OPERATOR

Operator Remarks

KARIN DALY

Thank you, Rob and good morning, everyone.

Atlas Financial will make details this broadcast available on its website at www.atlas-fin.com. Additionally, you can find copies of Atlas' earnings release and supplemental investor presentation in the investors section of the Company's website.

Speaking today will be President and Chief Executive Officer, Scott D. Wollney, and Vice President and Chief Financial Officer, Paul A. Romano.

On this call, Atlas may make 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.

With that, it's my pleasure to turn the call over to Scott Wollney, Scott?

SCOTT WOLLNEY

Thank you very much Karin, and good morning everyone. I will start the call by providing an update regarding our business activities and key strategic milestones starting on slide 4 of our presentation. Paul will then provide an overview of financial results. I will conclude with further information about our outlook. We appreciate the investor questions submitted in advance and will address them in our prepared remarks and explicitly at the end of this call.

Our vision is 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. In pursuit of this vision, our mission is 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. Our current target markets include full-time operators in the taxi, livery, limousine, and full-time transportation network (or "TNC") niche market. We are uniquely positioned to be a market leader in these segments, re-capturing and building on the approximately $285 million of business we wrote just a few years ago. Our commitment is to create value for our stakeholders initially through profitable growth in our managing agency business, AGMI, delivering 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. Leveraging our heritage and infrastructure, we also intend to pursue incremental value creating opportunities as a nimble, innovative specialist, deploying our expertise, analytics and technology to disrupt other underserved segments of commercial auto.

On our previous calls, we detailed our history and background, including the transition from a group of risk bearing insurance carriers to an MGA-based business model. I would encourage all parties to listen to our previous conference call for additional background and review the historical investor relations presentations available on our website. As an MGA we represent unrelated insurance carriers, enabling them to access our specialty market efficiently. In this capacity, our team is able to leverage Atlas' heritage to generate value for both our risk-taking insurance company partners as well as our distribution channel and ultimate policyholder customers. We have experienced, and learned from, a disruptive paradigm shift with respect to our target market as well as dramatic challenges that impacted the commercial auto insurance industry overall in recent years.

As an MGA, our team has worked hard to successfully transition from a long-standing history as a group of traditional insurance carriers to a technology and analytics-focused managing general agency with the goal of EBITDA growth through strategic relationships with risk taking partners who have larger balance sheets and a lower cost of capital. The overriding objective of this strategic shift was, and is, to deploy the valuable assets that Atlas developed over more than a decade in a way that can provide an asymmetric risk adjusted return. Historically, our premiums written represented less than 15% market penetration in our niche. Our expectation continues to be that, as a market leader, capturing 20% market share is reasonable over time. We believe that focusing as a nationwide middle market insurance provider specializing in "light" commercial auto uniquely positions us to offer comparative advantages in the niche segments on which we focus. And, as an MGA, we can recapture share and grow our business without the need to dedicate significant capital exposed to risk as would be typical to the nature of a traditional insurer. It is also worth noting that current commercial auto insurance rates are significantly higher than they were in 2018, as a result of continued market hardening.

The primary focus of today's call will be our 2021 results with an eye towards future expectations. The focus of our go-forward business initially targets the taxi, limo, livery and full-time TNC drivers we insured prior to the pandemic and our strategic shift. During the past two years, the former insurance company subsidiaries Atlas owned that experienced challenges related to loss reserve development were put into liquidation and other non-strategic assets, including renewal rights related to our paratransit book of business, were sold. Paul will provide more detail in terms of how these non-recurring transactions impacted our year-end financial results. As we look forward, we expect our financial results will reflect our strategic go-forward business plan.

In terms of execution, our highest near-term priority is rebuilding our public auto related business as an MGA. In addition, our longer-term objectives include horizontal expansion into other specialty commercial auto niche markets as an MGA as well as re-deploying our optOn insurtech platform. At this time, we will focus primarily on the activities related to our MGA strategy and plan to provide more information about the horizontal expansion and insurtech aspects of our business plan on future calls and at an investor day following the Company's annual general meeting.

As detailed on slide 8, the fourth quarter 2021 represented continued progress towards recovery, as we grew our MGA operation through partnerships with external risk-taking insurance and reinsurance partners. In the fourth quarter of 2021, applications for insurance submitted to AGMI were up +355% as compared to the same quarter prior year and policies issued were up +815%. We remain encouraged by a strong start in 2022 as well, with AGMI's applications for insurance in the first quarter up more than +300% as compared to the same period last year and policies issued through the end of March 2022 up more than +460% compared to the same period last year. While these preliminary results suggest that post pandemic recovery is beginning to enable improvement to our core business, there can be no assurance that these trends will continue or that future results will be consistent with these indications. Historically, January has been an extremely strong month in our business due to seasonality. And, while we experienced a significant year over year increase in January in terms of submissions and policies issued, March submissions exceeded those received for January. Understanding that many of the submission we are currently receiving relate to vehicles that are in the process of being put into, or back into, service we do expect that policy issuance may lag the normal time-frame between quotation and binding.

Much of our focus in 2021 was the conclusion of legacy issues related to our strategic reorganization while we monitored the impact of the COVID-19 pandemic on our target market. We generally believe that Chicago's data is fairly representative of most of the country. As has been the case during the past twelve months, the recovery of TNC rides has led the taxi industry, but both are moving in the right direction. However, Chicago TNC rides are still down 44% as compared to pre-pandemic levels and taxi is down 72%. There are examples, such as Nevada (where we currently write the second largest taxi operator) experiencing more robust recovery. While we have taken active and thoughtful steps in terms of expense and headcount reduction, we have maintained the level of infrastructure we believe best positions us to take advantage of continued recovery. We are not currently writing business in New York at this time; however, it is valuable to monitor this market to inform our view. We regularly evaluate the competitive, rate, and regulatory environment in geographic areas across the county with the goal of generating business in all areas where our products will deliver value to our customers and strategic partners.

In 2022 and beyond, we are focused on the growth and expansion of our business. We continue to see encouraging signs of recovery with an increased demand for rides and a related improvement in driver supply. While uncertainty regarding the COVID-19 pandemic and high gas prices are impacting the re-engagement of our target market, we are encouraged that submissions and policies written in our core taxi, livery and full-time TNC segments are starting to grow significantly as compared to the prior two years. The graph on slide 11 overlays the return of Chicago taxi rides as the green line with applications for insurance we've received nationwide as the blue bars. As you can see, other than the impact we believe is attributable to uncertainty regarding Omicron in November and December, the growth in our submissions has tracked well with industry recovery. We believe this is an indication that we are capturing a proportionate share of the market as vehicles are put back into service. The chart on the right demonstrates that the ratio of policies we bind as compared to those we quote have been improving throughout 2021. Generally speaking, we expect to see this hit ratio in the 40% - 50% range which indicates that our product offering is competitive. In a softer market, a hit ratio in the neighborhood of 35% would be more typical. The fact that we are achieving an above normal hit ratio indicates that the competitive environment is favorable and the products we offer are valued by our customer base.

With that I'll turn it over to Paul for a brief review of our financials and then I'll return for a few closing comments; and to address questions.

PAUL ROMANO

Thanks Scott. As always, I encourage each of you to review our filings, slide presentation, and to reach out to Scott or myself with any questions. Slides 12 and 13 summarize the financial results as detailed in our Form 10-K for the year ended December 31, 2021 which was filed this past Thursday, March 31, 2022.

Overall, for the full year 2021, net loss before tax was $(5.8) million, or $(0.45) loss per common share diluted compared to a net loss of $(13.0) million, or $(1.08) loss per common share diluted, in 2020, representing an increase in earnings per common share diluted of $0.63.

Book value per common share increased $0.02 to a negative $(1.72) as of December 31, 2021 from a negative $(1.74) as of December 31, 2020.

In addition to our go-forward business activities, these results include a number of financial impacts related to legacy aspects of our business which were concluded prior to year-end 2021 which I'll highlight in a moment.

AGMI, which is our managing general agency operation, generates commission and fee income, primarily derived from premiums produced on behalf of our risk bearing insurance carrier partners. We earn commission from the sale of first year and renewal policies from these partners. We also generate other revenue, mainly from professional fees in connection with service arrangements with our strategic partners.

Commission income relating to the business produced by AGMI increased by $728,000, or 14.0%, from $5.2 million in 2020 to $5.9 million in 2021. The increase was mainly attributed to the increase in our taxi and livery program production during 2021 as compared to 2020. During both 2020 and 2021, the majority of our premium production related to non-emergency paratransit business. However, following the previously announced paratransit renewal rights transaction, AGMI's premium production beginning in December 2021 is primarily core taxi, livery and full-time transportation network operators.

Other income increased by $1.5 million to $5.9 million from $4.4 million due to an increase of professional services revenues in 2021.

In 2021 we recorded an impairment charge of $7 million related to our headquarters building in Schaumburg, Illinois which continues to be held for sale. There were no impairment charges on the Company's corporate headquarters in 2020.

Acquisition costs of $3.2 million in 2021 compared to $2.9 million in 2020 represent commissions paid to retail agents who sell insurance policies. The increase in acquisition costs resulted from an increase in premium production of $4.0 million.

Other underwriting expenses including share-based compensation and amortization of intangible assets decreased $1.5 million to $16.4 million in 2021 compared to $17.8 million in 2020.

As a result of the significant shift in our operations over the course of the last few years, the year-over-year change in expense becomes muddied and less relevant. For this reason, I'd like to focus on the make-up of the 2021 full year expenses. The full year 2021 expense of $16.4 million consisted of the following:

- Expenses related to continuing operations represented $9.8 million, which includes: $6.3 million of salaries and related benefits, $2.1 million of other expenses and professional fees, and $1.4 million of depreciation and amortization.
- Expenses related to our headquarters building in Schaumburg, Illinois, represented $2.2 million, of which, $1.7 million were occupancy and storage costs with the remainder attributable to depreciation, amortization, and other building related expenses.
- Normal-course public company costs represented $2.1 million.
- Other non-recurring expenses of approximately $2.3 million related to legacy activities.

In addition, certain other non-recurring adjustments impacting our financial results included:

- A non-cash gain on disposal of subsidiaries of $5.7 million due to the out-of-period adjustment recorded in 2021 relating to the deconsolidation of the ASI Pool Companies.
- Full forgiveness of both PPP Loans in 2021 totaling $6.6 million.
- An impairment charge on intangible assets of $930,000 relating to the Global Liberty customer lists was recorded in 2021 compared to $0 impairments in 2020

The Company also had $2.2 million of interest expense in 2021 relating to the accrued Senior Unsecure Notes, the mortgage notes on the Company's headquarters and interest on the September 2021 Credit Facility as compared to interest expense of $1.9 million in 2020.

While our continuing operations are currently generating a loss, we believe the scalable infrastructure we have in place is well positioned to generate positive EBIDTA in the future as our target customer segments continue to re-deploy their vehicles following the material reduction in their business activity during the COVID-19 pandemic.

As an MGA, we do not take balance sheet risk in connection with indemnity losses related to the insurance policies we produce on behalf of our insurance carrier partners. Therefore, we expect strong risk adjusted returns as we migrate toward efficient scale. Going forward, with the many non-recurring items just highlighted being fully addressed, our financial results are expected to be less complicated and primarily representative of our MGA operations.

As previously announced, on September 1, 2021 the Company secured bridge financing via a convertible delayed draw credit facility. We are able to use the proceeds from this facility for certain agreed upon expenditures, which include expenses that were expected to be incurred in connection with the restructuring of the Company's 6.625% Senior Unsecured Notes originally due to mature on April

26 2022. The total funding available under this credit facility is $3 million and is subject to its terms and conditions. As noted in our 2021 Form 10K, the Company has now drawn the full $3 million on this facility. The funding available under this Credit Agreement is intended to defray costs related to bond exchange activities along with other near-term cash needs of the business at a time where commission revenue is lower than required to generate positive cash flow.

From a capital structure standpoint, we were very pleased to have obtained final court approval on the previously announced exchange of our 6.625% senior unsecured notes on March 30, 2022. This is an important milestone in our planned transition to a successful and profitable business and demonstrates the support of all interested constituents.
The administrative aspects of this exchange should be concluded within the next few weeks. We want to thank our noteholders for believing in our vision of creating significant enterprise value during the incremental five-year maturity extension this bond exchange provides.

With that, let me turn the call back to Scott for his concluding remarks.

SCOTT WOLLNEY

Thanks Paul. Our infrastructure is readily scalable, and our current book of business represents only 6% of the policies written in 2018. We have support from our risk-taking partners which should enable us to recapture as much as 80% or more of this business over time. Data from the Counsel of Insurance Agents and Brokers shows that the U.S. commercial auto insurance segment remains a hard market, having experienced more than forty consecutive quarters of rate increases. As a result, the overall commercial auto segment in the United States was more than $53 billion in 2021 according to S&P. This is favorable in terms of our competitive position. In addition to having a lot of opportunity to recapture a significant amount of business as the market recovers, rates (and therefore commissions) are also up. Our average rate per vehicle year to date is $4,774 as compared to $3,333 in 2018, an increase of 43%.

That said, full time drivers need to feel confident they can cover their costs before getting back on the road, both opportunity cost and actual expenses, which includes buying the type of insurance products Atlas provides as an MGA through our AGMI business unit. With demand for rides increasing significantly in most areas of the county, we expect a meaningful pick up in full time drivers re-entering the market could result in greater demand for commercial auto insurance in the taxi and livery segments in particular.

We have an aspirational goal of disrupting various segments of the commercial auto space over time. Successfully continuing to execute on our MGA strategy in the near term is our first challenge. We have adjusted to a “new normal” and need time and continued commitment from our team, stakeholders and business partners to achieve that goal.

While we are hyper-focused and well positioned to re-capture a proportionate share of what will likely be at least a $3 billion addressable market in “traditional” public auto following recovery from the pandemic, our aspirations are to further leverage our experience and infrastructure beyond that immediate focus. Within our traditional MGA business, our first priority is to recapture historic premium volumes in our existing public auto niche and return to profitability and positive cash flow. In addition, we are also evaluating incremental opportunities to expand the scope of our product offerings to other full-time drivers in the gig-economy space such as food and package delivery as well as other service providers. Our prior experience and the technology platforms developed in connection with our Lyft/Flexdrive program as well as our optOn insurtech initiative will play important roles in this horizontal expansion. These longer-term plans are intended to enable us to ultimately build a larger and more diversified organization than we had in 2018 prior to the challenges we faced and our subsequent evolution in strategic focus. Ultimately, we plan to be a meaningful disrupter in the $53 billion U.S. commercial auto segment over time.

With that, we'll take questions. Karin?

QUESTION & ANSWER

KARIN DALY

Thank you Scott. Let me take a moment to discuss the format for questions for this call. Following our scheduling announcement of the call, we accepted questions prior to the release of earnings from all interested parties who wish to submit via email. Where possible, we worked these questions into our presentation where appropriate, but there were a few that held fair to discuss solely:

KARIN – QUESTION

This first question relates to New York's recent deal between Uber and Taxis – what is the expectation of impact on business going forward?

ANSWER: You may have seen the recent announcement that NY yellow cabs are now available for dispatch via Uber's app. We anticipate this will become a trend in other major metro areas and could lead to a significantly positive shift in our niche. Specifically, it should create more incentive for full-time commercial drivers to enter the space which will increase our addressable market.

KARIN – QUESTION

The next question is relates to the run-off legacy programs, what is the expected run-rate or impact on financials?

ANSWER: The accounting impacts related to our former insurance company subsidiaries were addressed in our 2021 results. We will continue to generate commission related to the transition of our former paratransit business though the end of November 2022. We expect that the growth of our core taxi, livery, limousine and full-time TNC business with significantly outpace the impact of the runoff of non-strategic business.

KARIN – QUESTION

The next question is regarding an update on corporate headquarters in Schaumberg, IL – is there an update on interest/expectation of the sale to close, and how will it impact financials if the sale is delayed or finalized?

ANSWER: This property remains held for sale. The commercial real estate market in the Chicago suburban area was very slow during the COVID-19 pandemic. We are starting to see more activity, but do not yet have an offer for this property. We recently reduced the asking price from $13 million to $11.5 million based on market conditions. We are proactively pursuing a sale of this property with the objective of consummating a transaction as soon as possible this year.

KARIN – QUESTION

The next question is related to additional carrier partners – how many carriers do you have and is there a specific goal to obtain carriers in 2022 and beyond?

ANSWER: We are currently working with two risk taking insurance company partners. We have a strong relationship with Buckle Corp who acquired three of our former insurance company entities as clean shells out of liquidation and re-capitalized them. Our primary taxi and livery program is written on their paper. We also have a complimentary cargo insurance and standalone physical damage program with ITMA. Our team are actively talking with other potential carrier partners with the goal of horizontal expansion. Following the completion of our senior note exchange we anticipate that these discussions can proceed more definitively.

KARIN – QUESTION

The next question is relative to the auto insurance industry, with many insurers strategically exiting the auto business due to recent loss-cost trends, how do you see it impacting the MGA business and specifically for Atlas?

ANSWER: As I noted earlier, the commercial auto space has been a hard market for a number of years, possibly the longest in history. This was originally driven by loss development experienced across the industry. Based on current inflation trends, we expect that this hard market condition will continue for some time. As noted earlier, our rates per vehicle are more than 40% higher than they were in 2018. We believe this market condition provides a great opportunity to grow as an MGA.

KARIN – QUESTION

The next question relates to inflationary impacts on the expense ratio, or other corporate-related cost – are you seeing a wage impact, or anywhere else in the business?

ANSWER: We do not expect our infrastructure costs to be impacted significantly by inflation. In fact, the steps we took during the pandemic in terms of remote working and expense reduction should result in lower costs in terms of occupancy and certain other areas on an annual basis. Public company costs have also been relatively high due to the size and circumstances surrounding our business. We also expect these to moderate and become more proportionate over time. Salaries and benefits are the most significant variable expense related to our MGA business. As with most business in the U.S., we are anticipating wage inflation and will continue to focus on maintaining a strong culture focused around the specialty nature of our business. Our current plans do anticipate moderate hiring later this year provided business recovery follows our projections.

KARIN – QUESTION

The next question is with respect to the Company's plans to bring new technology and talent in the business.

ANSWER: We invested significantly in our technology and analytics platform prior to our strategic re-focus in 2019. As an MGA, we are able to utilize that infrastructure in our current business without the need to invest significant capital expenses in this area. Our platform was developed at a time when we wrote nearly $300 million of premiums and were planning to continue to grow. As we downsized the organization during the COVID-19 pandemic, we were committed to ensuring that key people on our great team were retained and focused on our future post-pandemic plans. We will, of course, focus on attracting and retaining great talent as we grow, but do not anticipate the need for a significant increase in headcount in our MGA operations in the near term. Building a strong and focused corporate culture is something that I believe our team has done very well, as evidenced by the determination we've shown in the past few years, and we will continue to make that a priority going forward.

KARIN – QUESTION

The final question is with respect to the Company's plans to re-deploy optOn and to reach transportation network drivers and other potential gig-economy customers, especially given the relatively high acquisition costs observed with other insurtech businesses.

ANSWER: We learned a lot about both the ability to solve a number of challenges facing the commercial auto insurance industry as well as defining, identifying and interacting with gig-economy drivers using digital marketing and other strategies. During our initial optOn pilot in Illinois back in late 2018, we successfully achieved over 10,000 downloads of our optOn mobile application in less than 6 months. A lot has changes since that time and our team have continued to evolve our objectives, approach and initiatives in connection with a re-launch of optOn. Unlike the growth of our more "traditional" MGA business, this will require additional resources and capital which will be one of our focus areas later this year following the conclusion of our bond exchange and what we expect will be demonstrable progress in terms of achieving profitability at AGMI. We will share more information later in the year in this regard. In the meantime, I will say that we continue to strongly believe that the innovative use of technology within insurance, especially in terms of individual drivers, can have a significant positive impact in terms of solving challenges that have been plaguing auto insurance. Furthermore, we also understand that combining legitimate insurance industry experience with the deployment of technology is the "best of both worlds". While many insurtechs appear to be learning this the hard way, our experience and heritage will serve as a valuable guide in our strategic execution.

And that wraps up the questions received in advance of the call. If there are any further questions, please feel free to reach out to us. Thank you to all interested parties for submitting questions and listening in today. I will not turn it back to Scott for closing remarks.

SCOTT WOLLNEY

Thank you everyone. Your questions and support are greatly appreciated. We will soon be announcing the date for our 2022 annual general meeting and also look forward to speaking to you again in May after the issuance of our first quarter 2022 financial results.