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MOUNT LOGAN
CAPITAL

Mount Logan Capital Inc. Announces Continued Partnership with Specialized Credit Manager. Separately Announces Closing of Debenture Units Offering

In January 2024, CEO Ted Goldthorpe appointed to Marret Asset Management's ("Marret") Board of Directors

Marret is a leading Canadian specialist credit manager with approximately C\$5 billion assets under advisory

Mount Logan purchased a strategic minority stake in Marret during June 2023

Separately, Mount Logan announced completion of opportunistic \$18.8 million debenture units offering

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TORONTO, Jan. 29, 2024 (GLOBE NEWSWIRE) -- Mount Logan Capital Inc. (NEO: MLC) ("Mount Logan," "our," "we," or the "Company") is pleased to announce the appointment of Mount Logan's CEO, Ted Goldthorpe, to Marret's Board of Directors during January 2024. Marret is a prominent Canadian asset manager specializing in global fixed-income investing and alternative strategies on behalf of institutional, high net worth and retail clients. Marret advises total assets of approximately C\$5 billion. In June 2023, Mount Logan purchased a strategic minority stake in Marret from certain minority shareholders.

Separately, Mount Logan today announced the closing of an opportunistic \$18.8 million privately placed debenture units offering through the issuance of 18,752 debenture units ("Debenture Units") on a non-brokered private placement basis (the "Offering"). Each Debenture Unit consists of: (i) one 8.85% paid-in-kind unsecured debenture of the Company in the principal amount of \$1,000, and (ii) 50 common share purchase warrants of the Company, each of which is exercisable to acquire one common share of Mount Logan at a price of C\$2.75 per share. The net proceeds from the Offering will be used for general corporate purposes including the complete refinancing of \$13.6 million of existing indebtedness at Lind Bridge, a wholly-owned subsidiary of Mount Logan, with the balance being used for general corporate purposes, including supporting Mount Logan's working capital position, enabling Mount Logan to focus on its growth initiatives through 2024 and beyond.

Key Commentary

- **Mount Logan acquired a minority stake in Marret in June 2023 from a group of minority shareholders.** There have been no changes following the close of the acquisition to the management team, day-to-day operations, or majority ownership structure. Marret remains majority owned by CI Financial Corp (“CI Financial”), a publicly listed diversified global asset and wealth management company.
- **Since Mount Logan’s investment, Marret and Mount Logan have each benefited from access to broader credit investing skillsets.** Ted Goldthorpe appointed to the Marret Board of Directors in January 2024 following the collaboration among the respective teams throughout 2023.
- **Mount Logan looks forward to working closely with Marret’s best-in-class management team and majority shareholder, CI Financial, to capitalize on the opportunities available in the North American credit markets.**
- **Mount Logan maintains two minority investments in Canadian credit managers** through its July 2021 investment in Crown Private Credit Partners Inc., a Canadian alternative corporate financing business, and the June 2023 minority stake purchase of Marret herein referenced. Mount Logan views each business as highly complementary to its core asset management offering.
- **Additionally, the \$18.8 million capital raise and opportunistic refinancing represents an important milestone for the business as it simplifies Mount Logan’s capital structure at an attractive fixed-rate over the next 8 years.** \$13.6 million of the net proceeds of the Offering will refinance existing indebtedness at Lind Bridge, a wholly owned subsidiary of Mount Logan. Following completion of the Offering and refinancing, Mount Logan will have no outstanding indebtedness at Lind Bridge, which existing indebtedness had previously been raised to support direct growth investment into Ability Insurance Company, Mount Logan’s wholly-owned insurance company. The refinancing has no impact on previous investments in Ability or Ability’s risk-based capital ratios (“RBC”). The balance of the proceeds of the Offering after refinancing existing indebtedness will be used for general corporate purposes, primarily supporting the Company’s working capital position, and paying related transaction fees and expenses.
- **The Offering mentioned herein has no relation to the Marret minority stake purchase nor Ted Goldthorpe’s appointment to Marret’s board of directors and each of these events are separate and distinct.**

Opportunistic Refinancing Details

Mount Logan raised \$18.8 million in aggregate principal amount of debentures. Each Debenture Unit was issued at a price of US\$1,000 and consisted of: (a) one 8.85% unsecured debenture of the Corporation having a principal amount of US\$1,000 (a “Debenture”); and (b) 50 common share purchase warrants (“Warrants”). Each Debenture matures eight (8) years following the closing of the Offering (the “Maturity Date”) and bears interest at a rate of 8.85% per annum from the date of issue, accruing quarterly and compounded annually and payable on the Maturity Date. Each Warrant is exercisable into one common share of the Company at a price of C\$2.75 per share until January 25, 2032, provided that the Warrants are not exercisable prior January 25, 2025.

Management Commentary

- **Ted Goldthorpe, Chief Executive Officer and Chairman of Mount Logan,** said, “A lot of strong momentum to start 2024 for Mount Logan. I am grateful and excited for the opportunity to join the Marret board and help drive value for Marret stakeholders.

Separately, we are pleased to complete the \$18.8 million debenture units offering, which fully refinances our Lind Bridge indebtedness at an attractive fixed rate with an 8-year tenor. The debenture unit offering positions us well to focus on high-priority opportunities for the business across the asset management and insurance solutions landscape.”

- **Roberto Katigbak, Chief Executive Officer at Marret said**, “We are extremely excited by the investment Mount Logan has made into Marret. Mount Logan shares our philosophy of delivering strong risk adjusted returns, and this partnership can create tremendous value for our clients. We view our individual strengths in both private credit and in liquid public fixed income markets to be highly complementary. We look forward to working closely with Mount Logan to expand our businesses while providing truly unique solutions for investors to navigate challenging markets.”
- **Daric Urbanky, Chief Operating Officer and President of CI Financial** added, “CI Financial is excited about Mount Logan’s investment into Marret and Ted’s increased role through his appointment to Marret’s board of directors. We see ample opportunities to grow Marret in the current market and believe Mount Logan’s experience and additional credit capabilities will further reinforce Marret as a best-in-class credit manager.”

About Mount Logan Capital Inc.

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

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

About Marret Asset Management

Marret Asset Management Inc. is a specialist fixed-income manager. With mandates in investment grade credit, short-term cash alternatives, high yield and opportunistic distressed securities, Marret’s focus is on achieving positive absolute returns with emphasis on risk management.

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 business strategy, model, approach and future activities; portfolio composition, size and performance, 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, including through its investment in Marret, synergies to be achieved by both the Company and Marret through their partnership and relationship with CI Financial, any future growth and expansion of each of both the Company and Marret, any change in earnings potential for the Company as a result of any growth of Marret, future fundraising activities of Marret; the business and future activities and prospects of Marret and the Company and the use of proceeds of the Offering. 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 expected synergies of the investment in Marret may not be realized as expected; the risk that each of the Company and Marret may require a significant investment of capital and other resources in order to expand and grow their respective businesses; the Company has a limited operating history with respect to an asset management oriented business model and the matters discussed under "Risk 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 registered under the U.S. Securities Act of 1933, as amended, and the Company is not 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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