investment capacity.

Ted Goldthorpe, CEO and Chairman of Mount Logan, noted, "With our investment portfolio growing as our leverage facility is now in place, we are excited by the enhanced return potential of the portfolio. Year to date, we continue to see investments that present attractive risk-adjusted return profiles and see a path to continue to increase book value. We continue to evaluate further options to create value for our shareholders."

## Operating Results

For the three months ended March 31, 2019, the Company reported total investment income of approximately \$660 thousand as compared to approximately \$59 thousand in the same period last year. The increase in income is attributable to the growth in the investment portfolio related to the broadening of the investment strategy post-arrangement, the greater capital resources of the Company from the subscription receipt financings last year, and the Company's senior revolving credit facility which closed in February 2019.

For the three months ended March 31, 2019, total expenses were approximately \$681 thousand, including approximately \$224 thousand in non-recurring transaction and

arrangement costs.

The Company invested approximately \$31.1 million in six new loans in the quarter and funded an incremental \$1.4 million to the Great Lakes Unitranche Joint Venture.

### Portfolio and Investment Activity

The fair value of our portfolio was approximately \$71.4 million as of March 31, 2019<sup>2</sup>. The composition of our investment portfolio at March 31, 2019 and December 31, 2018 at cost and fair value was as follows:

| Security Type                        | March 31, 2019 (unaudited) <sup>3</sup> |                 |                | December 31, 2018 <sup>3</sup> |                 |                |
|--------------------------------------|---|-----------------|----------------|--------------------------------|-----------------|----------------|
|                                      | Amortized Cost                          | Fair Value      | % <sup>3</sup> | Amortized Cost                 | Fair Value      | % <sup>3</sup> |
| First Lien Senior Secured Term Loans | \$58,094                                | \$58,722        | 82 %           | \$19,240                       | \$20,042        | 63 %           |
| Bonds                                | \$5,178                                 | \$5,172         | 7 %            | \$5,178                        | \$5,172         | 16 %           |
| Great Lakes Unitranche Joint Venture | \$8,116                                 | \$8,117         | 11 %           | \$6,677                        | \$6,807         | 21 %           |
| <b>Total</b>                         | <b>\$71,388</b>                         | <b>\$72,011</b> | <b>100 %</b>   | <b>\$31,095</b>                | <b>\$32,021</b> | <b>100 %</b>   |

### Liquidity & Capital Resources

At March 31, 2019, we had total assets of approximately \$109.5 million and stockholders' equity of approximately \$43.0 million. Our net asset value per common share was \$0.53, an increase from \$0.52 since December 31, 2018. As of March 31, 2019, we had approximately \$27.8 million of borrowings outstanding on our revolving senior loan facility, which is contracted to increase in availability up to a maximum of US\$50.0 million in November 2019.

Our quarterly report and management's discussion and analysis can be found on SEDAR ([www.sedar.com](http://www.sedar.com)).

### Conference Call

Our conference call will be held today, Monday, May 13, 2019 at 10:00 a.m. Eastern Time to discuss the financial results for the quarter ended March 31, 2019. Shareholders, prospective shareholders and analysts are welcome to listen to the call. To register for the call and access dial-in information, please visit: <https://bit.ly/2Hbpqrm>.

### About Mount Logan Capital Inc.

Mount Logan Capital Inc. is a Canadian-based asset manager created to source and execute on credit investment opportunities in North America. The Company holds and actively manages and monitors a portfolio of loans and other investments with credit-oriented characteristics. The Company intends to actively source, evaluate, underwrite, monitor, and primarily invest in additional 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.

*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 them. 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 business strategy, model, approach and future activities, future credit opportunities of the Company 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 the matters discussed: (i) under "Risks Factors" in the most recently filed annual information form and MD&A for the Company, and (ii) under the risk factors sections in the management information circular of the Company prepared in connection with the meeting at which the Arrangement was approved by shareholders. 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 should not be construed as, an offer to sell or acquire any securities in any jurisdiction.*

For additional information, contact:

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<sup>1</sup> Excludes non-recurring items including arrangement costs, transaction costs, and unrealized losses on foreign currency.

<sup>2</sup> Excludes the Company's legacy investment in Cline Mining Corporation ("Cline") subject to the Contingent Value Rights.

<sup>3</sup> Represents percentage of total portfolio, excluding Cline, at fair value.



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Source: Mount Logan Capital Inc.