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MOUNT LOGAN
CAPITAL

Mount Logan Capital Inc. Announces Second Quarter 2019 Financial Results

TORONTO, Aug. 12, 2019 (GLOBE NEWSWIRE) -- Mount Logan Capital Inc. (NEO: MLC) ("Mount Logan," "our," "we," or the "Company") announces its second quarter 2019 financial results. In the quarter, the Company changed its reporting currency from Canadian dollars ("CAD") to United States dollars ("USD").

Financial Highlights

- Investment income of \$962 thousand USD for the three months ended June 30, 2019.
- Adjusted total and comprehensive income was \$342 thousand USD.¹
- As of June 30, 2019, the fair value of the Company's portfolio was \$55.8 million USD² and consisted of 87.4% first lien senior secured loans and 12.6% related to the Great Lakes Unitranche Joint Venture.
- The Company's net assets totaled \$32.5 million USD, or a net asset value per share of \$0.40 USD, up from \$0.39 USD as of March 31, 2019.

Ted Goldthorpe, CEO and Chairman of Mount Logan, noted, "We are pleased with another quarter of achieving growth in book value. We are fully invested and have constructed a diversified portfolio of sixteen loans and investments which we continue to opportunistically rebalance based on market conditions and as new investment opportunities arise. As all of our portfolio assets are currently denominated in U.S. dollars, we believe the revised presentation currency from Canadian dollars to U.S. dollars will result in cleaner disclosure that better reflects the performance of the business. Lastly, we remain focused on building out the asset management side of the business and are in active discussions with multiple parties around strategic partnerships that will generate management fee income."

Subject to board approval, Mount Logan intends to initiate its first dividend concurrent with the reporting of our third quarter 2019 financial results.

Operating Results

For the three months ended June 30, 2019, the Company reported total investment income of approximately \$962 thousand USD as compared to approximately \$27 thousand USD 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 June 30, 2019, total expenses were approximately \$810 thousand USD, including approximately \$28 thousand USD in non-recurring arrangement costs. The interest and financing expense for the second quarter of 2019 was \$478 thousand USD, representing interest charged under the revolving senior loan facility entered into in the first quarter of 2019 and the amortization of deferred financing costs.

The Company invested approximately \$7.2 million USD in four new and existing loans in the quarter, inclusive of funding an incremental \$1.0 million USD to the Great Lakes Unitranche Joint Venture.

Portfolio and Investment Activity

The fair value of our portfolio was approximately \$55.8 million USD as of June 30, 2019. The composition of our investment portfolio at June 30, 2019 and December 31, 2018 at cost and fair value was as follows:

Security Type	June 30, 2019 (unaudited) ²			December 31, 2018 ²		
	Amortized Cost	Fair Value	%3	Amortized Cost	Fair Value	%3
First Lien Senior Secured Term Loans	\$48,826	\$48,776	87%	\$14,683	\$14,683	63%
Bonds	—	—	0%	\$3,949	\$3,789	16%
Great Lakes Unitranche Joint Venture	\$7,060	\$7,060	13%	\$4,987	\$4,987	21%
Total	\$55,886	\$55,836	100%	\$23,619	\$23,459	100%

Liquidity & Capital Resources

At June 30, 2019, we had total assets of approximately \$67.8 million USD and stockholders' equity of approximately \$32.5 million USD. Our net asset value per common share was \$0.40 USD, an increase from \$0.39 USD since March 31, 2019. As of June 30, 2019, we had approximately \$26.8 million USD of borrowings outstanding on our revolving senior loan facility, which is contracted to increase in availability up to a maximum of \$50.0 million USD in November 2019.

Our quarterly report and management's discussion and analysis can be found on our website and SEDAR (www.sedar.com).

Conference Call

Our conference call will be held tomorrow, Tuesday, August 13, 2019 at 9:00 a.m. Eastern Time to discuss the financial results for the quarter ended June 30, 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/2ONSF9v>.

About Mount Logan Capital Inc.

Mount Logan Capital Inc. is a Canada-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:

Dave Guebert, Chief Financial Officer
dave.guebert@mountlogancapital.ca

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

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

³ Represents percentage of total portfolio, excluding Cline, at fair value.



Source: Mount Logan Capital Inc.