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 watch. The background is a blurred cityscape with warm, bokeh lights. The car's dashboard and infotainment screen are visible in the foreground.

# Atlas Financial Holdings, Inc.

Investor Presentation

May 2022



## Forward-Looking Statements

This presentation includes forward-looking statements regarding the Company, its 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 on this call may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies. These factors can be found in their filings with the Securities and Exchange Commission, in the "Risk Factors" section of its most recent Form 10K or subsequent quarterly filings on Form 10-Q. As such, 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 the Company 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](http://www.atlas-fin.com), [www.agmiinsurance.com](http://www.agmiinsurance.com), and [www.getopton.com](http://www.getopton.com).



# Atlas Strategic Focus

A strategic shift focusing on technology-driven commercial automobile managing general agency (“MGA”) as its primary business

## Vision

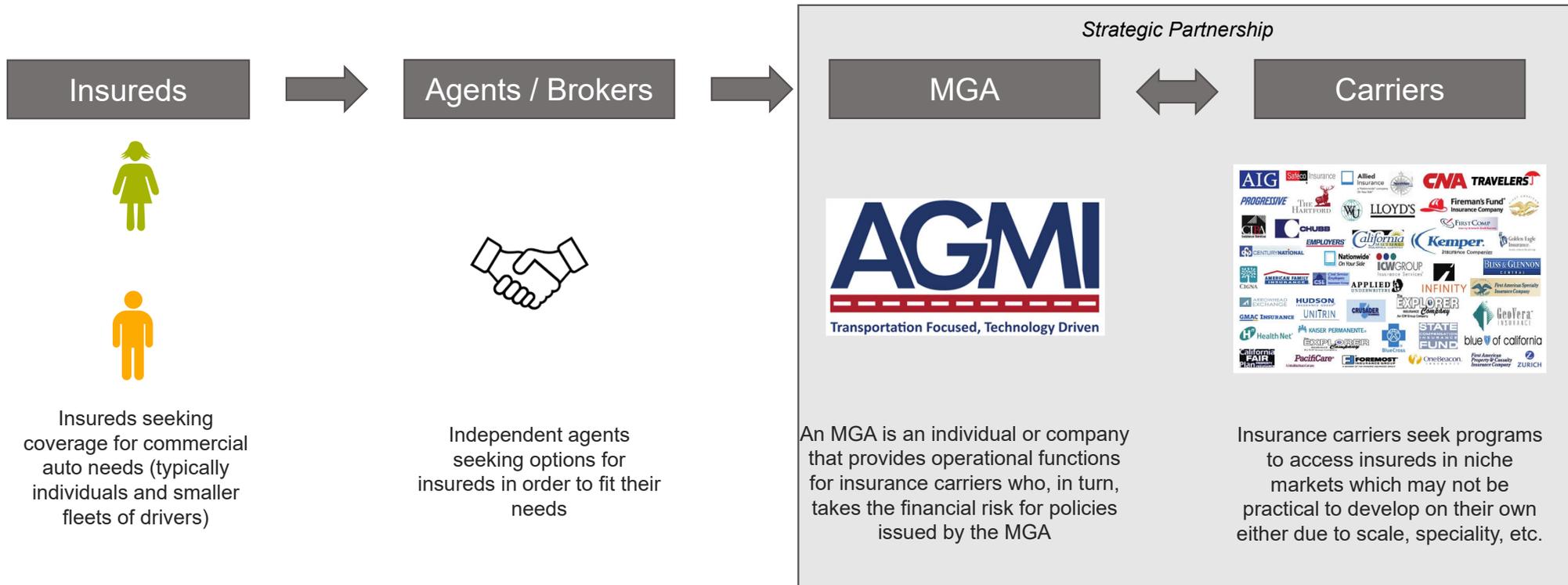
To always be a preferred specialty transportation related insurance business that delivers benefit to all stakeholders by leveraging technology, analytics, expertise, partnerships and capital resources.

## 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.*

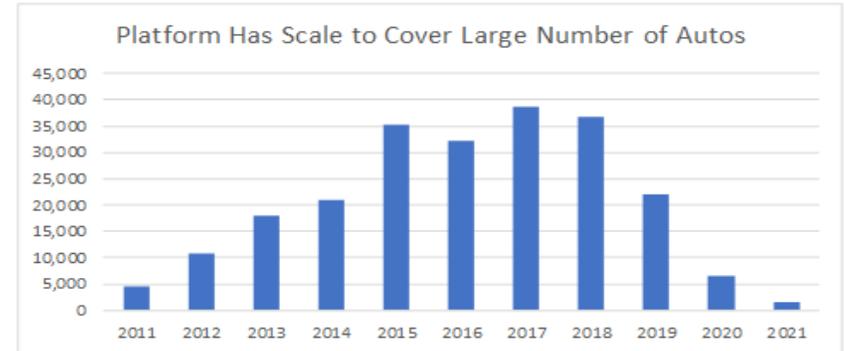
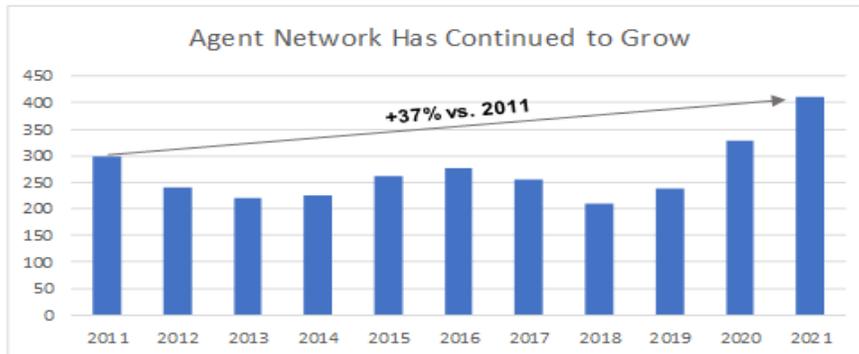
# Explaining the MGA Model



# MGA Approach

## Strategic Focus

- Leverage heritage in specialty market
- Utilize Atlas' systems and MGA resources ("AGMI")
- Existing distribution channel cultivated over decade (430+ 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



## 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

# Current Status of MGA Programs

## Strategic Go-Forward Programs

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### 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 (remainder reflects markets exited due to historic challenges)
- Demand continues to be significantly depressed due to COVID
- Exploring opportunity to leverage former Lyft program for fleets
- Planned expansion into complimentary lines of business/segments
- Business planning to potentially launch optOn 2.0

## Strategic Run-off/Discontinued Programs

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### Paratransit

- National Interstate exercised renewal rights
- Beginning with policies with December 1, 2021 effective dates, business will be transitioned during subsequent twelve months
- Frees up resources to focus on growing taxi/livery/limo book

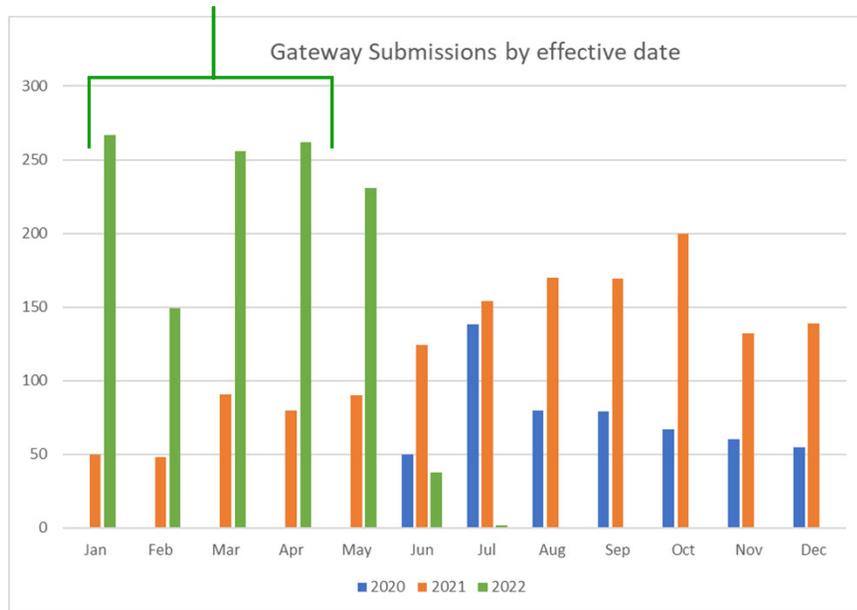
### Global Liberty

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

Market Recovery

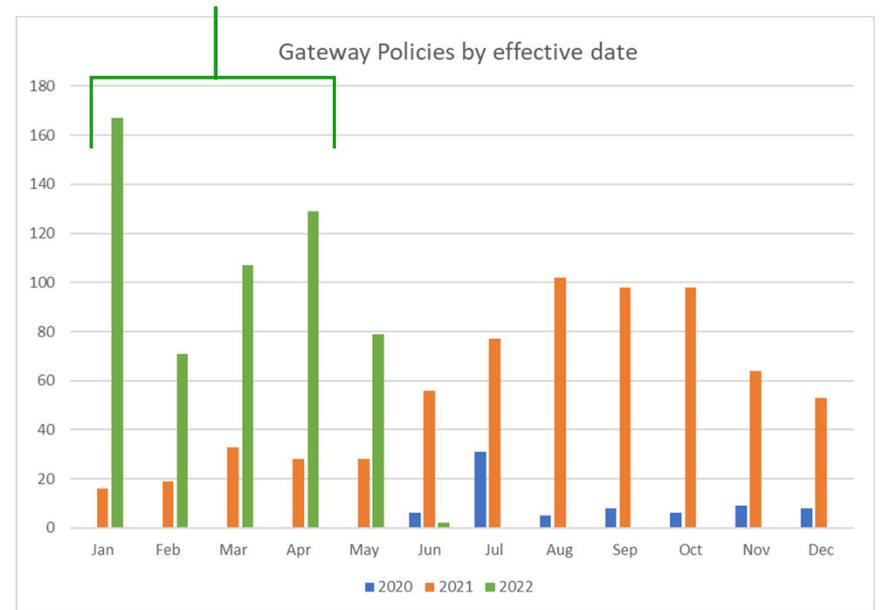
# Initial Indications of Recovery

**+247%**  
vs. 2021



Data as of May 20, 2022

**+394%**  
vs. 2021



Data as of May 20, 2022

Current Market Recovery

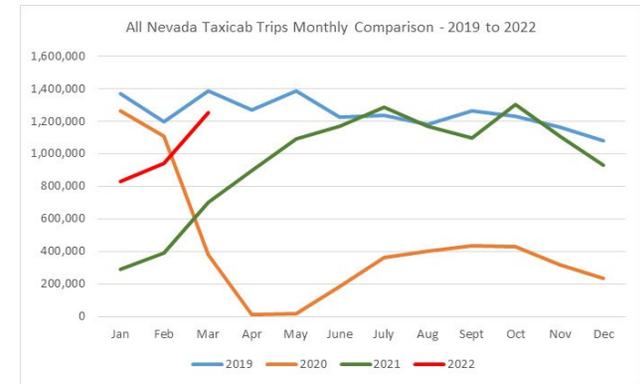
# Industry Activity Update – Chicago & Nevada



Data Source: City of Chicago  
<https://data.cityofchicago.org/Transportation/Transportation-Network-Providers-Trips>



Data Source: City of Chicago  
<https://data.cityofchicago.org/Transportation/Taxi-Trips>



Data Source: Nevada Taxicab Authority  
[https://taxi.nv.gov/About\\_Us/ALL/Statistics/](https://taxi.nv.gov/About_Us/ALL/Statistics/)

## Public Auto COVID Impact/Recovery

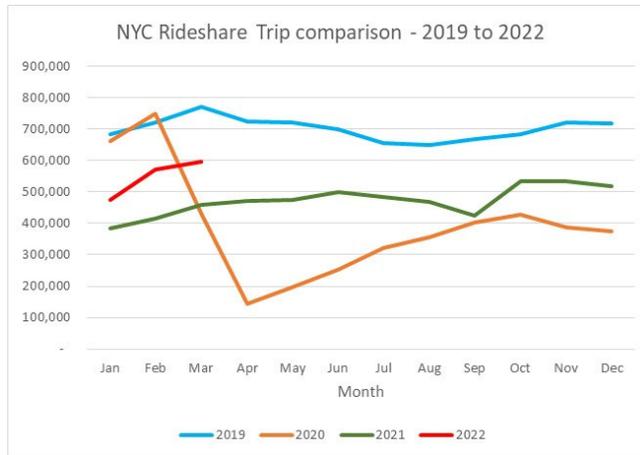
- Part-time TNC leading Taxi/Livery in total recovery, but all segments showing increased recovery
  - **Chicago TNC:** 5,816k trips in March 2022, a 23% increase from last month but still about 51% down from March 2019 (10,268k trips)
- Taxi/Livery continuing from prior months at increasing marginal rate
  - **Chicago Taxi:** 455k trips in April 2022, about a 2% increase from last month but still about 64% down from April 2019 (1,252k trips)
  - **Las Vegas Taxi:** March 2022 shows 33% increase from prior month; 10% decrease from March 2019
- Driver return continues to gain momentum work following Omicron
- Platforms offering near-term incentives to attract owner operators
- All segments experiencing significantly more demand for rides vs. driver supply



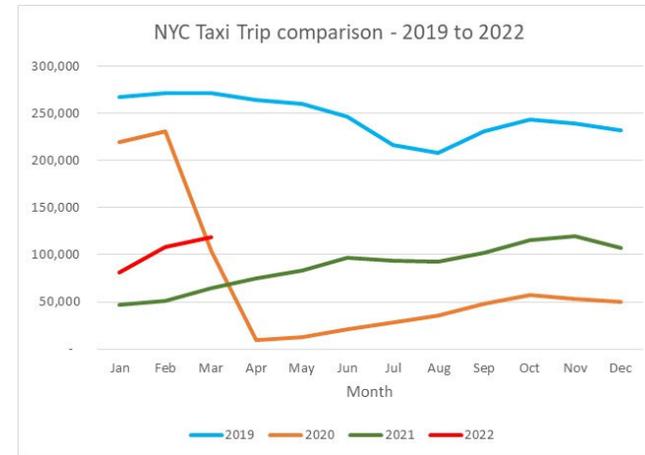
## Current Market Recovery

# Industry Activity Update – New York

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:



Data Source: NYC TLC  
<https://www1.nyc.gov/site/tlc/about/aggregated-reports.page>



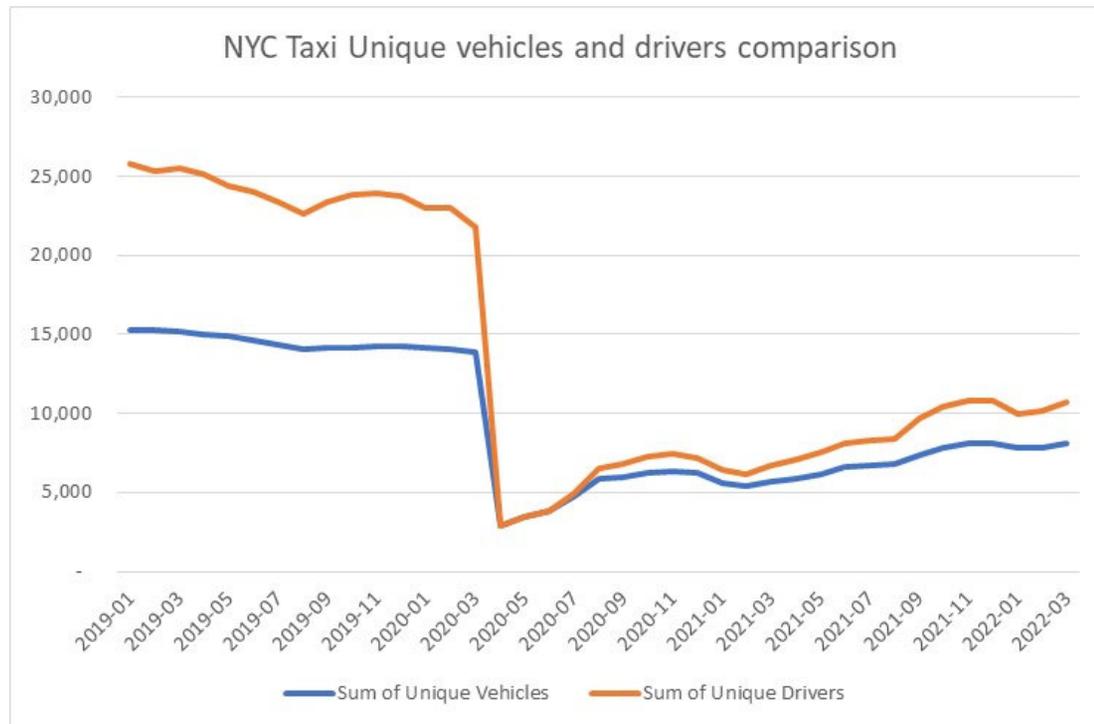
Data Source: NYC TLC  
<https://www1.nyc.gov/site/tlc/about/aggregated-reports.page>

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

Current Market Recovery

# Industry Activity Update – New York

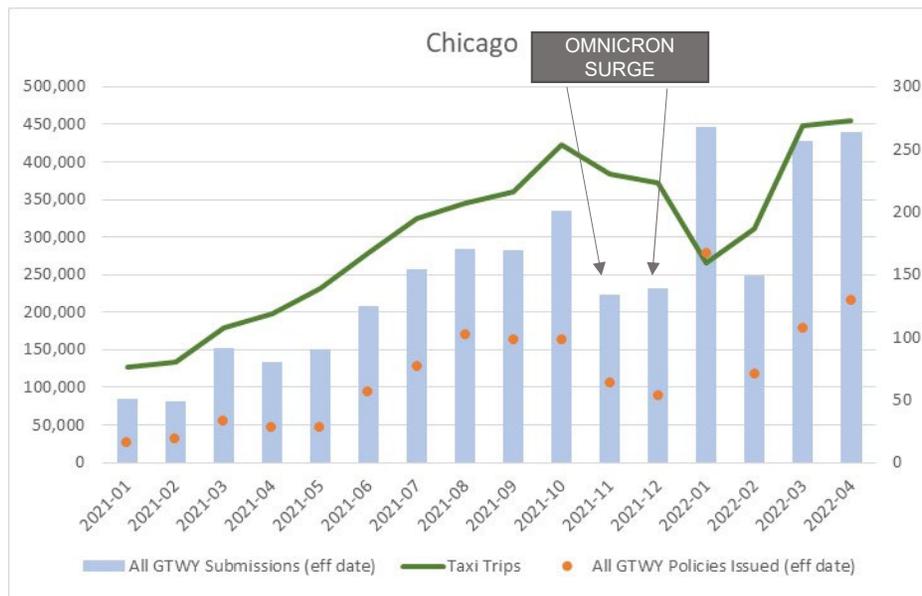
Pre-COVID, there were nearly two drivers for every one taxi. During COVID, the relationship dropped to 1:1 and is starting to increase reflecting drivers returning to work.



Data Source: NYC TLC  
<https://www1.nyc.gov/site/tlc/about/aggregated-reports.page>

Market Recovery

# Business Activity Update



Nationwide submissions and policy issuance generally follows Chicago taxi trip trend.

## Hit Ratio

Buckle / Gateway Quoting Activity						
Period	2020			2021		
	Submitted	Issued	Hit Ratio	Submitted	Issued	Hit Ratio
Q1	-	-		134	53	40%
Q2	2	-	0%	304	108	36%
Q3	149	6	4%	504	264	52%
Q4	150	19	13%	411	189	46%
<b>Full Year</b>	<b>301</b>	<b>25</b>	<b>8%</b>	<b>1,353</b>	<b>614</b>	<b>45%</b>

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

# Financial Statements

## Consolidated Statements of Financial Position

Please refer to  
Form 10-Q filed March 31, 2022  
for additional detail

(\$ in '000s, except for share and per share data)	March 31, 2022	December 31, 2021
<b>Assets</b>	<b>(unaudited)</b>	
Cash and cash equivalents	\$ 615	\$ 2,274
Restricted cash	2,740	3,637
Premiums receivable (net of allowance of \$225 and \$225)	11,068	11,397
Intangible assets, net	953	983
Property and equipment, net	2,149	2,503
Right-of-use asset	32	237
Notes receivable	18,017	18,017
Credit facility fee, net	—	584
Other assets	1,141	1,053
Assets held for sale	7,500	7,500
<b>Total assets</b>	<b>\$ 44,215</b>	<b>\$ 48,185</b>
<b>Liabilities</b>		
Premiums payable	\$ 12,701	\$ 13,593
Lease liability	32	224
Due to deconsolidated affiliates	19,091	19,957
Notes payable, net	33,763	33,102
Other liabilities and accrued expenses	6,824	6,811
<b>Total liabilities</b>	<b>\$ 72,411</b>	<b>\$ 73,687</b>
<b>Commitments and contingencies (see Note 7)</b>		
<b>Shareholders' Deficit</b>		
Ordinary voting common shares, \$0.003 par value, 800,000,001 shares authorized, shares issued: March 31, 2022 - 17,552,839 and December 31, 2021 - 15,052,839; shares outstanding: March 31, 2022 - 17,297,334 and December 31, 2021 - 14,797,334	\$ 53	\$ 45
Restricted voting common shares, \$0.003 par value, 33,333,334 shares authorized, shares issued and outstanding: March 31, 2022 and December 31, 2021 - 0	—	—
Additional paid-in capital	84,535	83,086
Treasury stock, at cost: 255,505 shares of ordinary voting common shares at March 31, 2022 and December 31, 2021, respectively	(3,000)	(3,000)
Retained deficit	(109,784)	(105,633)
Accumulated other comprehensive income, net of tax	—	—
<b>Total shareholders' deficit</b>	<b>\$ (28,196)</b>	<b>\$ (25,502)</b>
<b>Total liabilities and shareholders' deficit</b>	<b>\$ 44,215</b>	<b>\$ 48,185</b>

See accompanying Notes to Consolidated Financial Statements on the latest Form 10-Q.

# Financial Statements

## Consolidated Statements of Operations

Please refer to  
Form 10-Q filed March 31, 2022  
for additional detail

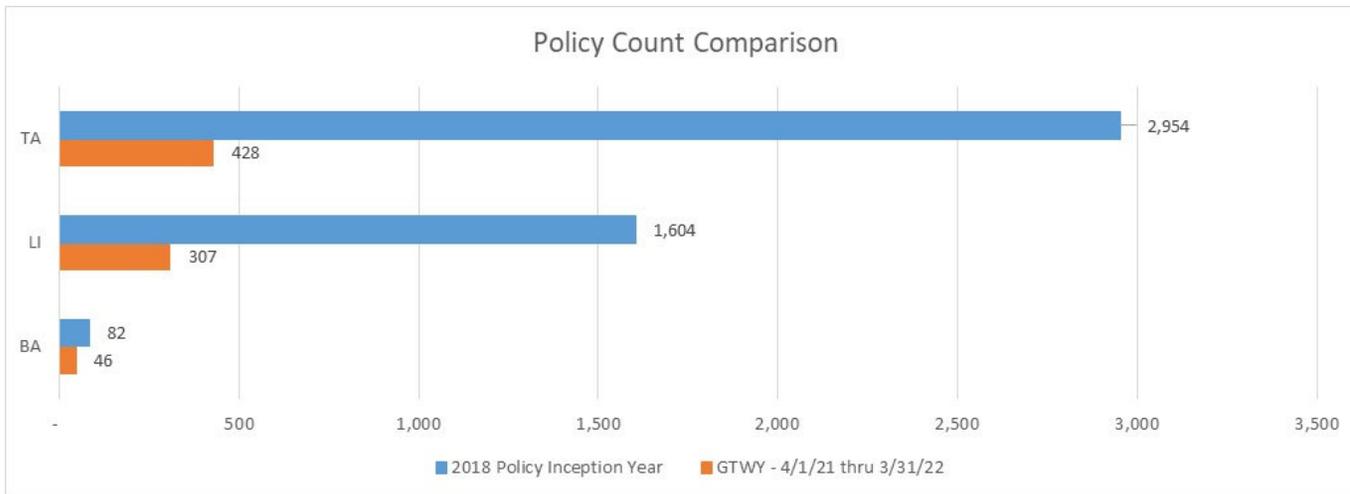
### Condensed Consolidated Statements of Operations

(\$ in '000s, except for share and per share data)	Three months ended March 31,	
	2022	2021
	(unaudited)	
Commission income	\$ 833	\$ 1,693
Net realized gains	1	12
Other income	752	636
<b>Total revenue</b>	<b>1,586</b>	<b>2,341</b>
Acquisition costs	579	894
Other underwriting expenses	4,527	3,482
Amortization of intangible assets	30	98
Interest expense, net	601	569
<b>Total expenses</b>	<b>5,737</b>	<b>5,043</b>
<b>Loss from operations before income taxes</b>	<b>(4,151)</b>	<b>(2,702)</b>
Income tax benefit	—	—
<b>Loss from continuing operations</b>	<b>(4,151)</b>	<b>(2,702)</b>
Income from discontinued operations, net of tax	—	152
<b>Net loss</b>	<b>\$ (4,151)</b>	<b>\$ (2,550)</b>
<b>Basic net income (loss) per share attributable to common shareholders</b>		
Continuing operations	\$ (0.28)	\$ (0.22)
Discontinued operations	—	0.01
<b>Net loss</b>	<b>\$ (0.28)</b>	<b>\$ (0.21)</b>
<b>Diluted net income (loss) per share attributable to common shareholders</b>		
Continuing operations	\$ (0.28)	\$ (0.22)
Discontinued operations	—	0.01
<b>Net loss</b>	<b>\$ (0.28)</b>	<b>\$ (0.21)</b>
Basic weighted average common shares outstanding	14,964,001	12,023,655
Diluted weighted average common shares outstanding	14,964,001	12,023,655
<b>Condensed Consolidated Statements of Comprehensive Loss</b>		
Net loss	\$ (4,151)	\$ (2,550)
<b>Other comprehensive loss:</b>		
Changes in net unrealized investment losses	—	(13)
Reclassification to net loss	—	(158)
<b>Other comprehensive loss</b>	<b>—</b>	<b>(171)</b>
<b>Total comprehensive loss</b>	<b>\$ (4,151)</b>	<b>\$ (2,721)</b>

See accompanying Notes to Consolidated Financial Statements on the latest Form 10-Q.

Recapturing Historic Business

# Significant Near-Term Opportunity



## Policy Comparison

- Overall Submissions/Quotes are at only 8% of 2018
- Policies Issued in active states with limits equal to or under \$1 million in 2021/22 vs 2018
  - 17% of policy count
  - 25% of vehicles
- Average premium per vehicle up 49%
  - \$4,966 in 2021/22
  - \$3,333 in 2018

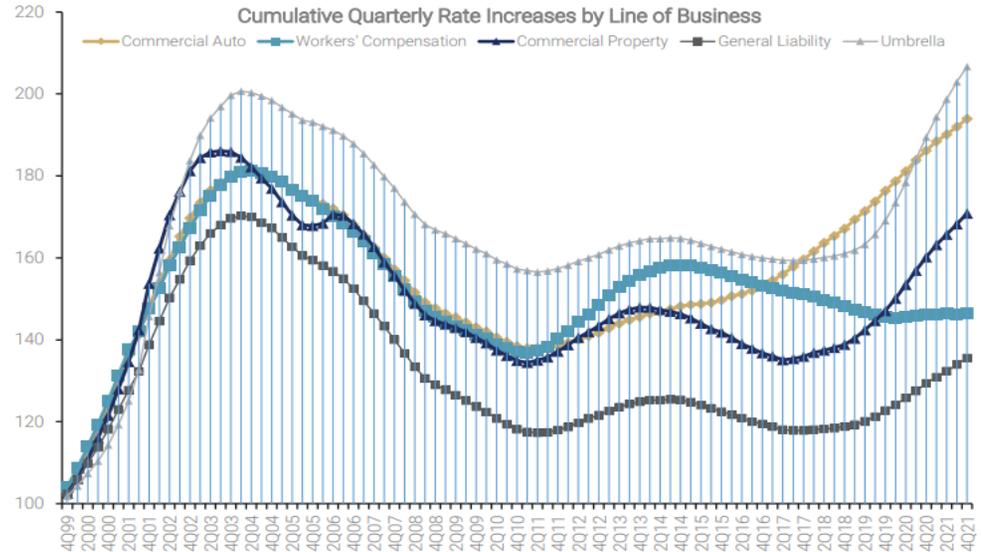
**Significant opportunity for recapture/growth in hard market**

Changing Market Dynamics

# Market Conditions

Multiple quarters of significant rate increases in commercial auto

\$53 Billion Addressable Market Poised for Disruption



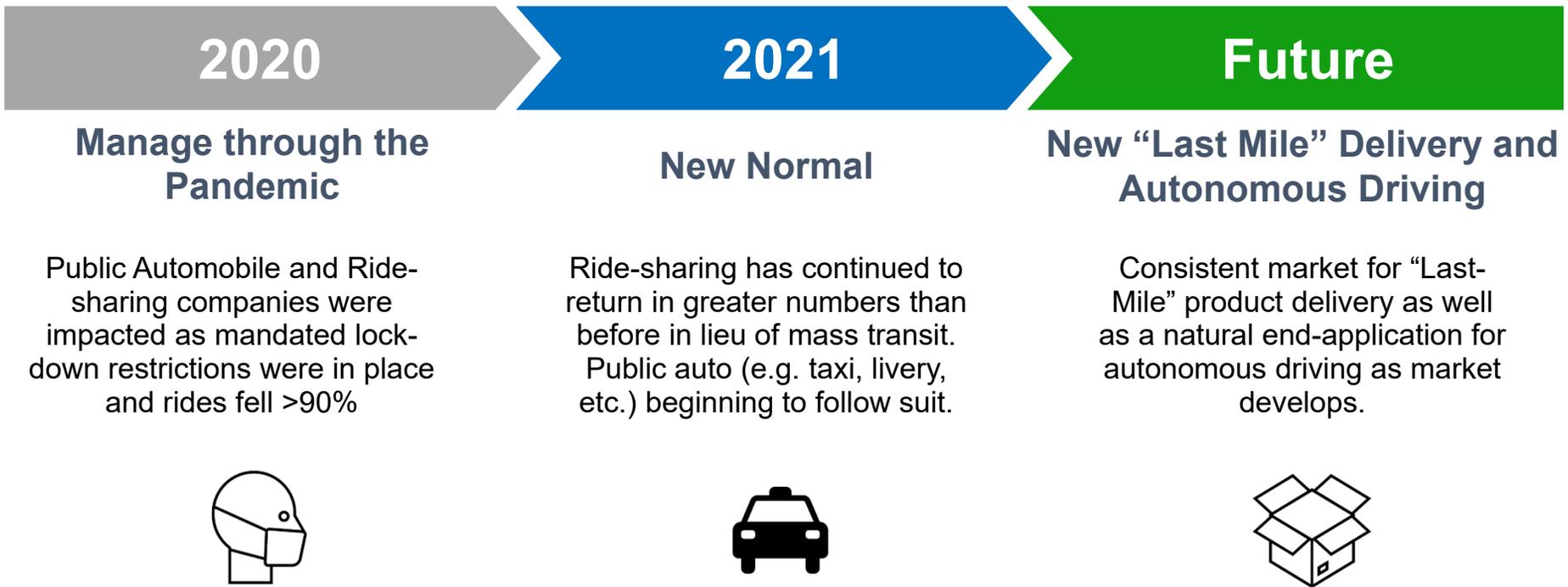
BY-LINE FOURTH QUARTER 2021 RATE CHANGES RANGED FROM 0.3% TO +15.0%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Fourth Quarter 2021	8.0%	0.3%	10.5%	6.4%	15.0%	8.1%
Third Quarter 2021	7.4%	-0.3%	10.3%	6.3%	16.9%	8.1%
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%
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 Q4' 21 Market Survey



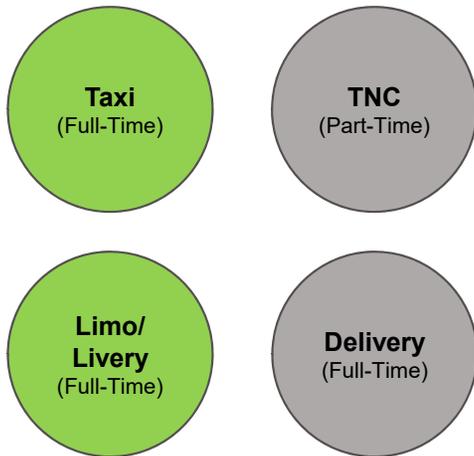
# Recovering from COVID-19 and Beyond



# Industry Activity Update – Vision

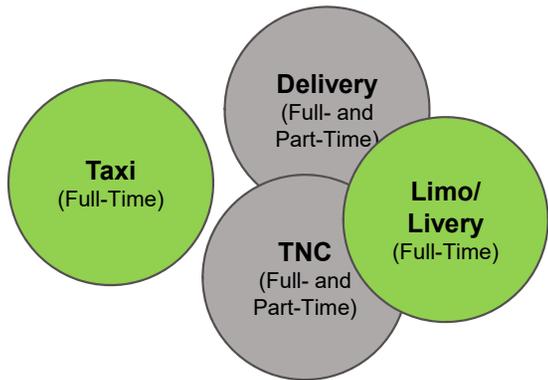
## Past

Historically, the Taxi, TNC, Limo/Livery, and Delivery markets have been addressed by drivers and vehicles that remained within narrow verticals; there was sharply defined competition between modalities for the targeted customers



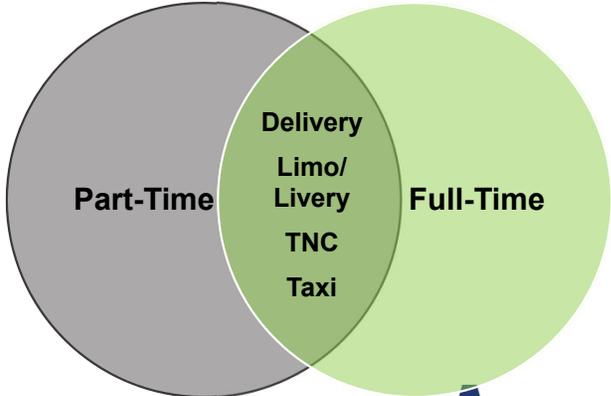
## Present

The lines have begun to blur for TNC, Delivery and Limo/Livery drivers and vehicles, e.g., UberEats, Limo services equipped to serve TNC customers, and part-time fulfillment delivery drivers that also drive for TNC and Limo services. There is also increasing flexibility for drivers choosing to drive on a full- or part-time basis.



## Future

Market structures rapidly adjusting to a reality in which all networks access vehicles that perform multiple roles in a single day; this has already begun with the NYC and CA announcements that taxis will be accessible on TNC platforms. Expect creation of a specialty market for “Last Mile” people transport and product delivery as autonomous driving market develops



# Focused Approach to Disrupt Large Market

## \$53 Billion Addressable Market Poised for Disruption in U.S.

### Immediate Focus

\$2.5 - \$3 billion “traditional” public auto niche

- Atlas’ market share was approximately 12% - 15% in 2018
- \$285 million gross written premium
- Leverage strong relationships with 420+ retail distribution agents
- Re-capture historic business
- Grow market share to proportionate 20%

### Next Steps

Build on prior experience in “gig” economy

- Technology enabled platform built to support Lyft/Flexdrive program in 2018
- optOn™ app based UBI concept
- Potential segments
  - Package delivery
  - TNC leasing fleets
  - Other
- Establish position in incremental addressable markets

### Longer-Term Vision

Disrupt larger segments within commercial auto

- True usage based products as alternative to industry reliance on proxies for risk
- Differentiated product offerings relevant to new economy
- Optimized expense structure
- Digital ecosystem with increased engagement, improved persistency, and strong brand



## Executive Officers

Scott D. Wollney  
President & Chief Executive Officer

Paul A. Romano  
Vice President and Chief Financial Officer

## Corporate Headquarters

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## Investor Relations

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