



Results of Operations for the Year Ended December 31, 2023 - American Overseas Group Limited Announces Net Income Of \$5.3 Million For the Year Ended December 31, 2023.

HAMILTON, Bermuda, April 30, 2024 (BUSINESS WIRE) -- American Overseas Group Limited BSX: AORE.BH) (Pink Sheets: AOREF.PK) ("AOG" or the "Company") today reported consolidated net income available to common shareholders of \$5.3 million, or \$113.56 per diluted share, for the year ended December 31, 2023. This compares to consolidated net loss available to common shareholders of \$1.5 million, or \$31.42 per diluted share, for the year ended December 31, 2022. Book value per weighted share at December 31, 2023 was \$772.67, an increase from the book value per weighted share of \$758.44 at December 31, 2022.

For the three months ended December 31, 2023, net earned property and casualty premiums increased \$4.1 million from \$5.1 million a year ago to \$9.2 million. For the year ended December 31, 2023, net earned property and casualty premiums increased \$9.3 million from \$20.1 million to \$29.4 million.

Quarter to Date fee income increased \$1.7 million from \$3.0 million to \$4.7 million and gross written premiums increased \$77.5 million, moving from \$118.1 million to \$195.6 million. Quarter to Date Loss and loss adjustment expenses as a percentage of earned premium increased from 82.2% to 85.4%.

For the year ended December 31, 2023, fee income increased \$4.8 million from \$11.7 million a year ago to \$16.5 million and gross written premiums increased \$213.5 million, moving from \$453.1 million to \$666.6 million. For both the quarter and the year, direct written premiums were positively impacted by continued expansion of new programs, rate increases, and organic growth in existing programs. Year to Date Loss and loss adjustment expenses as a percentage of earned premium decreased from 72.1% to 69.2%.

For the three months ended December 31, 2023, operating expenses increased \$0.8 million from \$3.0 million to \$3.8 million. For the year ended December 31, 2023, operating expenses increased \$0.6 million from \$11.5 million to \$12.1 million.

As part of its ongoing capital management efforts, the Company will continue to redirect excess capital within the group to debt reduction unless other compelling opportunities present themselves.

Forward-Looking Statements

This release contains statements that may be considered "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements include, without limitation, the Company's expectations respecting the volatility of its insured portfolio, losses, loss reserves and loss development, the adequacy and availability of its liquidity and capital resources, its current run off strategy, its strategy for writing other reinsurance businesses and its expense reduction measures. These statements are based on current expectations and the current views of the economic and operating environment and are not guarantees of future performance. A number of risks and uncertainties, including economic competitive conditions, could cause actual results to differ materially from those projected in forward-looking statements. The Company's actual results could differ materially from those expressed or implied in the forward-looking statements.

Information About the Company

American Overseas Group Limited is an insurance holding company incorporated in Bermuda and a tax resident of the United Kingdom. Its operating subsidiaries provide specialty property/casualty insurance, reinsurance and insurance management services. More information can be found at www.aoreltd.com.

American Overseas Group Limited

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American Overseas Group Limited
Consolidated Balance Sheets
(unaudited)
As at December 31, 2023 and December 31, 2022
(dollars in thousands)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Assets</u>		
Investments:		
Fixed-maturity securities held as available for sale, at fair value	\$ 132,600	\$ 97,646
Equity investments held as available for sale, at fair value	-	2,708
Cash and cash equivalents	56,854	32,212
Restricted cash	964	3,968
Accrued investment income	972	455
Premiums receivable	174,350	94,704
Deferred insurance premiums	219,828	132,602
Reinsurance balances receivable, net	348,930	248,234
Deferred policy acquisition costs	9,152	4,029
Intangible assets	4,800	4,800
Goodwill	33,050	33,050
Other assets	3,720	3,978
Total Assets	\$ 985,220	\$ 658,386
 <u>Liabilities and Equity</u>		
Liabilities:		
Loss and loss expense reserve	\$ 332,573	\$ 253,886
Deferred commission income	6,878	2,661
Unearned premiums	230,123	137,929
Ceded premium payable	183,969	88,117
Payable to general agents	10,885	5,469
Funds withheld	136,471	99,409
Accounts payable and accrued liabilities	25,725	16,499
Notes payable	20,771	18,021
Non-owned interest in VIE	300	300
Interest payable	578	464
Deferred tax liability	648	-
Total Liabilities	948,921	622,755
 Shareholders' Equity:		
Common shares	4,698	4,698
Additional paid-in capital	189,179	189,179
Accumulated other comprehensive (loss)	(3,454)	(4,240)
Retained deficit	(154,124)	(159,459)
Total Shareholders' Equity	36,299	30,178
Non-controlling interest of preferred shares of subsidiaries	-	5,453
Total Equity	36,299	35,631
 Total Liabilities and Equity	 \$ 985,220	 \$ 658,386

See Notes to December 31, 2023 Consolidated Financial Statements available on American Overseas Group Ltd. Website at www.aoreltd.com

American Overseas Group Limited
Consolidated Statements of Operations
(unaudited)

(dollars in thousands, except share and per share amounts)

	Three months ended December 31,		Twelve Months ended December 31,	
	2023	2022	2023	2022
Revenues				
Net premiums earned	\$ 9,248	\$ 5,101	\$ 29,351	\$ 20,126
Fee income	4,693	3,007	16,540	11,693
Net investment income	273	122	829	263
Net realized (losses) gains on investments	(53)	-	2,809	237
Other income	23	20	87	936
Total revenues	14,184	8,250	49,616	33,255
Expenses				
Losses and loss adjustment expenses	7,899	4,191	20,315	14,506
Acquisition expenses	2,560	1,573	8,939	6,342
Operating expenses	3,790	2,940	12,142	11,540
Interest expense	585	464	2,237	1,816
Total expenses	14,834	9,168	43,633	34,204
Pre-tax net profit / (loss)	\$ (650)	\$ (918)	\$ 5,983	\$ (949)
Income tax (expense)	(648)	-	(648)	-
Net profit / (loss) before dividends	(1,298)	(918)	5,335	(949)
Dividends on preference shares of subsidiary	-	(527)	-	(527)
Net profit / (loss) available to common shareholders	\$ (1,298)	\$ (1,445)	\$ 5,335	\$ (1,476)
Net profit / (loss) per common share:				
Basic	\$ (27.63)	\$ (30.76)	\$ 113.56	\$ (31.42)
Diluted	(27.63)	(30.76)	113.56	(31.42)
Weighted-average number of common shares outstanding:				
Basic	46,979	46,979	46,979	46,979
Diluted	46,979	46,979	46,979	46,979

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