

March 22, 2023



**MOUNT LOGAN**  
CAPITAL

# Mount Logan Capital Inc. Announces Fourth Quarter and Full Year 2022 Financial Results

***Increased Total Revenue in both the Asset Management and Insurance Segments,  
Increased Fee Related Earnings, Signed an Agreement for an Additional Acquisition  
following Year-End 2022***

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

TORONTO, March 22, 2023 (GLOBE NEWSWIRE) -- Mount Logan Capital Inc. (NEO: MLC) (the "Company" or "Mount Logan") announced today its financial results for the fourth quarter and full year ended December 31, 2022. All amounts are stated in United States dollars, unless otherwise indicated.

## Fourth Quarter 2022 Highlights

- **Total revenue for the asset management segment of the Company** of \$2.7 million, an increase of \$1.0 million as compared to \$1.7 million for the third quarter of 2022. This increase is primarily related to increase in management and servicing fees resulting from equity earnings from Opportunistic Credit Interval Fund ("OCIF").
- **Total revenue for the insurance segment of the Company** of \$23.9 million, an increase of \$17.5 million as compared to \$6.4 million for the third quarter of 2022. The increase in total revenue for the insurance segment of the Company is primarily due to the net unrealized capital gains driven by a change in market interest rates when compared to net unrealized capital losses in the prior quarter.
- **Obtained a \$7.5 million loan to support growth** of Ability Insurance company, helping Ability grow investment assets to \$884.6 million, an increase of \$50.0 million as compared to \$833.6 million of investment assets in the third quarter of 2022.
- **Obtained a receipt for its final short form base shelf prospectus filed with the securities commissions or similar authorities in each province of Canada**, enabling the Company to offer and issue up to C\$45 million of common shares, subscription receipts, warrants and units, or any combination thereof.
- **Invested an additional \$4.0 million into OCIF** through the Company's wholly-owned subsidiary Mount Logan Management LLC ("ML Management"). The Company launched and completed a seed investment in OCIF on April 29, 2022, a closed-ended, diversified retail fund with a niche opportunistic investment strategy.

## Full Year 2022 Milestones

- **Fee Related Earnings (“FRE”) for the asset management segment of the Company** was \$5.9 million, an increase of \$1.8 million as compared to \$4.1 million in fiscal 2021.
- **Total revenue for the asset management segment of the Company** was \$9.4 million, an increase of \$0.6 million as compared to \$8.8 million for fiscal 2021. The year-over-year increase is primarily related to the increases seen in management and servicing fees.
- **Fee Related Earnings (“FRE”) for the insurance segment of the Company** was \$14.2 million, an increase of \$15.2 million as compared to (\$1.0) million in fiscal 2021.
- **Total revenue for the insurance segment of the Company** of \$21.6 million, an increase of \$18.8 million as compared to \$2.8 million for fiscal 2021. The comparative increase is largely due to the fact that fiscal year 2021 figures only cover the period from acquisition of Ability by the Company on October 29, 2021 to December 31, 2021.
- **Entered into an asset purchase agreement to acquire the right and interests of Garrison Laurel Funding LP and Garrison Bluebird Funding LP** on January 1, 2022. This transaction, entered alongside ML Management, strategically positions the Company’s platform to grow the assets it manages.
- **Entered a strategic arrangement to provide sub-advisory services to a fund in the United States** on August 17, 2022 that provides credit-related investment opportunities to retail investors, further growing our asset management fee base.
- **Closed on a reinsurance agreement of multi-year guaranteed annuities (“MYGA”) policies** for up to \$150.0 million on April 1, 2022.
- **Closed on an additional reinsurance agreement of MYGA policies** for up to \$100.0 million on July 1, 2022.

## Subsequent Events

- **On January 31, 2023, entered into a membership interest and asset purchase agreement to acquire all of the membership interests of Ovation Fund Management II LLC (“Ovation”) and certain assets from Ovation Partners, LP (the “Ovation Advisor”),** a Texas-based specialty-finance focused asset manager. Pursuant to the agreement, Mount Logan Management would become the investment advisor to the platform, which is focused on investments in commercial lending, real estate lending, consumer finance and litigation finance. In conjunction with the closing of this transaction, which remains subject to the satisfaction of the applicable closing conditions, Mount Logan expects to establish an office in Austin, TX and retain the existing Ovation team, further bolstering its presence in the United States and adding a roster of talented and dedicated professionals to its team.
- **Declared a shareholder distribution in the amount of C\$0.02 per common share** for the first quarter of 2023, payable on April 14, 2023 to shareholders of record at the close of business on April 4, 2023. This cash dividend marks the fourteenth 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, “We are excited about the progress made in 2022 as our strategic positioning of Mount Logan across the asset management and insurance solutions verticals produces results. Revenues in our asset management division were up significantly and improved

performance across our managed portfolios is supporting growth in fee-related earnings despite challenging market conditions. On the insurance solutions side, Ability continued to strengthen its team and infrastructure as we ramped-up reinsurance activities of fixed annuities, growing total assets. We look forward to continuing the progress made into 2023.”

## Selected Financial Highlights

- **Reported net income** available to holders of common shares for fiscal 2022 was \$18.2 million. This compares to reported net income of \$28.7 million for fiscal 2021. This decrease in reported net income reflects the impact of the non-cash change in insurance contract liabilities and reinsurance assets.
- **Adjusted net income** available to holders of common shares for fiscal 2022 was \$12.6 million. This compares to reported net income of \$32.9 million for fiscal 2021. 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. This decrease in adjusted net income reflects the impact of the non-cash change in insurance contract liabilities and reinsurance assets.
- **Reported return on equity ("ROE")** and adjusted ROE was 21% and 15%, respectively, for fiscal 2022, compared with 55% and 63%, respectively, for fiscal 2021. Reported and adjusted ROE decreased in 2022, primarily due to lower net income and non-cash change in insurance contract liabilities and reinsurance assets and higher common equity.
- **Total Capital** for fiscal 2022 was \$159.0 million as compared to \$132.0 for fiscal 2021. Total capital consists of debt obligations and total shareholders' equity.
- **Basic Earnings per share ("EPS")** was \$0.82 for fiscal 2022, a decrease of \$0.73 from \$1.55 for fiscal 2021. The decrease in EPS stats across basic and adjusted presentation is largely due to investing activities including the non-cash change in insurance contract liabilities and reinsurance assets.
- **Adjusted basic EPS** was \$0.57 for fiscal 2022, a decrease of \$1.20 from \$1.77 for fiscal 2021.

## Results of Operations by Segment

(\$ in Thousands)

Years ended December 31

	2022	2021	2020
<b>Reported Results<sup>(1)</sup></b>			
<b>Asset management</b>			
Revenue	\$ 9,419	\$ 8,772	\$ 3,499
Expenses	13,119	11,515	5,157
Net income (loss) - asset management	(3,700)	(2,743)	(1,658)
<b>Insurance</b>			
Revenue	21,641	2,807	—
Expenses	(695)	(30,810)	—
Net income (loss) - insurance	22,336	33,617	—
Income before income taxes	18,636	30,874	(1,658)
Provision for income taxes	(430)	(2,144)	(1,147)
<b>Net income (loss)</b>	<b>18,206</b>	<b>28,730</b>	<b>(2,805)</b>

Basic EPS	\$	0.82	\$	1.55	\$	(0.24)
Diluted EPS	\$	0.81	\$	1.54	\$	(0.24)

### **Adjusting Items**

#### **Asset management**

Transaction costs <sup>(2)</sup>	(185)	(1,977)	(765)
Acquisition integration costs <sup>(3)</sup>	(1,875)	(1,448)	—
Non-cash items <sup>(4)</sup>	(559)	(787)	(95)
Impact of adjusting items on expenses	(2,619)	(4,212)	(860)

#### **Insurance**

Unrealized gain (loss) on investments classified as

FVTPL <sup>(5)</sup>	(46,122)	(356)	—
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Impact of adjusting items on revenue	(46,122)	(356)	—
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Direct impact of interest rates and equity markets on the valuation of insurance contracts	41,029	356	—
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Impacts of investment activity on the valuation of insurance contract liabilities	13,894	34,644	—
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Assumption update	(611)	—	—
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Impact of adjusting items on expenses	54,312	35,000	—
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### **Adjusted Results**

#### **Asset management**

Revenue	\$	9,419	\$	8,772	\$	3,499
Expenses		10,500		7,303		4,297
Net income (loss) - asset management		(1,081)		1,469		(798)

#### **Insurance**

Revenue	67,763	2,807	—
Expenses	53,617	(30,810)	—
Net income (loss) - insurance	14,146	33,617	—
Income before income taxes	13,065	35,086	(798)
Provision for income taxes	(430)	(2,144)	(1,147)
Net income (loss)	12,635	32,942	(1,945)
Basic EPS	\$ 0.57	\$ 1.77	\$ (0.17)
Diluted EPS	\$ 0.56	\$ 1.77	\$ (0.17)

- 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".
- (1) presentation, including the reclassification of "Net realized and unrealized gain (loss)" to "Revenue".
  - (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 of acquisition-related intangible assets and impairment of goodwill, if any.

- (5) Reflects unrealized gains and losses on the investment portfolio during the period, net of investment held as collateral under the funds withheld or modified coinsurance ("Modco") reinsurance agreements. This represents an adjustment made to arrive at a non-IFRS financial measure.

## Asset Management

### Total Revenue – Asset Management

(\$ In Thousands)

Years ended December 31,	2022	2021
Management and servicing fees	\$ 7,196	\$ 4,741
Interest income	1,225	3,179
Dividend income	276	187
Net gains (losses) from investment activities	722	665
<b>Total revenue — asset management</b>	<b>\$ 9,419</b>	<b>\$ 8,772</b>

### 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 Corporation calculates FRE, and reconciles FRE to net income from its asset management activities, as follows:

(\$ in Thousands)

Years ended December 31,	2022	2021
<b>Net income (loss) and comprehensive income (loss)</b>	<b>\$ 18,206</b>	<b>\$ 28,730</b>

### Adjustment to net income (loss) and comprehensive income (loss):

Total revenue - insurance <sup>(1)</sup>	(21,641)	(2,807)
Total expenses - insurance	(695)	(30,810)
Net income - asset management <sup>(2)</sup>	(4,130)	(4,887)
<i>Adjustments to non-fee generating asset management business and other recurring revenue stream:</i>		
Management fee from Ability	2,356	314
Interest income	(138)	(2,164)
Dividend income	(276)	(187)
Net gains (losses) from investment activities	(722)	(665)
Administration fees	782	1,140
Transaction costs	185	1,977
Amortization of intangible assets	559	787
Interest and other credit facility expenses	3,564	2,807
General, administrative and other	3,650	3,229
Income tax (expense) benefit — asset management	29	1,717
<b>Fee Related Earnings</b>	<b>\$ 5,859</b>	<b>\$ 4,068</b>

- (1) Includes add-back of management fees paid to ML Management. On October 29, 2021, the Company completed the acquisition of Ability and ML Management has been engaged as an investment adviser for a portion of Ability's assets.
- (2) Represents net for asset income management operating segment.

## Insurance

### Total Revenue - Insurance

(\$ in Thousands)

Years ended December 31,	2022	2021 <sup>(1)</sup>
Net premiums	\$ 30,632	\$ (2,390)
Net investment income	55,058	6,532
Net gains (losses) from investment activities	(107,581)	(1,811)
Realized and unrealized gains (losses) on embedded derivative — funds withheld	38,575	(637)
Other income	4,957	1,113
<b>Total revenue — insurance</b>	<b>\$ 21,641</b>	<b>\$ 2,807</b>

(1) For the period from October 29, 2021 through December 31, 2021.

### Insurance Core Earnings

Insurance Core Earnings ("Core Earnings") is a non-IFRS financial measure which we use in our insurance segment and which we believe aids investors in better understanding the long-term earnings capacity and valuation of the business. Core Earnings allows investors to focus on the Company's operating performance by excluding the direct impact of changes in interest rates and equity markets, changes in actuarial methods and assumptions as well as a number of other items, outlined below, that we believe are material, but do not reflect the underlying earnings capacity of the business.

(\$ in Thousands)

Years ended December 31,	2022	2021 <sup>(1)</sup>
<b>Net income (loss) and comprehensive income (loss)</b>	<b>\$ 18,206</b>	<b>\$ 28,730</b>

### Adjustment to net income (loss) and comprehensive income (loss):

Total revenue - asset management	(9,419)	(8,772)
Total expenses - asset management	13,119	11,515
Income tax (expense) benefit — asset management	430	2,144
Net income - insurance	22,336	33,617

### Items excluded from Insurance Core Earnings:

#### Market-related impacts:

Unrealized gain (loss) on investments classified as FVTPL <sup>(2)</sup>	(46,122)	(356)
Direct impact of interest rates and equity markets on the valuation of insurance contracts	41,029	356

#### Experience-related items:

Impacts of investment activity on the valuation of insurance contract liabilities	13,894	34,644
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Assumption update	(611)	—
Total items excluded from Core Earnings	8,190	34,644
<b>Insurance Core Earnings</b>	<b>\$ 14,146</b>	<b>\$ (1,027)</b>

- (1) For the period from October 29, 2021 through December 31, 2021.
- (2) Reflects unrealized gains and losses on the investment portfolio during the period, net of investment held as collateral under the funds withheld or Modco reinsurance agreements. This represents an adjustment made to arrive at a non-IFRS financial measure.

Our audited and consolidated financial statements for the three and twelve months ended December 31, 2022 and related management's discussion and analysis will be available on the Company's website at [www.mountlogancapital.ca](http://www.mountlogancapital.ca) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

### Liquidity and Capital Resources

As of December 31, 2022, the asset management segment of the Company had \$56.0 million (par value) of borrowings outstanding, of which \$26.5 million par value had a fixed rate and \$29.5 million par value had a floating rate. This balance was comprised of \$29.5 million of outstanding borrowings under a credit facility of a wholly-owned subsidiary of the Company, \$15.0 million of seller notes due 2031 from the acquisition of Ability, \$7.5 million borrowed by Lind Bridge L.P., a limited partnership of which MLC is, directly and indirectly, the sole limited partner and sole general partner due 2029, and \$4.0 million of seller notes from the acquisition of certain assets from Capitala Investment Advisors, LLC due 2025. Additionally, in both the years ended December 31, 2022 and December 31, 2021, the insurance segment of the Company had \$2.25 million (par value) of surplus debenture from Sentinel Security Life Insurance Company due in 2023.

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 December 31, 2022 and December 31, 2021, the total liquid assets of the Company were as follows:

<b>(\$ in Thousands)</b>		
<b>As at December 31,</b>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 65,898	\$ 44,166
Investments	692,693	787,872
Management fee receivable	1,385	1,179
Receivable for investments sold	1,249	8,320
Accrued interest and dividend receivable	16,157	10,056
<b>Total liquid assets</b>	<b>\$ 777,382</b>	<b>\$ 851,593</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 of December 31, 2022, the Company has working capital of \$155.8 million, reflecting current assets of \$200.6 million, offset by current liabilities of \$44.8 million, as compared with working capital of \$109.1 million as at December 31, 2021, reflecting current assets of \$134.3 million, offset by current liabilities of \$25.2 million. The increase in working capital is primarily driven by increased cash in the insurance segment as a result of premium growth through the reinsurance of MYGA.

## 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 December 31,

	2022	2021
50 basis point increase <sup>(1)</sup>	\$ 4,008	\$ 2,067
50 basis point decrease <sup>(1)</sup>	(4,390)	(2,800)

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

## Conference Call

The Company will hold a conference call on Thursday, March 30, 2023 at 10:00 a.m. Eastern Time to discuss the fourth quarter and full year 2022 financial results. Shareholders, prospective shareholders, and analysts are welcome to listen to the call. To join the call, please use the dial-in information below. A recording of the conference call will be available on our Company's website [www.mountlogancapital.ca](http://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:** 737902

## 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"). The Company also actively sources, evaluates, underwrites, manages, monitors and primarily invests in loans, debt securities, and other credit-oriented instruments that present attractive risk-adjusted returns and present low risk of principal impairment through the credit cycle.



Ability Insurance is a Nebraska domiciled insurer and reinsurer of long-term care policies 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 re-insured to third parties, and Ability is 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 relating to the Company's continued transition to an asset management and insurance platform business and the entering into of further strategic transactions to diversify the Company's business and further grow recurring management fee and other income; the Company's plans to focus Ability's business on the reinsurance of annuity products; the closing of the Ovation Acquisition (as defined below); and statements regarding the Company's plans to establish an office in Austin, Texas following closing of the Ovation Acquisition and to retain the existing Ovation employee team; the Company's business strategy, model, approach and future activities; portfolio composition and size, asset management activities and related income, capital raising activities, future credit opportunities of the Company, portfolio realizations, the protection of stakeholder value and the expansion of the Company's loan portfolio. All forward-looking statements in this press release are qualified by these cautionary statements. The Company believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, the Company can give no assurance that the actual results or developments will be realized by certain specified dates or at all. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including that the Company has a limited operating history with respect to an asset management oriented business model; Ability may not generate recurring asset management fees or strategically benefit the Company as expected; the expected synergies by combining the business of Mount Logan

with the business of Ability may not be realized as expected; the risk that the Company may not be successful in integrating the business of Ability without significant use of the Company's resources and management's attention; the risk that Ability may require a significant investment of capital and other resources in order to expand and grow the business; the Company does not have a record of operating an insurance solutions business and is subject to all the risks and uncertainties associated with a broadening of the Company's business; the risk that the Ovation Acquisition may not be completed 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)

<b>As at</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>ASSETS</b>		
<b><i>Asset Management:</i></b>		
Cash	\$ 1,525	\$ 14,433
Restricted cash	53	135
Due from affiliates	12	—
Investments	30,605	35,209
Intangible assets	21,501	22,060

Other assets	4,792	4,180
<b>Total assets — asset management</b>	<b>58,488</b>	<b>76,017</b>
<b>Insurance:</b>		
Cash and cash equivalents	64,373	29,733
Investments	884,627	881,170
Reinsurance assets	253,522	329,902
Intangible assets	5,490	2,504
Goodwill	55,015	55,015
Other assets	27,357	18,970
<b>Total assets — insurance</b>	<b>1,290,384</b>	<b>1,317,294</b>
<b>Total assets</b>	<b>\$ 1,348,872</b>	<b>\$ 1,393,311</b>
<b>LIABILITIES</b>		
<b>Asset Management</b>		
Due to affiliates	\$ 1,110	\$ 3,852
Debt obligations	53,172	42,708
Contingent value rights	3,003	4,169
Accrued expenses and other liabilities	2,583	3,916
<b>Total liabilities — asset management</b>	<b>59,868</b>	<b>54,645</b>
<b>Insurance</b>		
Debt obligations	2,250	2,250
Insurance contract liabilities	825,940	942,865
Investment contract liabilities	89,358	—
Funds held under reinsurance contracts	231,839	291,296
Reinsurance liabilities	10,380	10,528
Accrued expenses and other liabilities	27,093	6,421
<b>Total liabilities — insurance</b>	<b>1,186,860</b>	<b>1,253,360</b>
<b>Total liabilities</b>	<b>1,246,728</b>	<b>1,308,005</b>
<b>EQUITY</b>		
Common shares	108,055	108,055
Warrants	1,129	1,129
Contributed surplus	7,240	7,240
Surplus (Deficit)	7,578	(9,260)
Cumulative translation adjustment	(21,858)	(21,858)
<b>Total equity</b>	<b>102,144</b>	<b>85,306</b>
<b>Total liabilities and equity</b>	<b>\$ 1,348,872</b>	<b>\$ 1,393,311</b>

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

**Twelve Months Ended**  
**December 31, 2022**      **December 31, 2021**

**REVENUE**

**Asset management**

Management and servicing fees	\$	7,196	\$	4,741
Interest income		1,225		3,179
Dividend income		276		187
Net gains (losses) from investment activities		722		665
<b>Total revenue — asset management</b>		<b>9,419</b>		<b>8,772</b>
<b>Insurance</b>				
Premium income				
Gross premiums		97,119		8,573
Premiums ceded to reinsurers		(66,487)		(10,963)
Net premiums		30,632		(2,390)
Net investment income		55,058		6,532
Net gains (losses) from investment activities		(107,581)		(1,811)
Realized and unrealized gains (losses) on embedded derivative — funds withheld		38,575		(637)
Other income		4,957		1,113
<b>Total revenue — insurance</b>		<b>21,641</b>		<b>2,807</b>
<b>Total revenue</b>		<b>31,060</b>		<b>11,579</b>
<b>EXPENSES</b>				
<b>Asset management</b>				
Administration fees		1,305		1,140
Transaction costs		185		1,977
Amortization of intangible assets		559		787
Interest and other credit facility expenses		3,564		2,807
General, administrative and other		7,506		4,804
<b>Total expenses — asset management</b>		<b>13,119</b>		<b>11,515</b>
<b>Insurance</b>				
Policy benefits and claims:				
Gross claims and benefits		105,977		18,072
Increase (decrease) in insurance contract liabilities		(116,925)		(81,192)
Increase (decrease) in investment contract liabilities		1,274		—
Benefits and expenses ceded to reinsurers		(97,394)		(16,515)
(Increase) decrease in reinsurance assets		88,508		46,451
Net policy benefits and claims		(18,560)		(33,184)
Administration fees		7,555		1,354
Interest expense		113		56
Insurance expenses		5,065		579
Other expenses		5,132		385
<b>Total expenses — insurance</b>		<b>(695)</b>		<b>(30,810)</b>
<b>Total expenses</b>		<b>12,424</b>		<b>(19,295)</b>
<b>Income (loss) before taxes</b>		<b>18,636</b>		<b>30,874</b>
Income tax (expense) benefit — asset management		(430)		(2,144)
<b>Net income (loss) and comprehensive income (loss)</b>	<b>\$</b>	<b>18,206</b>	<b>\$</b>	<b>28,730</b>
<b>Earnings per share</b>				
Basic	\$	0.82	\$	1.55
Diluted	\$	0.81	\$	1.54
<b>Dividends per common share — USD</b>	<b>\$</b>	<b>0.06</b>	<b>\$</b>	<b>0.06</b>

**Dividends per common share — CAD**

\$ 0.08 \$ 0.08



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Source: Mount Logan Capital Inc.