

November 7, 2024



MOUNT LOGAN
CAPITAL

Mount Logan Capital Inc. Announces Third Quarter 2024 Financial Results

Generated \$10.7 million of insurance segment Spread Related Earnings ("SRE") for the trailing twelve months ended September 30, 2024, a substantial increase over the prior year period, demonstrating the earnings power of the insurance segment

Solid quarter for the asset management segment, earning \$3.6 million in management and incentive fees, an increase of 41% over the prior year period. Achieved Fee Related Earnings ("FRE") of \$1.6 million for the quarter, up 126% as compared to third quarter 2023, and \$7.5 million for the trailing twelve month period, a 37% increase compared to the prior year period

During October, Mount Logan announced it, alongside BCP Partners Credit, will be acquiring Runway Growth Capital LLC, a \$1.4 billion AUM private credit asset manager. Mount Logan will be participating in the transaction through a minority stake purchase via an issuance of common shares of Mount Logan

TORONTO, Nov. 07, 2024 (GLOBE NEWSWIRE) -- Mount Logan Capital Inc. (Cboe Canada: MLC) ("Mount Logan" or the "Company") announced today its financial results for the quarter ended September 30, 2024. All amounts are stated in United States dollars, unless otherwise indicated.

Third Quarter 2024 Highlights

- **Total revenue for the asset management segment of the Company** of \$3.8 million, an increase of \$0.6 million, or 20%, as compared to the third quarter of 2023. The increase is primarily due to growth in fees attributable to the increase in Opportunistic Credit Interval Fund ("SOFIX"), CLOs and sub-advisory fees. Third quarter asset management revenues exclude \$1.5 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, during the third quarter of 2024. These Ability management fees represent an increase of \$0.4 million, or 35% as compared to third quarter 2023 of \$1.1 million.
- **Total net investment income for the insurance segment** was \$23.7 million for the three months ended September 30, 2024, a decrease of \$2.5 million, or 10%, as compared to the third quarter of 2023, driven primarily by the write-off of \$1.1 million of accrued investment income. Excluding the funds withheld under reinsurance contracts and Modco, insurance segment's net investment income was \$13.5 million, a decrease of \$1.7 million, or 11%, as compared to the third quarter of 2023.
- **8.3%¹ yield on the insurance investment portfolio** as of September 30, 2024, due to ongoing portfolio and capital optimization across the insurance solutions portfolio alongside the benefit of higher base rates. Excluding the funds withheld under reinsurance contracts and Modco, the yield was 8.7%.
- **Ability's total assets managed by Mount Logan** increased to \$628.5 million as of September 30, 2024, up \$218.9 million from third quarter 2023 of \$409.6 million. As of September 30, 2024, the insurance segment included \$1.1 billion in total investment assets, up \$93.8 million or 10% from third quarter 2023 investment assets of \$1.0 billion.
- **Book value of the insurance segment** as of September 30, 2024 was \$73.7 million, an increase of \$8.6 million as compared to \$65.1 million for third quarter 2023, driven by higher insurance net income.
- **SRE for the insurance segment** increased to \$10.7 million for the trailing twelve months ended September 30, 2024, up \$9.7 million from trailing twelve months ended September 30, 2023 of \$1.0 million primarily driven by an increase in net investment income, lower cost of funds and lower operating expenses. SRE is a non-IFRS financial measure used to assess the insurance segment's generation of profits excluding the impact of certain market volatility and other one-time, non-core components of

insurance segment income (loss). The Company believes this measure is useful to shareholders as it provides additional insight into the underlying economics of the insurance segment.

- **FRE for the asset management segment** was \$1.6 million for the three months ended September 30, 2024, an increase of 126% compared to third quarter 2023. FRE was \$7.5 million for the trailing twelve months ended September 30, 2024, an increase of \$2.0 million, or 37%, compared to the trailing twelve months ended September 30, 2023 of \$5.5 million primarily driven by growth in fees across Ability, CLOs, Ovation, SOFIX and sub-advisory fees.
- **Mount Logan announced the hiring of Scott Chan**, previously a Managing Director at Canaccord Genuity, to expand its Canadian and Investor Relations presence.

Subsequent Events

- **Declared a shareholder distribution in the amount of C\$0.02 per common share** for the quarter ended September 30, 2024, payable on November 29, 2024 to shareholders of record at the close of business on November 22, 2024. This cash dividend marks the twenty-first 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.
- **Announced Mount Logan has agreed to purchase a minority stake in Runway Growth Capital LLC ("Runway")**, an SEC registered investment adviser, managing approximately \$1.4 billion in private credit assets. Mount Logan is acquiring the minority stake alongside BC Partners Credit, who is acquiring the majority stake in the platform. There will be no change to Runway's management team or day-to-day operations following close of the transaction. The closing of the transaction, which is expected to occur in the fourth quarter of 2024, is subject to customary closing conditions, including approval of the new investment advisory agreement with Runway by Runway Growth Finance's stockholders and the approval of the Cboe for the issuance of common shares of the Company to the selling members of Runway.

Management Commentary

- **Ted Goldthorpe, Chief Executive Officer and Chairman of Mount Logan** stated, "We are excited to announce our third quarter 2024 results, which demonstrate the earnings power of both our asset management and insurance segments. Fee Related Earnings, or FRE, of the asset management segment was up significantly year-over-year and highlights the growing profitability of our asset management business. Additionally, our Spread Related Earnings, or SRE, highlights the continued profitability of our insurance segment. The integration of our businesses and focus on profitability are driving consistent improvements in operating performance, while we focus on creating scale through organic and inorganic growth initiatives, which includes the recent Runway announcement."

¹The yield is calculated based on the net investment income excluding reinsured portfolio income less management fees paid to Mount Logan divided by the average of investments in financial assets for the current and prior period, and then is annualized.

Selected Financial Highlights

- **Total Capital of the Company** was \$132 million as at September 30, 2024, an increase of \$2.1 million as compared to December 31, 2023. Total capital consists of debt obligations and total shareholders' equity.
- **Consolidated net income (loss) before taxes** was \$(17.4 million) for the three months ended September 30, 2024, a decrease of \$33.6 million from \$16.2 million for third quarter 2023. The decrease was primarily attributable to the increase in net insurance finance expenses resulting from significant decreases in risk-adjusted market interest rates. This decrease was partially offset by revenue growth in both asset management and insurance segments. Asset management revenue increased due to higher management fees, and improvement in insurance segment revenue resulting from better insurance service results and higher net gains from investment activities. Additionally, the decrease was also offset by reduced administrative expenses under the Insurance segment.
- **Basic Earnings per share ("EPS")** was \$(0.68) for the three months ended September 30, 2024, a decrease of \$1.30 from \$0.62 for the third quarter 2023.

- **Adjusted basic EPS** was \$(0.67) for the third quarter 2024, a decrease of \$1.35 from \$0.68 for the third quarter 2023.

Results of Operations by Segment

(\$ in Thousands)

	Three Months Ended			Nine Months Ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Reported Results ⁽¹⁾					
Asset management					
Revenue	\$ 3,826	\$ 3,394	\$ 3,186	\$ 11,250	\$ 8,108
Expenses	7,481	6,651	6,868	21,747	18,841
Net income (loss) - asset management	(3,655)	(3,257)	(3,682)	(10,497)	(10,733)
Insurance					
Revenue ⁽²⁾	31,476	15,746	18,443	64,777	38,296
Expenses	45,199	8,642	(1,482)	54,663	41,410
Net income (loss) - insurance	(13,723)	7,104	19,925	10,114	(3,114)
Income before income taxes	(17,378)	3,847	16,243	(383)	(13,847)
Provision for income taxes	(266)	(265)	(331)	(587)	(348)
Net income (loss)	\$ (17,644)	\$ 3,582	\$ 15,912	\$ (970)	\$ (14,195)
Basic EPS	\$ (0.68)	\$ 0.14	\$ 0.62	\$ (0.04)	\$ (0.61)
Diluted EPS	\$ (0.68)	\$ 0.14	\$ 0.61	\$ (0.04)	\$ (0.61)
Adjusting Items					
Asset management					
Transaction costs ⁽³⁾	(2)	—	(872)	(253)	(2,308)
Acquisition integration costs ⁽⁴⁾	—	—	(375)	(250)	(1,125)
Non-cash items ⁽⁵⁾	(346)	(346)	(139)	(1,038)	(419)
Impact of adjusting items on expenses	(348)	(346)	(1,386)	(1,541)	(3,852)
Adjusted Results					
Asset management					
Revenue	\$ 3,826	\$ 3,394	\$ 3,186	\$ 11,250	\$ 8,108
Expenses	7,133	6,305	5,482	20,206	14,989
Net income (loss) - asset management	(3,307)	(2,911)	(2,296)	(8,956)	(6,881)
Income before income taxes	(17,030)	4,193	17,629	1,158	(9,995)
Provision for income taxes	(266)	(265)	(331)	(587)	(348)
Net income (loss)	\$ (17,296)	\$ 3,928	\$ 17,298	\$ 571	\$ (10,343)
Basic EPS	\$ (0.67)	\$ 0.15	\$ 0.68	\$ 0.02	\$ (0.44)
Diluted EPS	\$ (0.67)	\$ 0.15	\$ 0.67	\$ 0.02	\$ (0.44)

(1) 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"

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

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

(4) 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.

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

Asset Management

Total Revenue – Asset Management

(\$ in Thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Management and incentive fee	\$ 3,576	\$ 2,531	\$ 10,902	\$ 5,914
Equity investment earning	74	221	241	1,141
Interest income	274	274	817	813
Dividend income	71	166	296	331
Net gains (losses) from investment activities	(169)	(6)	(1,006)	(91)
Total revenue — asset management	\$ 3,826	\$ 3,186	\$ 11,250	\$ 8,108

Quarter Ended 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)

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net income (loss) and comprehensive income (loss)	\$ (17,644)	\$ 15,912	\$ (970)	\$ (14,195)
Adjustment to net income (loss) and comprehensive income (loss):				
Total revenue - insurance ⁽¹⁾	(31,476)	(18,443)	(64,777)	(38,296)
Total expenses - insurance	45,199	(1,482)	54,663	41,410
Net income - asset management ⁽²⁾	(3,921)	(4,013)	\$ (11,084)	\$ (11,081)
<i>Adjustments to non-fee generating asset management business and other recurring revenue stream:</i>				
Management fee from Ability	1,501	1,110	4,459	2,902
Interest income	—	—	(1)	—
Dividend income	(71)	(166)	(296)	(331)
Net gains (losses) from investment activities	169	6	1,006	91
Administration and servicing fees	451	215	1,246	702
Transaction costs	2	872	253	2,308
Amortization of intangible assets	346	139	1,038	419
Interest and other credit facility expenses	1,664	1,555	5,027	4,212
General, administrative and other	1,501	1,009	3,239	4,387
Fee Related Earnings	\$ 1,642	\$ 727	\$ 4,887	\$ 3,609

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

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

The following table presents FRE, the performance measure of our asset management segment for the trailing twelve month period ended September 30, 2024 and September 30, 2023 respectively:

Trailing Twelve Month FRE

(\$ in Thousands)

	Trailing Twelve Months Ended	
	September 30, 2024	September 30, 2023
Net income (loss) and comprehensive income (loss)	\$ (3,231)	\$ (9,528)
Adjustment to net income (loss) and comprehensive income (loss):		
Total revenue - insurance ⁽¹⁾	(95,624)	(55,702)
Total expenses - insurance	83,340	52,434
Net income - asset management ⁽²⁾	(15,515)	(12,796)
<i>Adjustments to non-fee generating asset management business and other recurring revenue stream:</i>		
Management fee from Ability	5,804	3,642
Interest income	(1)	—
Dividend income	(549)	(331)
Net gains (losses) from investment activities	1,104	25
Administration and servicing fees	1,580	853
Transaction costs	1,666	2,493
Amortization of intangible assets	1,591	381
Interest and other credit facility expenses	6,792	5,382
General, administrative and other	5,057	5,855
Fee Related Earnings	\$ 7,529	\$ 5,504

(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).

Insurance

IFRS 17 Insurance Contracts ("IFRS 17") is effective for years beginning as of January 1, 2023, and has been applied retrospectively with a transition date of January 1, 2022. IFRS 17 does not impact the underlying economics of the business, nor does it impact the Company's business strategies.

Total Revenue – Insurance

(\$ in Thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Insurance service result	\$ (1,428)	\$ (6,455)	\$ (6,950)	\$ (20,144)
Net investment income	23,704	26,233	68,996	67,804
Net gains (losses) from investment activities	19,976	574	21,107	4,751
Realized and unrealized gains (losses) on embedded derivative — funds withheld	(10,786)	(2,033)	(18,392)	(14,396)

Other income	10	124	16	281
Total revenue — net of insurance services expenses and net expenses from reinsurance	\$ 31,476	\$ 18,443	\$ 64,777	\$ 38,296

Spread Related Earnings (“SRE”)

Effective March 31, 2024, the Company has introduced a new non-IFRS measure, 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								
	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023	Q2-2023	Q1-2023	Q4-2022	Q3-2022
Net income (loss) and comprehensive income (loss) before tax	\$ (17,379)	\$ 3,847	\$ 13,148	\$ (1,946)	\$ 16,243	\$ (903)	\$ (29,187)	\$ 4,901	\$ 14,490
Adjustment to net income (loss) and comprehensive income (loss):									
Total revenue - asset management (1)	(3,826)	(3,394)	(4,030)	(3,723)	(3,186)	(2,996)	(1,926)	(2,651)	(2,139)
Total expenses - asset management	7,482	6,651	7,615	7,839	6,868	6,133	5,840	4,132	3,401
Net income - insurance (2)	(13,723)	7,104	16,733	2,170	19,925	2,234	(25,273)	6,382	15,752
Adjustments to Insurance segment business:									
Management fees to ML Management	(1,501)	(1,529)	(1,429)	(1,345)	(1,110)	(969)	(823)	(740)	(607)
Net (gains) losses from investment activities(3)	(13,267)	887	(2,995)	(10,116)	(2,113)	(1,454)	1,493	(3,418)	12,439
Other Income(4)	—	—	—	(7,353)	—	—	—	—	—

Net insurance finance (income)/expense ⁽⁵⁾	30,940	(5,442)	(11,769)	14,399	(17,684)	(5,275)	20,650	(924)	(31,286)
Loss on onerous contracts ⁽⁶⁾	(822)	945	6,884	286	2,451	4,214	490	—	—
General, administrative and other ⁽⁷⁾	239	464	447	502	1,289	1,546	144	—	—
Spread Related Earnings	\$ 1,866	\$ 2,429	\$ 7,871	\$ (1,457)	\$ 2,758	\$ 296	\$ (3,319)	\$ 1,300	\$ (3,702)

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

(2) Represents net income for insurance segment, as presented in the Interim 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)

	Trailing Twelve Months Ended	
	September 30, 2024	September 30, 2023
Fixed Income and other investment income, net ⁽¹⁾	\$ 50,431	\$ 45,106
Cost of funds	(30,402)	(32,885)
Net Investment spread	20,029	12,220
Other operating expenses	(9,320)	(11,186)
Spread Related Earnings	\$ 10,709	\$ 1,035
SRE % of Average Net Investments	1.8 %	0.2 %

(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 \$10.7 million for the trailing twelve months ended September 30, 2024 compared with \$1.0 million for the trailing twelve months ended September 30, 2023, an increase of \$9.7 million. SRE increased year over year due to increased investment income, lower cost of funds, and lower other operating expenses. Investment income increased primarily due to an increase in total insurance investment assets as a result of new MYGA business and improvements in yield across the investment portfolio. Cost of funds decreased primarily because of a decrease in the amortization of reinsurance CSM in the current period due to change in the CSM amortization methodology, as well as the one-time benefit of \$4.8 million in the first quarter of 2024 as a result of an in-force update to Long Term Care business. Other operating expenses decreased as a result of efforts to reduce overall operating costs.

SRE as a percentage of average net invested assets was 1.8% for the trailing twelve months ended September 30, 2024 compared with 0.2% for the trailing twelve months ended September 30, 2023.

Liquidity and Capital Resources

As of September 30, 2024, the asset management segment had \$71.8 million (par value) of borrowings outstanding, of which \$33.8 million had a fixed rate and \$38 million had a floating rate. As of September 30, 2024, the insurance segment had \$14.3 million (par value) of borrowings outstanding. Liquid assets, including high-quality assets that are marketable, can be pledged as security for borrowings, and can be converted to cash in a time frame that meets liquidity and funding requirements. As of September 30, 2024 and December 31, 2023, the total liquid assets of the Company were as follows:

(\$ in Thousands)

As at	September 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 106,309	\$ 90,220
Restricted cash posted as collateral	6,820	—
Investments	654,355	643,578
Management fee receivable	2,537	2,599
Receivable for investments sold	7,822	6,511
Accrued interest and dividend receivable	20,013	19,340
Total liquid assets	\$ 797,856	\$ 762,248

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 September 30, 2024, the Company had working capital of \$227 million, reflecting current assets of \$244 million, offset by current liabilities of \$17.2 million, as compared with working capital of \$183 million as at December 31, 2023, reflecting current assets of \$231 million, offset by current liabilities of \$47.4 million. The increase in working capital was attributed to an increase in cash and cash equivalents from new MYGA business in the first half of 2024, as well as the settlement of payables related to MYGA against the new MYGA policies assumed. Additionally, there was an increase in cash within the asset management segment from increased management and incentive fee receipts, the redemption of SOFIX shares, and net proceeds from the issuance of debenture units, as well as a decrease in due to affiliates and accrued expenses. The decrease in due to affiliates is due to a reclassification of the maturity of these balances from current to unspecified, and the decrease in accrued expenses was driven by lower transaction costs, transition services agreement costs, and legal fee accruals.

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.

As at	September 30, 2024	December 31, 2023
50 basis point increase ⁽¹⁾	\$ 19,580	\$ 20,186
50 basis point decrease ⁽¹⁾	(11,362)	(21,860)

(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 Tuesday, November 12, 2024 at 12:00 p.m. Eastern Time to discuss the third quarter 2024 financial results. Shareholders, prospective shareholders, and analysts are welcome to listen to the call. To join the call, please use the dial-in information below. A recording of the conference call will be available on our Company's website www.mountlogancapital.ca in the 'Investor Relations' section under "Events".

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

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

[International Dial-ins](#)

Access Code: 672430

About Mount Logan Capital Inc.

Mount Logan Capital Inc. is an alternative asset management and insurance solutions company that is focused on public and private debt securities in the North American market and the reinsurance of annuity products, primarily through its wholly-owned subsidiaries Mount Logan Management LLC ("ML Management") and Ability Insurance Company ("Ability"), respectively. The Company also 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 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.

Opportunistic Credit Interval Fund Important Disclosures

An investor should consider the investment objectives, risks, charges, and expenses of SOFIX carefully before investing. To obtain a copy of the prospectus containing this and other information, please call (833) 404-4103 or download the file from www.opportunisticcreditintervalfund.com. Read the prospectus carefully before you invest.

Investing involves risk. Investment return and the principal value of an investment will fluctuate, and an Investor's shares, when redeemed, may be worth more or less than their original cost. SOFIX is subject to the general risks associated with investing in debt and loan instruments, including market, credit, liquidity, and interest rate risk. The Fund is subject to management and other expenses, which will be paid by SOFIX. Because of the risks associated with SOFIX's ability to use leverage, an investment in SOFIX should be considered speculative and involving a high degree of risk, including the risk of a substantial loss of investment.

There currently is no secondary market for SOFIX 's shares and SOFIX expects that no secondary market will develop. Shares of SOFIX will not be listed on any securities exchange, which makes them inherently illiquid. An investment in SOFIX 's shares is not suitable for investors who cannot tolerate risk of loss or who require liquidity, other than the liquidity provided through the SOFIX 's repurchase policy. Limited liquidity is provided to shareholders only through SOFIX's quarterly repurchase offers, regardless of how SOFIX performs. SOFIX 's distributions policy may, under certain circumstances, have certain adverse consequences to SOFIX and its shareholders because it may result in a return of capital, resulting in less of a shareholder's assets being

invested in SOFIX, and, over time, increase SOFIX 's expense ratio. Any invested capital that is returned to the shareholder will be reduced by the SOFIX's fees and expenses, as well as the applicable sales load. Investments in lesser-known, small and medium capitalization companies may be more vulnerable than larger, more established organizations. The sales of securities to fund repurchases could reduce the market price of those securities, which in turn would reduce the SOFIX's NAV.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements and information within the meaning of applicable securities legislation. Forward-looking statements can be identified by the expressions “seeks”, “expects”, “believes”, “estimates”, “will”, “target” and similar expressions. The forward-looking statements are not historical facts but reflect the current expectations of the Company regarding future results or events and are based on information currently available to it. Certain material factors and assumptions were applied in providing these forward-looking statements. The forward-looking statements discussed in this release include, but are not limited to, statements relating to the Company's continued transition to an asset management and insurance platform business and the entering into of further strategic transactions to diversify the Company's business and further grow recurring management fee and other income and increasing Ability's assets; the Company's plans to focus Ability's business on the reinsurance of annuity products; the 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 satisfaction of the conditions upon which closing of the Runway transaction is conditional; 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; 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	September 30, 2024	December 31, 2023
ASSETS			
Asset Management:			
Cash		\$ 2,119	\$ 990
Investments	6	22,809	26,709
Intangible assets	9	27,742	28,779
Other assets		6,732	6,593
Total assets — asset management		59,402	63,071
Insurance:			
Cash and cash equivalents		104,190	89,230
Restricted cash posted as collateral	18	6,820	-
Investments	6	1,058,768	1,008,637
Derivatives	18	4,568	-
Reinsurance contract assets	13	446,998	442,673
Intangible assets	9	2,444	2,444
Goodwill	9	55,015	55,015
Other assets		28,521	27,508
Total assets — insurance		1,707,324	1,625,507
Total assets		\$ 1,766,726	\$ 1,688,578
LIABILITIES			
Asset Management			
Due to affiliates	10	\$ 14,840	\$ 12,113
Debt obligations	12	65,383	62,030
Derivatives - debt warrants	12	195	-
Accrued expenses and other liabilities		1,775	3,494
Total liabilities — asset management		82,193	77,637
Insurance			
Debt obligations	12	14,250	14,250
Insurance contract liabilities	13	1,135,999	1,107,056
Investment contract liabilities	14	225,598	169,314
Funds held under reinsurance contracts		244,004	238,253
Accrued expenses and other liabilities		13,753	30,116
Total liabilities — insurance		1,633,604	1,558,989
Total liabilities		1,715,797	1,636,626
EQUITY			
Common shares	11	115,897	115,607
Warrants	11	1,129	1,129
Contributed surplus		8,030	7,240
Surplus (Deficit)		(52,269)	(50,166)
Cumulative translation adjustment		(21,858)	(21,858)
Total equity		50,929	51,952
Total liabilities and equity		\$ 1,766,726	\$ 1,688,578

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

		Three months ended		Nine months ended	
	Notes	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
REVENUE					
<i>Asset management</i>					
Management and incentive fee	7	\$ 3,576	\$ 2,531	\$ 10,902	\$ 5,914
Equity investment earning		74	221	241	1,141
Interest income		274	274	817	813
Dividend income		71	166	296	331
Net gains (losses) from investment activities	4	(169)	(6)	(1,006)	(91)
Total revenue — asset management		3,826	3,186	11,250	8,108
<i>Insurance</i>					
Insurance revenue	8	22,927	21,901	68,555	65,721
Insurance service expenses	8	(25,415)	(26,391)	(72,606)	(70,779)
Net expenses from reinsurance contracts held	8	1,060	(1,965)	(2,899)	(15,086)
Insurance service result		(1,428)	(6,455)	(6,950)	(20,144)
Net investment income	5	23,704	26,233	68,996	67,804
Net gains (losses) from investment activities	4	19,976	574	21,107	4,751
Realized and unrealized gains (losses) on embedded derivative — funds withheld		(10,786)	(2,033)	(18,392)	(14,396)
Other income		10	124	16	281
Total revenue, net of insurance service expenses and net expenses from reinsurance contracts held — insurance		31,476	18,443	64,777	38,296
Total revenue		35,302	21,629	76,027	46,404
EXPENSES					
<i>Asset management</i>					
Administration and servicing fees	10	1,372	1,108	4,748	2,496
Transaction costs		2	872	253	2,308
Amortization of intangible assets	9	346	139	1,038	419
Interest and other credit facility expenses	12	1,664	1,555	5,027	4,212
General, administrative and other		4,097	3,194	10,681	9,406
Total expenses — asset management		7,481	6,868	21,747	18,841
<i>Insurance</i>					
Net insurance finance (income) expenses	5	35,463	(13,432)	27,247	9,758

Increase (decrease) in investment contract liabilities	14	2,600	1,986	7,366	4,400
(Increase) decrease in reinsurance contract assets		4,588	6,326	12,293	15,897
General, administrative and other		2,548	3,638	7,757	11,355
Total expenses — insurance		45,199	(1,482)	54,663	41,410
Total expenses		52,680	5,386	76,410	60,251
Income (loss) before taxes		(17,378)	16,243	(383)	(13,847)
Income tax (expense) benefit — asset management	15	(266)	(331)	(587)	(348)
Net income (loss) and comprehensive income (loss)		\$ (17,644)	\$ 15,912	\$ (970)	\$ (14,195)
Earnings per share					
Basic		\$ (0.68)	\$ 0.62	\$ (0.04)	\$ (0.61)
Diluted		\$ (0.68)	\$ 0.61	\$ (0.04)	\$ (0.61)
Dividends per common share — USD		\$ 0.02	\$ 0.02	\$ 0.05	\$ 0.04
Dividends per common share — CAD		\$ 0.02	\$ 0.02	\$ 0.06	\$ 0.06



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Source: Mount Logan Capital Inc.