

A close-up, low-angle shot of a person's hands on a steering wheel, driving a car at night. The driver is wearing a dark jacket with a red ribbed cuff and a silver-toned watch with a blue face. The background is a blurred cityscape at night, with warm lights from buildings and streetlights creating a bokeh effect. The car's dashboard and center console are visible in the foreground, with a digital display showing some information.

Atlas Financial Holdings, Inc.

Focused exclusively on specialty commercial automobile insurance policies in the United States

November 2021



Forward Looking Statement

This presentation includes forward-looking statements regarding Atlas and its insurance subsidiaries and businesses. Such statements are based on the current expectations of the management of each entity. The words “anticipate,” “expect,” “believe,” “may,” “should,” “estimate,” “project,” “outlook,” “forecast” or similar words are used to identify such forward looking information. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the Companies, including risks regarding the insurance industry, economic factors and the equity markets generally and the risk factors discussed in the “Risk Factors” section of the Company’s 2020 Annual Report on Form 10-K. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Atlas and its subsidiaries undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

About Atlas



Focused on “light” commercial auto

The primary business of Atlas is commercial automobile insurance in the United States, with a niche market orientation and focus on insurance for the “light” commercial automobile sector including taxi cabs, nonemergency para-transit, limousine/livery (including full-time transportation network company drivers) and business auto. Atlas’ specialized infrastructure is designed to leverage analytics, expertise and technology to efficiently and profitably provide insurance solutions for independent contractors, owner operators and other smaller accounts. The Company focuses on underserved and evolving niche markets where its differentiated approach is expected to create value for its stakeholders and shareholders.

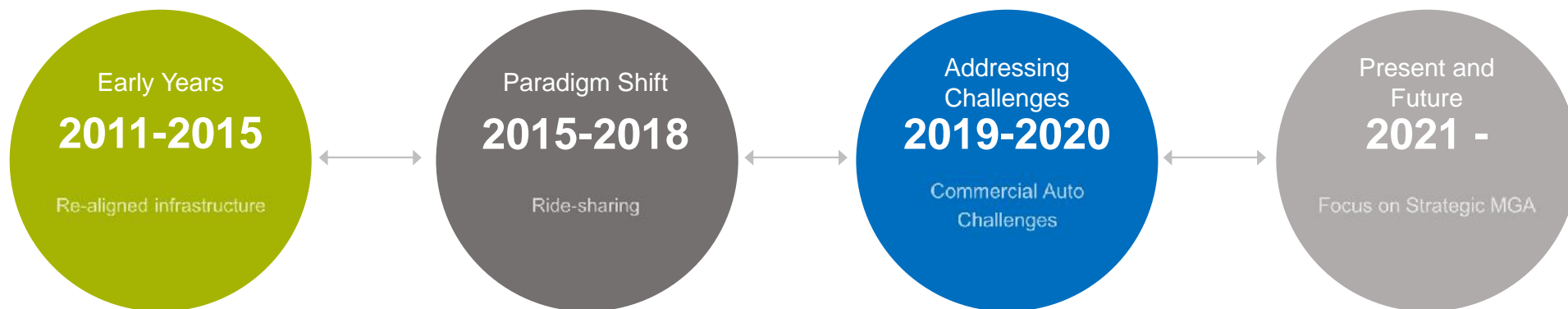
The Company’s strategy is focused on leveraging its managing general agency operation (“AGMI”) and its insurtech digital platform (“optOn”). For more information about Atlas, please visit www.atlas-fin.com, www.agmiinsurance.com, and www.getopton.com.



ATLAS
FINANCIAL HOLDINGS, INC.

Strategic Realignment

Atlas History



Atlas began process of building its underwriting infrastructure as a carrier; historically focused on taxi and limo business.

The proliferation of ride-sharing services and transportation network companies such as Uber and Lyft completely transform the market. Atlas continues to grow in light commercial auto throughout this process as it adapts to the changing market conditions.

After several years of strong operating results, the Company began to report heavier than expected loss reserves across its business lines. Atlas' losses were similar in nature to that of the commercial auto industry at large. As a result the Company re-aligned its operational focus to leverage core strengths.

Focusing on its core strengths, relationships, and data/analytics, Atlas began a strategic shift focusing on its technology driven commercial auto managing general agency ("MGA") as its primary business

Atlas Strategic Focus

Vision

To always be a preferred specialty transportation related insurance business that delivers benefit to all stakeholders by leveraging technology, analytics, expertise, partnerships and capital resources.

Mission

To develop and deliver superior specialty insurance products and services to meet our customers' needs with a focus on innovation and the effective use of technology and analytics to deliver consistent operating profit for the insurance businesses we own

Deliver sustainable value to our risk taking partners and consumers of our products by cultivating and maintaining a unique position in the markets on which we focus.

As a nimble, innovative specialist, deploy our expertise, analytics and technology to disrupt underserved segments of commercial auto.

MGA Approach

1 Strategic Focus

- Leverage heritage in specialty market
- Utilize Atlas' systems and MGA resources ("AGMI")
- Existing distribution channel cultivated over decade (420+ independent producers)
- Re-capture legacy \$200+ million book of business in public auto sectors
- Combine traditional insurance company structure with legitimate insurtech
- Expand into other areas of "light" commercial automobile

2 Key "Atlas" Assets

- Decades of data in niche market
- More than \$10 million in technology and analytics development invested prior to challenges in recent years
- Expert staff that embraces innovation
- Systems and workflows designed around highly transactional business
- Ability to capitalize on hard commercial auto market
- Unique insights based on industry and affiliate insurance company results

Changing the Business Model

MGA Attributes

Infrastructure

- MGA entity licensed nationwide
- Contracts in place with third party carriers representing the majority of total premium
- In discussions to continue to expand product offerings through partnerships with external risk taking carriers/reinsurers
- Scalable policy and claims systems specifically designed for niche business
- Predictive analytics tools developed using machine learning deployed in both risk selection (underwriting) and claim processes
- Proven success working in a remote environment with the ability to scale as the business grows

Employees

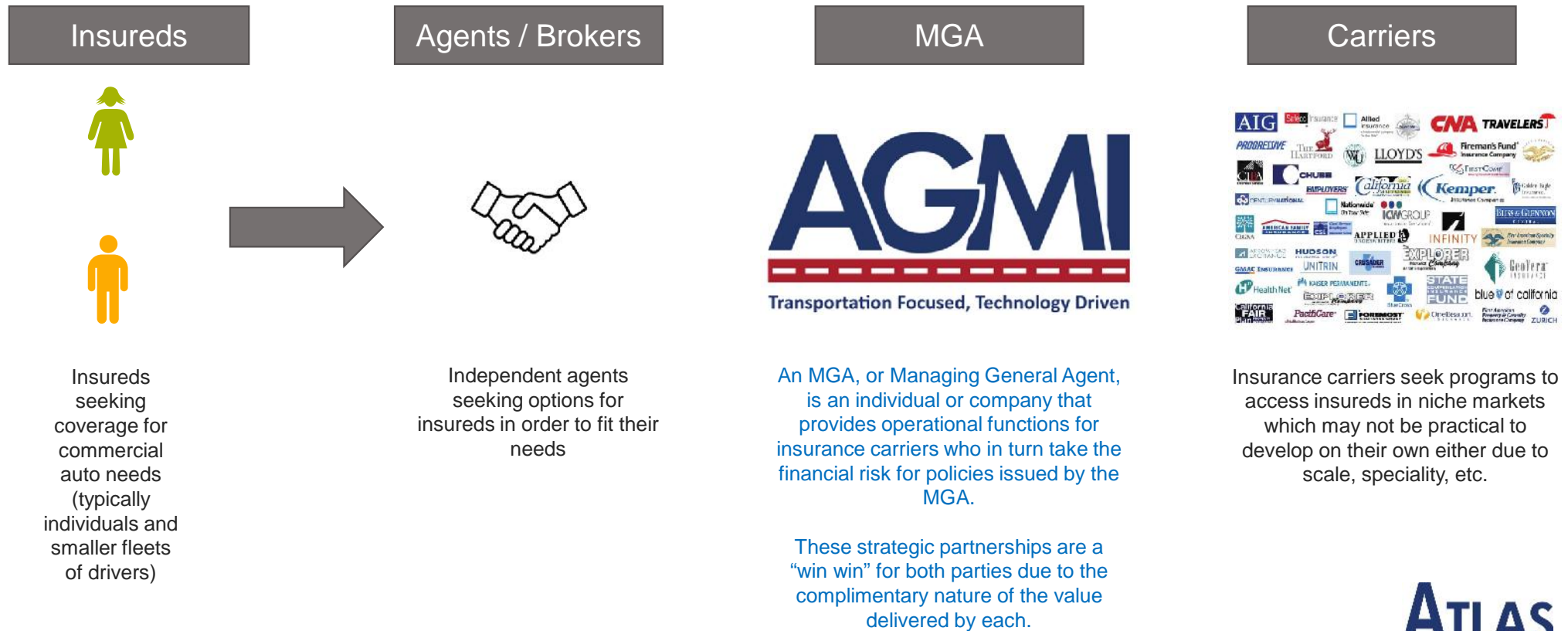
- Cohesive and experienced team with decades of experience in specialty commercial auto niche
- Metric-based operating environment ensuring quality and productivity
- Initial MGA headcount is a subset of a larger pool of employees which can be available to support growth, as necessary
- Longstanding relationships with producers and other strategic business partners
- Historically demonstrated ability to grow premium successfully while maintaining efficient operating expense ratios
- Management team with experience running 300 FTE business

Financial

- Flexible expense structure based on potential growth
- Headcount to be managed based on actual growth and economic recovery with marginal scale efficiency
- Expected positive EBITDA based on hard market, limited competitors, and incremental risk bearing platform(s)
- Considering opportunities to cross sell with other insurance and/or service providers
- Ability to grow without capital constraints historically related to primary insurance carrier based business model
- Significant margin expansion with scale and increased use of insurtech platform

Knowledge

Explaining the MGA Model



Current Status of MGA Programs

Continuing

Taxi / Limo / TNC

- Strong partnership with Buckle Corporation who acquired three of Atlas' former insurance company entities out of liquidation
- Ability to quote >80% of business we wrote in 2018
- Demand continues to be significantly depressed due to COVID
- Exploring opportunity to leverage former Lyft program for fleets
- Business planning to potentially launch optOn 2.0

Discontinued

Paratransit

- National Interstate exercised renewal rights
- Beginning with policies with December 1 effective dates, business will be transitioned during subsequent twelve months
- Frees up resources to focus on growing taxi/livery/limo book

Global Liberty

- Liquidated in October 2021
- Evaluating potential alternatives in New York market

Current Market Recovery

Business Activity Update



Data Source: Nevada Taxicab Authority
<https://data.cityofchicago.org/Transportation/Transportation-Network-Providers-Trips/>



Data Source: Nevada Taxicab Authority
<https://data.cityofchicago.org/Transportation/Taxi-Trips/>



Data Source: Nevada Taxicab Authority
https://taxi.nv.gov/About_Us/ALL/Statistics/

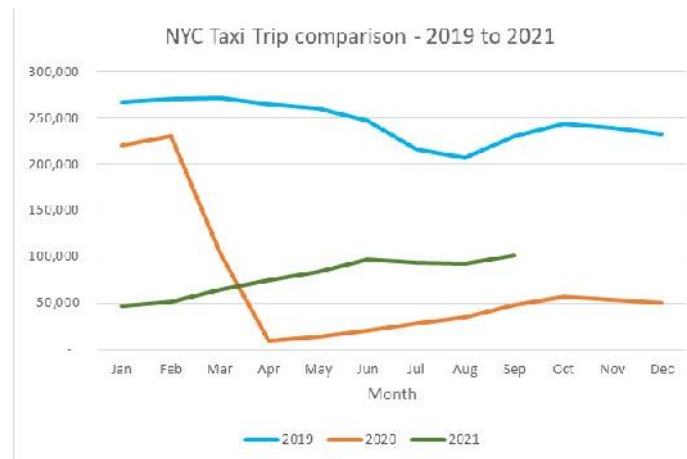
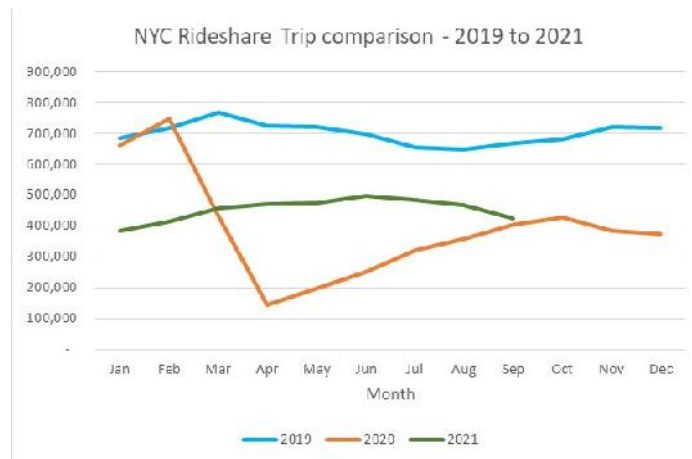
Public Auto COVID Impact/Recovery

- Part-time TNC leading Taxi/Livery in total recovery, but marginal growth slowing
 - Chicago TNC:** 4,343k trips in September 2021, no change from last month but still about 51% down from September 2019 (8,916k trips)
- Taxi/Livery continuing from prior months at increasing marginal rate
 - Chicago Taxi:** 360k trips in September 2021, about a 4% increase from last month but still about 68% down from September 2019 (1,134k trips)
 - Las Vegas (Desert) Taxi:** September 2021 shows 13% decrease from prior month; 8% increase from September 2019
- All segments experiencing significantly more demand for rides vs. driver supply
- Driver return began to gain momentum work following Labor Day
- Platforms offering near-term incentives to attract owner operators

Current Market Recovery

Business Activity Update

In New York, all rideshare drivers are commercially licensed. Outside of New York, increasing demand for rides should result in a tipping point that justifies full time drivers to put vehicles back in service. We expect this to potentially generate a dramatic increase in new business applications and a shift in effective dates. In recent months, NY TNC declined while taxi continued to recover:



Uber and Lyft continue to report increase in passenger demand with improving driver supply.

Market Recovery

Business Activity Update

Taxi Livery Quotes

- **Highest point since COVID-19**
- Securing large customers
 - Largest Chicago Taxi association
 - Second largest Las Vegas Taxi company
- Currently have 420+ active agents
 - Distribution channel has actively expanded



Market Recovery

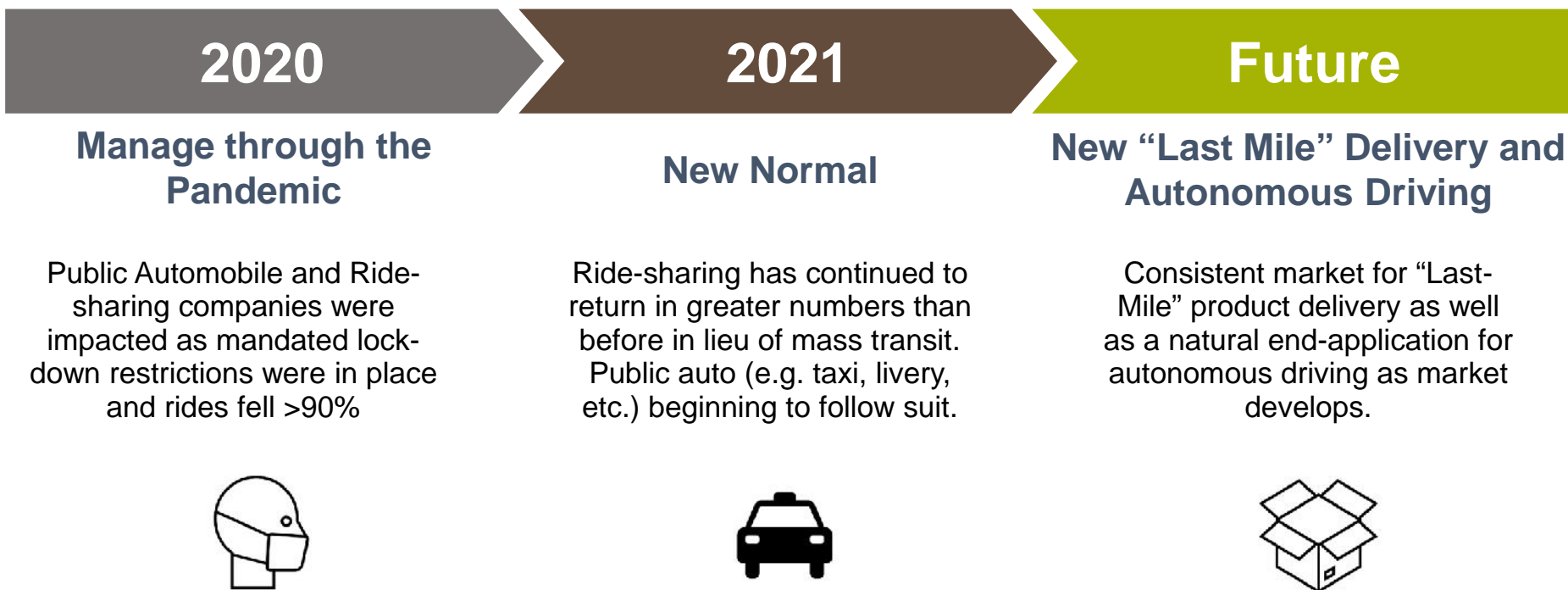
Business Activity Update

Gateway/Buckle						
	2020			2021		
Month	Submitted	Issued	Hit Ratio	Submitted	Issued	Hit Ratio
January				43	17	39.53%
February				52	16	30.77%
March				39	20	51.28%
April				98	30	30.61%
May	2	0	0.00%	90	24	26.67%
June	0	0	0.00%	116	54	46.55%
July	27	1	3.70%	146	53	36.30%
August	53	2	3.77%	166	99	59.64%
September	69	3	4.35%	192	112	58.33%
October	53	3	5.66%			
November	53	4	7.55%			
December	44	12	27.27%			
Total	301	25	8.31%	942	425	45.12%

Taxi and Livery business is continuing to show a much improved hit ratio. We ultimately expect this to settle in a range of 40% - 50%.



Recovering from COVID-19 and Beyond



Financial Statements

Please refer to Form 10Q for additional detail

Atlas Financial Holdings, Inc. Condensed Consolidated Statements of Operations

Condensed Consolidated Statements of Operations

(\$ in '000s, except for share and per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(unaudited)		(unaudited)	
Commission income	\$ 2,046	\$ 1,674	\$ 5,530	\$ 4,677
Net realized losses	(1,475)	—	(2,940)	—
Other income	1,212	367	2,773	848
Total revenue	1,783	2,041	5,363	5,525
Acquisition costs	1,105	862	2,954	2,737
Other underwriting expenses	4,094	4,222	11,190	12,803
Amortization of intangible assets	98	98	293	293
Forgiveness of Paycheck Protection Program loan	—	—	(4,601)	—
Interest expense, net	556	571	1,639	1,392
Total expenses	5,853	5,753	11,475	17,225
Loss from operations before income taxes	(4,070)	(3,712)	(6,112)	(11,700)
Income tax benefit	—	(148)	—	(271)
Loss from continuing operations	(4,070)	(3,564)	(6,112)	(11,429)
Income (loss) from discontinued operations, net of tax	14	39	165	(121)
Net loss	\$ (4,056)	\$ (3,525)	\$ (5,947)	\$ (11,550)

Basic net income (loss) per share attributable to common shareholders

Continuing operations	\$ (0.28)	\$ (0.30)	\$ (0.45)	\$ (0.96)
Discontinued operations	—	—	0.01	(0.01)
Net loss	\$ (0.28)	\$ (0.30)	\$ (0.44)	\$ (0.97)

Diluted net income (loss) per share attributable to common shareholders

Continuing operations	\$ (0.28)	\$ (0.30)	\$ (0.45)	\$ (0.96)
Discontinued operations	—	—	0.01	(0.01)
Net loss	\$ (0.28)	\$ (0.30)	\$ (0.44)	\$ (0.97)

Basic weighted average common shares outstanding	12,973,964	11,971,490	13,665,609	11,946,051
Diluted weighted average common shares outstanding	12,973,964	11,971,490	13,665,609	11,946,051

Condensed Consolidated Statements of Comprehensive Income (Loss)

Net loss	\$ (4,056)	\$ (3,525)	\$ (5,947)	\$ (11,550)
Other comprehensive (loss) income:				
Changes in net unrealized investment gains (losses)	1	54	(21)	299
Reclassification to net loss	(16)	(3)	(175)	(96)
Other comprehensive (loss) income	(15)	51	(196)	203
Total comprehensive loss	\$ (4,071)	\$ (3,474)	\$ (6,143)	\$ (11,347)

Financial Statements

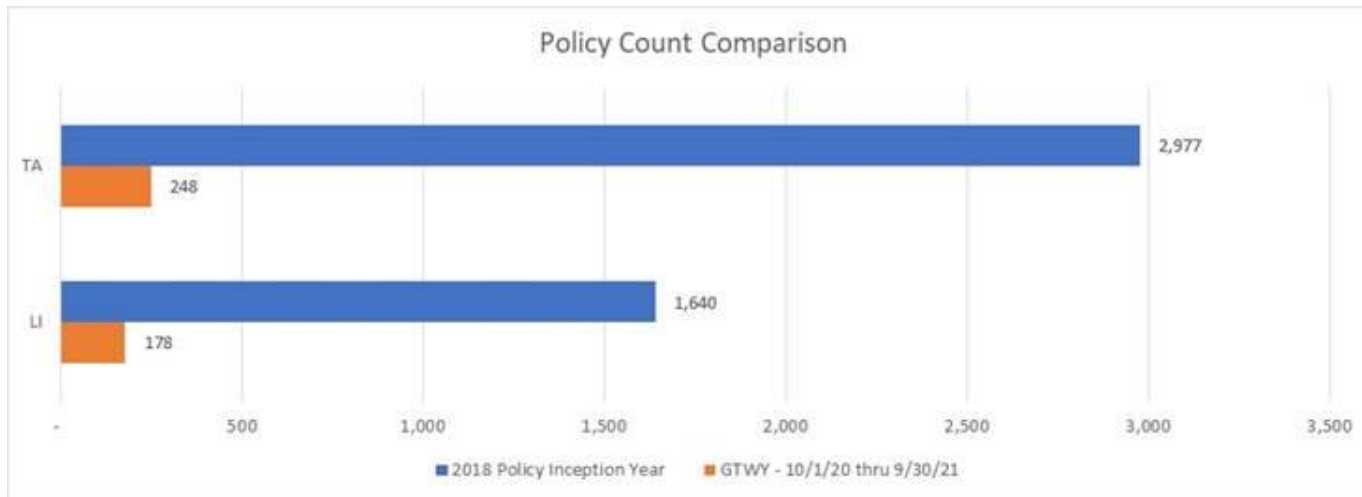
Please refer to Form 10Q for additional detail

Atlas Financial Holdings, Inc. Condensed Consolidated Statements of Financial Position

(\$ in '000s, except for share and per share data)	September 30, 2021	December 31, 2020
Assets	(unaudited)	
Cash and cash equivalents	\$ 1,517	\$ 5,238
Restricted cash	3,124	5,287
Premiums receivable (net of allowance of \$800 and \$800)	16,395	13,442
Intangible assets, net	1,942	2,235
Property and equipment, net	2,886	18,815
Right-of-use asset	403	888
Notes receivable	18,017	18,017
Credit facility fee, net	896	—
Other assets	1,552	1,895
Assets held for sale	48,716	53,885
Total assets	\$ 95,448	\$ 119,702
Liabilities		
Premiums payable	\$ 20,712	\$ 19,416
Lease liability	444	1,091
Due to deconsolidated affiliates	19,091	19,170
Notes payable, net	33,410	36,168
Other liabilities and accrued expenses	5,047	4,342
Liabilities held for sale	42,647	60,407
Total liabilities	\$ 121,351	\$ 140,594
Commitments and contingencies (see Note 7)		
Shareholders' Deficit		
Ordinary voting common shares, \$0.003 par value, 800,000,001 shares authorized, shares issued: September 30, 2021 - 15,052,839 and December 31, 2020 - 12,248,798; shares outstanding: September 30, 2021 - 14,797,334 and December 31, 2020 - 11,993,293	\$ 45	\$ 37
Restricted voting common shares, \$0.003 par value, 33,333,334 shares authorized, shares issued and outstanding: September 30, 2021 and December 31, 2020 - 0	—	—
Additional paid-in capital	82,964	81,840
Treasury stock, at cost: 255,505 shares of ordinary voting common shares at September 30, 2021 and December 31, 2020, respectively	(3,000)	(3,000)
Retained deficit	(106,146)	(100,199)
Accumulated other comprehensive income, net of tax	234	430
Total shareholders' deficit	\$ (25,903)	\$ (20,892)
Total liabilities and shareholders' deficit	\$ 95,448	\$ 119,702

Recapturing Historic Business

Significant Near-Term Opportunity



2021 Comparison

- Submissions/Quotes are at only 6% of 2018
- Issued in 2021 vs 2018
 - 9% of policy count
 - 15% of vehicles
- Average premium per vehicle up 44%
 - \$4,769 YTD 2021 (10/1/20 – 9/30/21)
 - \$3,305 in 2018

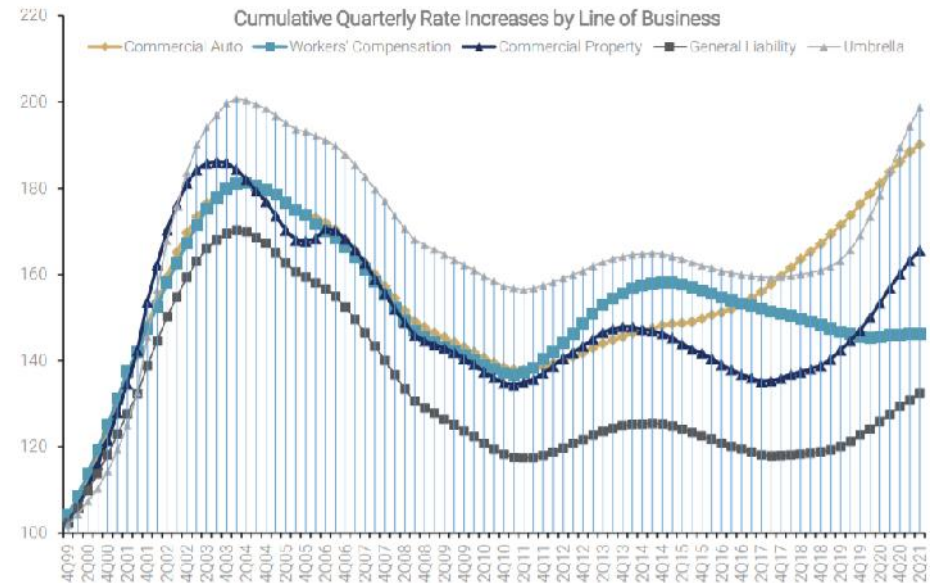
YTD 2021

- Submissions
 - Q1 up 25% vs Q4
 - Q2 up 63% vs Q1
 - Q3 up 70% vs Q2
- Policies issued
 - Q2 up 66% vs Q1
 - Q3 up 147% vs Q2
- Significant opportunity for recapture/growth in hard market

Changing Market Dynamics

Market Conditions

Multiple quarters of significant rate increases in commercial auto

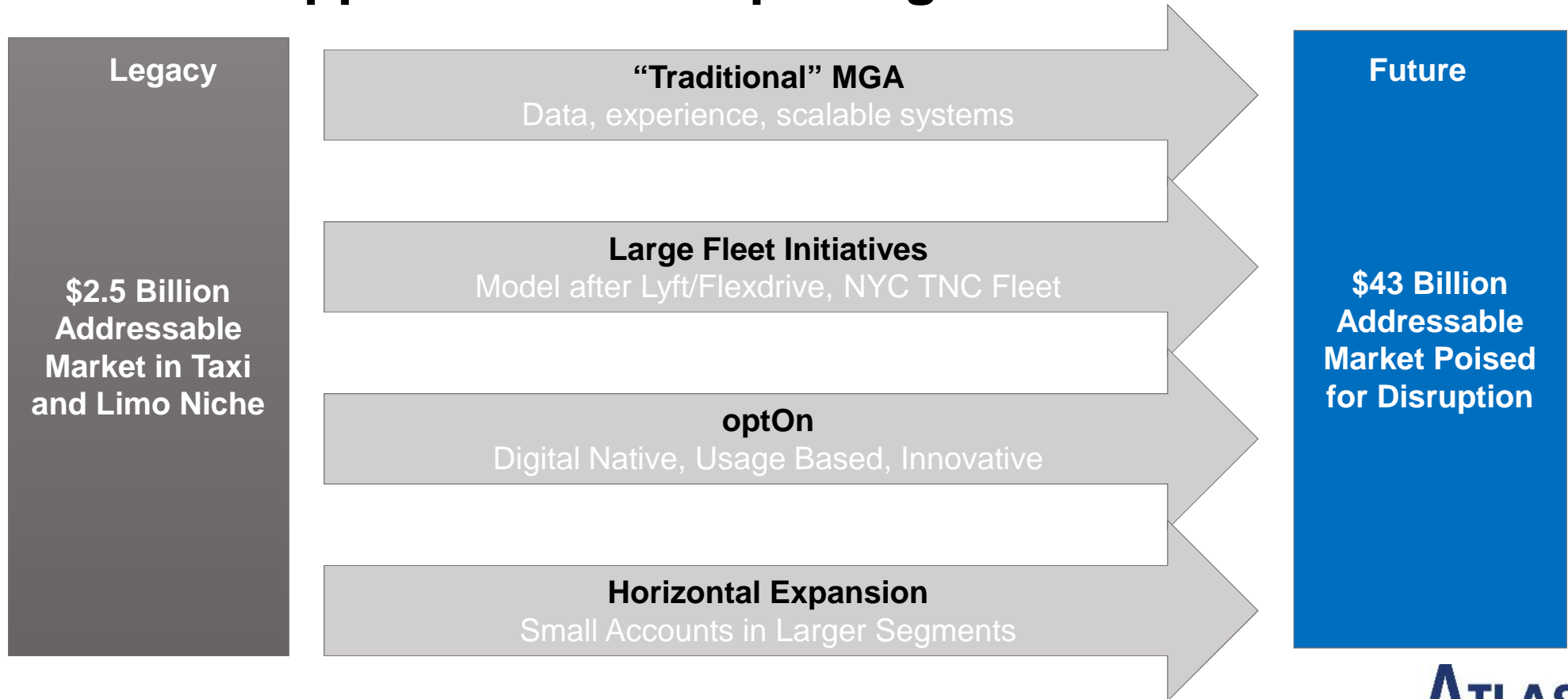


BY-LINE SECOND QUARTER 2021 RATE CHANGES RANGED FROM 0.3% TO +17.4%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Second Quarter 2021	6.8%	0.3%	9.9%	6.0%	17.4%	8.1%
First Quarter 2021	9.0%	1.0%	12.0%	6.2%	19.7%	9.6%
Fourth Quarter 2020	9.1%	0.4%	12.9%	7.3%	21.3%	10.2%
Third Quarter 2020	11.0%	1.5%	14.2%	6.7%	22.9%	11.3%
Second Quarter 2020	9.6%	0.7%	13.3%	6.8%	20.0%	10.1%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

Source: CIAB Q1 '21 Market Survey

Focused Approach to Disrupt Large Market



Market Opportunity

There is not a “pure play” publicly-traded MGA focused on commercial insurance

Status Quo

- Traditional underwriting hasn’t evolved significantly in decades
- Limited product differentiation
- Distribution through retail agencies
- Commoditized pricing
 - Garage zip code
 - Type of activity

Catalysts

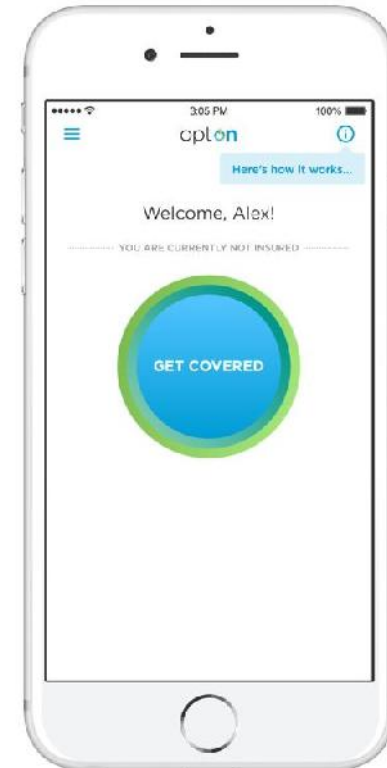
- Commercial auto development resulting in need for mono-line coverage
- Advanced marketing strategies to reach insureds directly
- Sophisticated tools available but not utilized in this space
- Numerous large generalists pulling back on commercial auto
 - Even fewer with focus on small accounts
- Continued hardening market (40 quarters of rate increases)

Future Vision

- Mobile technology product
- Fully digital model
- Differentiated underwriting (improve on traditional U/W and “typical” UBI)
 - Individual driving behavior, including distracted driving detection
 - Vehicle type/age/characteristics (VIN based analytics)
 - Phone based geolocation and other telematics adds precision
 - Actual utilization rather than proxies
 - Accumulate numerous uncorrelated data points to continuously improve predictive models



Insurance for the Rideshare Driver
Better coverage, on demand.





Insurtech Solutions

Solving Commercial Auto Problems

Problems

Underwriting Losses

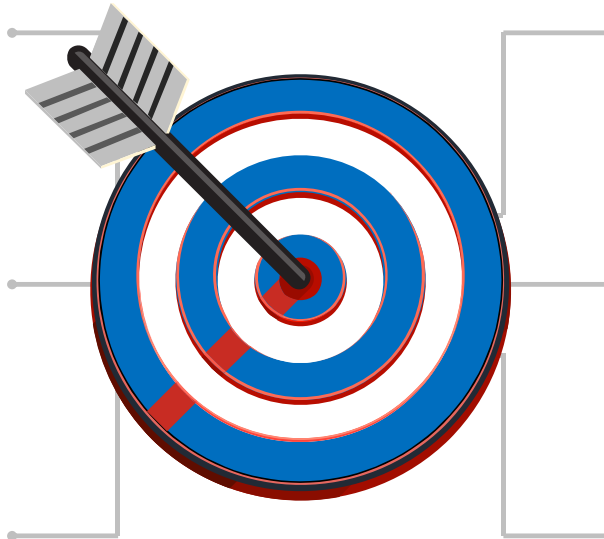
underwriting losses deepened to \$4.0 billion in 2019, the segment's worst loss in 10 years

Slow Claims Reaction

The ability to quickly assess initial claim costs has not materialized.

Behind on Technology Adoption

Insurers have not embraced technologies like telematics to enhancing their rating, underwriting, and claims-settling practices



Solutions

Analytics

Driver tracking technology and analytics: Leverage telematics to deliver insight into driver behavior

Real Time Pricing

Use real-time data points like traffic, time of day, weather, and driver behavior will help offer accurate, on-demand pricing solutions

Distribution

Direct-to-consumer platform for mono line use-specific commercial auto insurance.



Insurtech Solutions

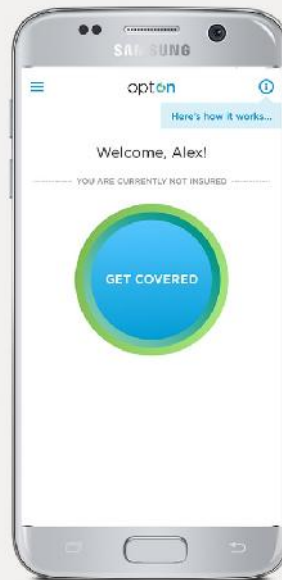
What is optOn?

App-based, on-demand insurance for the gig economy.

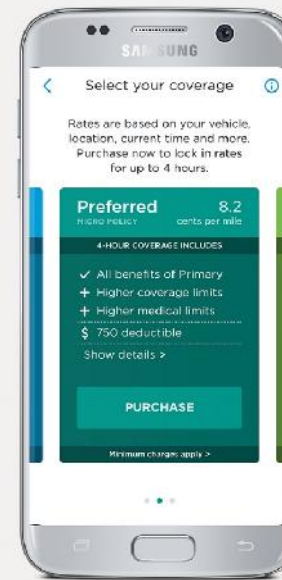
With optOn, you have options

- Technology built for flexibility: 4-hour micro policies with start/stop capabilities
- Multiple coverage options delivers choice-based UX
- Protection that fills an existing insurance gap
- Built by a commercial insurance company with extensive experience in passenger transportation
- App integrations allow for customization and adjacent opportunities

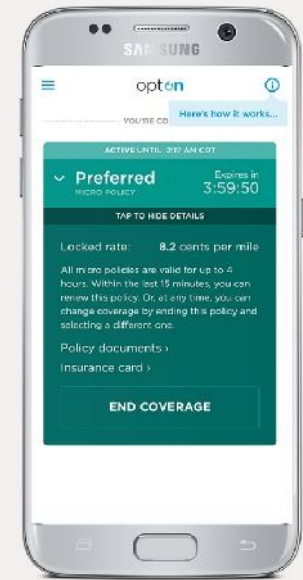
Better coverage for rideshare drivers



Select the micro policy that works for you



Coverage on your terms and your schedule



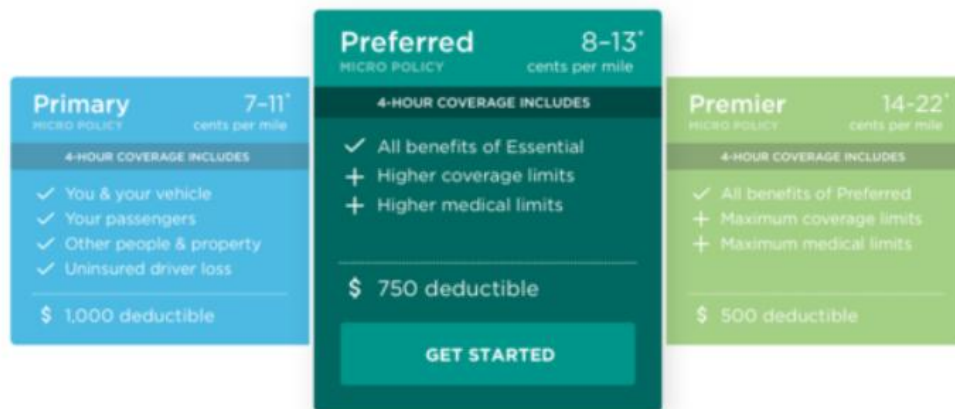


Insurtech Solutions

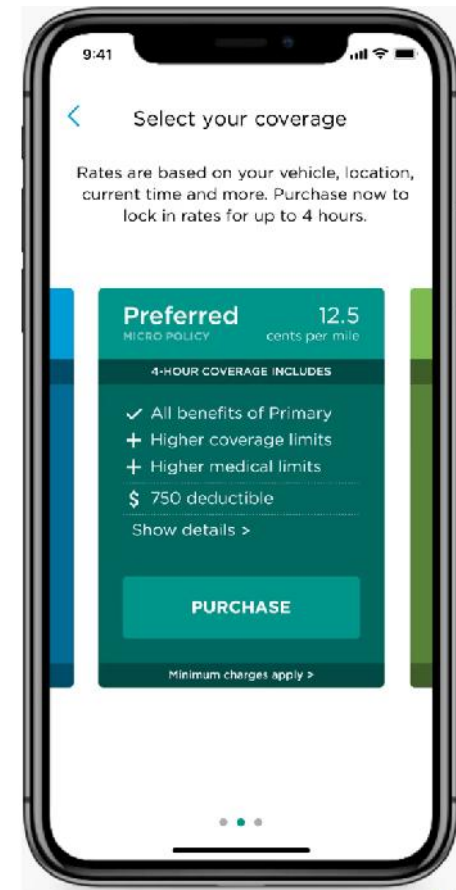
The Power of Choice

Within seconds, the user can view [personalized optOn quote options](#).

These quotes, priced at cents per mile, allow rideshare drivers to choose the insurance coverage and price that works for them.



*The rates shown are estimates. Actual optOn rates are based on your location, current time, and more. To get personalized quotes, get the optOn app. Subject to terms and qualifications.





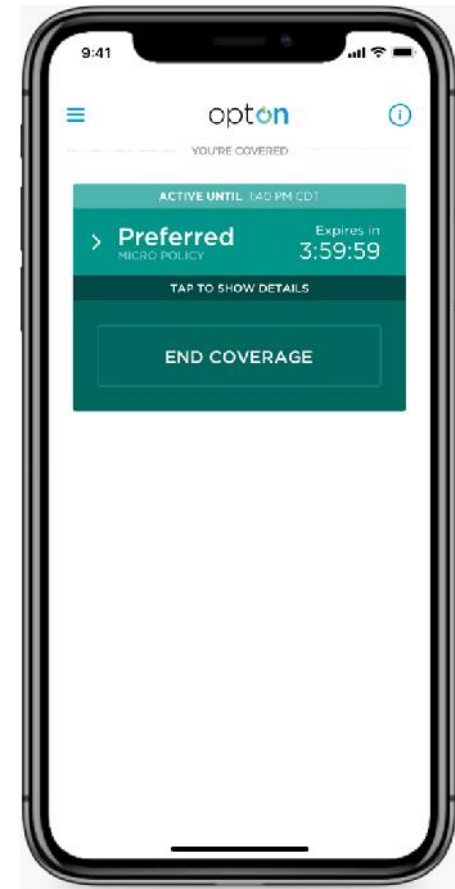
Insurtech Solutions

The Power of Flexibility

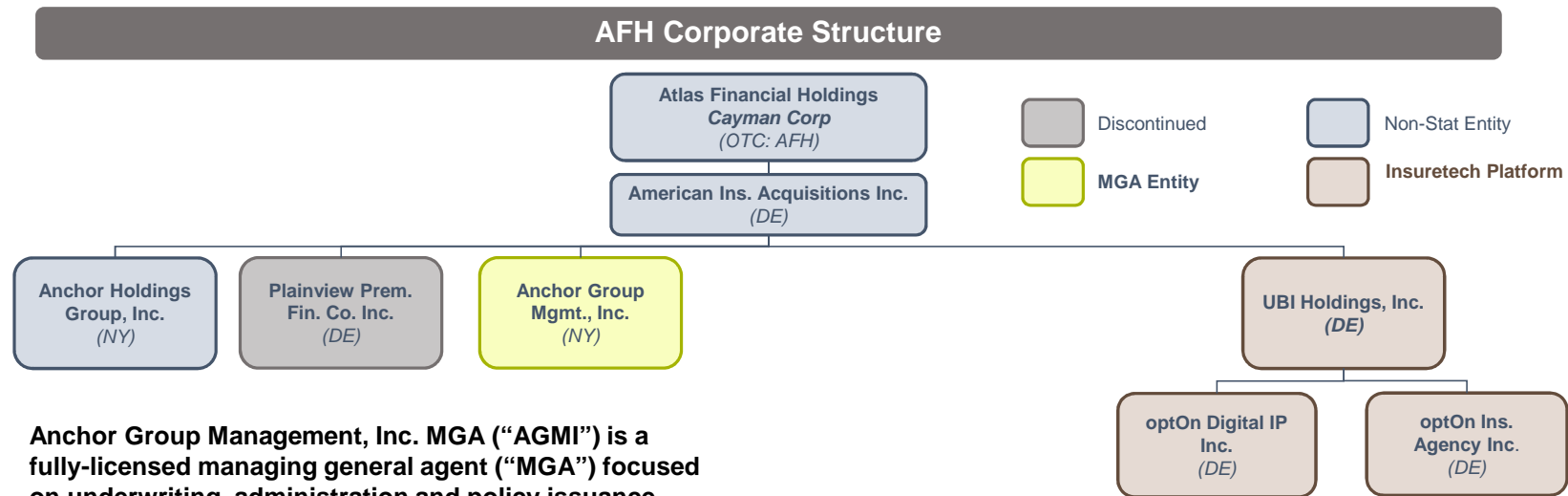
4-hour optOn micro policies are specifically designed with the rideshare driver in mind. Drivers can [get covered when they start working, then end coverage when they finish](#).

Coverage can be ended at any time or renewed once a driver nears the end of the policy.

The flexibility of the optOn policy allows rideshare drivers to experience [peace of mind](#), knowing they're protected.



Holding Company System



- Dedicated to the "light" commercial auto sector, including taxis and transportation network companies ("TNCs")
- Focus on owner-operators and small fleets (less than 10 vehicles)

optOn Digital IP is a digitally native insuretech platform designed to provide micro duration usage based insurance to TNC drivers

optOn Agency Inc. is a fully-licensed retail agency subsidiary of Atlas Financial Holdings, Inc. ("Atlas")

At a Glance and Contact Information

Executive Officers

Scott D. Wollney
Chairman, President &
Chief Executive Officer

Paul Romano
Chief Financial Officer

Corporate Headquarters

Atlas Financial Holdings, Inc.
953 American Lane, 3rd Floor
Schaumburg, IL 60173

Directors

Scott D. Wollney
Jordan M. Kupinsky
Ronald E. Konezny
Kurt Lageschulte

Service Providers

Stock Transfer Agent - Wilmington Trust
Company

Auditors - Baker Tilly

Investor Relations
The Equity Group Inc.
Adam Prior
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Corporate Information

Corporate Headquarters	Schaumburg, IL
Incorporated	Cayman Islands
Website	www.atlas-fin.com
NASDAQ IPO	2012

Share Information

Ticker	AFHIF
Share Price	\$0.49
Shares Outstanding	14,797,334
Market Cap	\$7.2M

Debt

Publicly Traded Debt Ticker (6.625% / Maturity 4/23/2022)	AFHBL
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