



**Conifer  
Holdings  
Inc.**

## Q2 2024 INVESTOR CONFERENCE CALL

August 14, 2024

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**Nasdaq: CNFR**

**Fulfilling the Unique Needs of  
Specialty Insurance Markets as  
a Long-Term Partner**





# SAFE HARBOR STATEMENT

This presentation contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are based on our management’s beliefs and assumptions and on information currently available to management. These forward-looking statements include, without limitation, statements regarding our industry, business strategy, plans, goals and expectations concerning our market position, product expansion, future operations, margins, profitability, future efficiencies, and other financial and operating information. When used in this discussion, the words “may,” “believes,” “intends,” “seeks,” “anticipates,” “plans,” “estimates,” “expects,” “should,” “assumes,” “continues,” “potential,” “could,” “will,” “future” and the negative of these or similar terms and phrases are intended to identify forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties, inherent risks and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. Our actual future results may be materially different from what we expect due to factors largely outside our control, including the occurrence of severe weather conditions and other catastrophes, the cyclical nature of the insurance industry, future actions by regulators, our ability to obtain reinsurance coverage at reasonable rates and the effects of competition. These and other risks and uncertainties associated with our business are described under the heading “Risk Factors” in our most recently filed Annual Report on Form 10-K and our earnings press release for the quarter ended June 30, 2024, which should be read in conjunction with this presentation. The company and subsidiaries operate in a dynamic business environment, and therefore the risks identified are not meant to be exhaustive. Risk factors change and new risks emerge frequently. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.



# Q2 2024 HIGHLIGHTS

## STRATEGIC SHIFT

Agency Commission Income  
for Q2 2024: \$8.8M  
+8.6M over Q2 2023

Focus is on a production-based  
revenue model

Maintaining profitable premium  
in Texas and Midwest  
homeowners business

## FUTURE PROFITABILITY EXPECTED

Q2 2024 Expense Ratio: 32.1%,  
well below 35% near-term target

Optimizing Commercial Lines  
business through utilization of  
capacity providers with A.M.  
Best ratings of A- or better

Broader reach for existing  
profitable programs

## ADJUSTED BOOK VALUE OF \$2.26 PER SHARE

Includes \$28.8M of DTAs  
(\$2.36 per share)

Total adjusted book value of  
\$2.26 as of quarter ended  
June 30, 2024

**STRATEGIC SHIFT: SCALABLE & SUSTAINABLE PROFITABILITY  
THROUGH PRODUCTION-BASED REVENUE MODEL**



# CONIFER'S INFRASTRUCTURE

Conifer Holdings, Inc. provides niche market insurance programs through Conifer Insurance Services, Conifer Insurance Company and White Pine Insurance Company on both an admitted and E&S basis.



## Conifer Insurance Services

- Wholly owned general agency
- Acts as a conduit for retail agents to access and write E&S and admitted policies for Conifer and White Pine Insurance Companies
- Facilitates specialty programs and markets on a select basis



## Conifer Insurance Company

- Founded in 2009
- Licensed & Admitted in 4 States (MI, IL, IN, SD)
- E&S in 49 States (Exc. NY)



## White Pine Insurance Company

- Founded in 2010
- Licensed & Admitted in 44 States & DC

## PROGRAM PORTFOLIO



Cannabis



Craft Beverage



CBD & Hemp



Food & Beverage



Liquor Liability



Marijuana Liability



Workers' Compensation



Specialty Homeowners

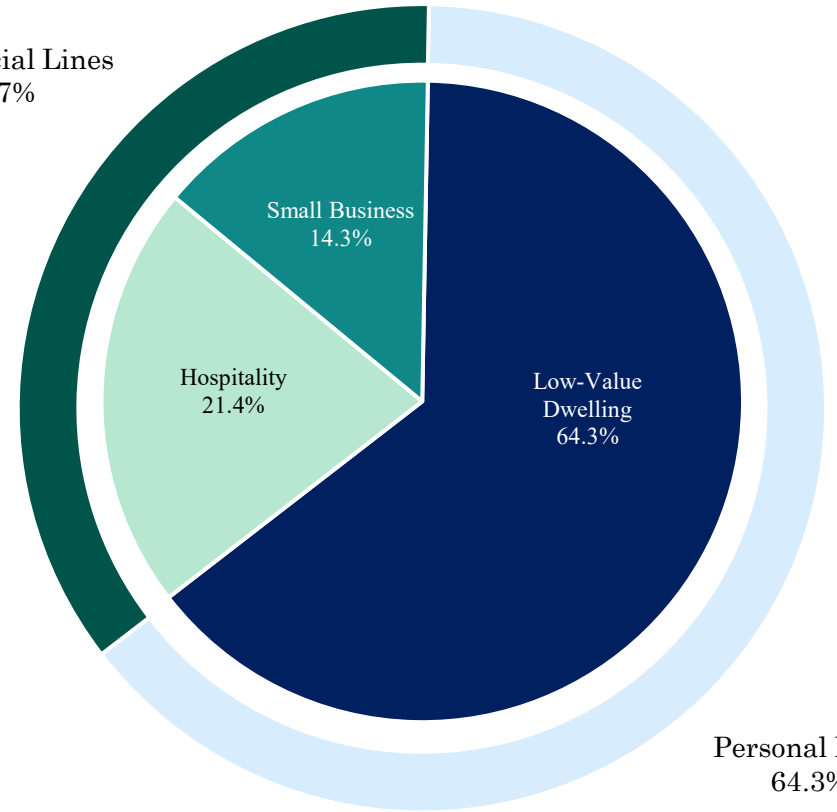


# Our Lines Of Business



GROSS WRITTEN PREMIUM FOR Q2 2024:  
\$19.0 MILLION, DOWN 57.5% YOY

Commercial Lines  
35.7%



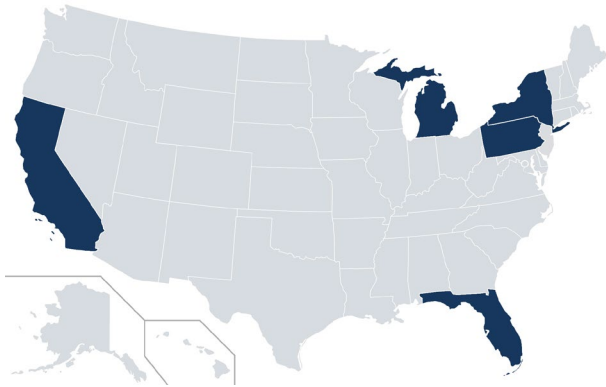
Personal Lines  
64.3%





# COMMERCIAL LINES

- Gross written premium decrease reflects the Company’s strategic decision to reduce premium leverage on operating subsidiaries and focus on commission-based revenue through its wholly owned MGA, Conifer Insurance Services
- Utilization of capacity providers with A.M. Best ratings of A- or better offers opportunity to expand reach in key markets for existing profitable programs, while governing risk through a scalable and sustainable production-based revenue model
- Commercial Lines represented roughly 36% of the premium written in Q2 2024



YTD June 30, 2024 Top Five States	Gross Written Premium \$ in thousands	
Michigan	\$ 12,688	64.9%
Ohio	1,338	6.8%
West Virginia	690	3.5%
Kentucky	671	3.4%
Pennsylvania	634	3.3%
All Other	3,523	18.1%
<b>Total</b>	<b>\$ 19,544</b>	<b>100.0%</b>

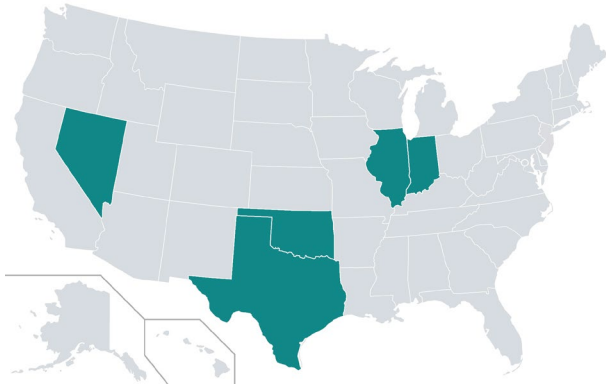
GROSS WRITTEN PREMIUM





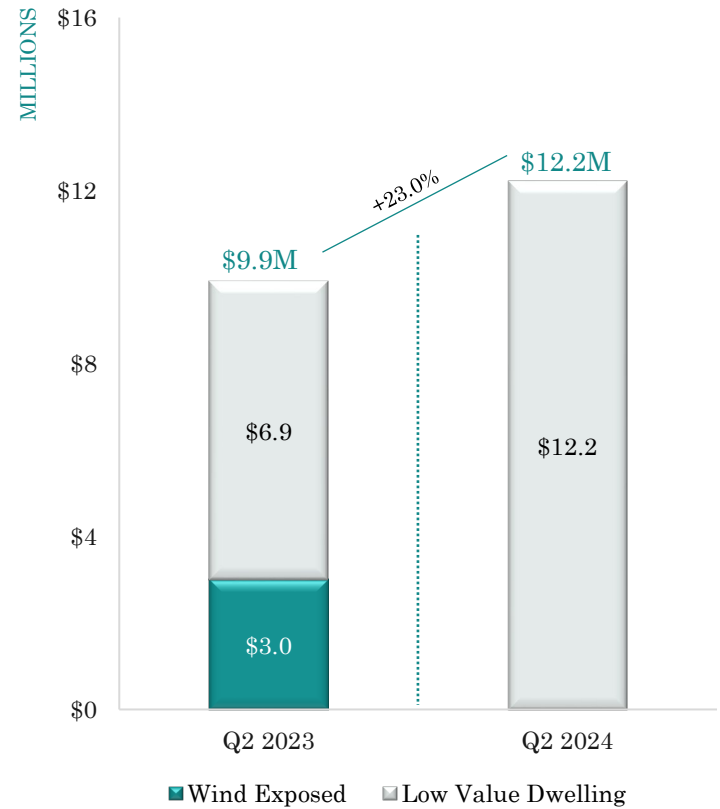
# PERSONAL LINES

- Personal Lines gross written premium represented approximately 64% of total premium in Q2 2024
- Growth in Personal Lines premium for the quarter was generated primarily through low-value dwelling segment in Texas and the Midwest



YTD June 30, 2024 Top Five States	Gross Written Premium \$ in thousands	
Texas	\$ 16,258	68.5%
Oklahoma	6,138	25.9%
Indiana	889	3.7%
Illinois	355	1.5%
Nevada	78	0.3%
All Other	22	0.1%
<b>Total</b>	<b>\$ 23,740</b>	<b>100.0%</b>

GROSS WRITTEN PREMIUM

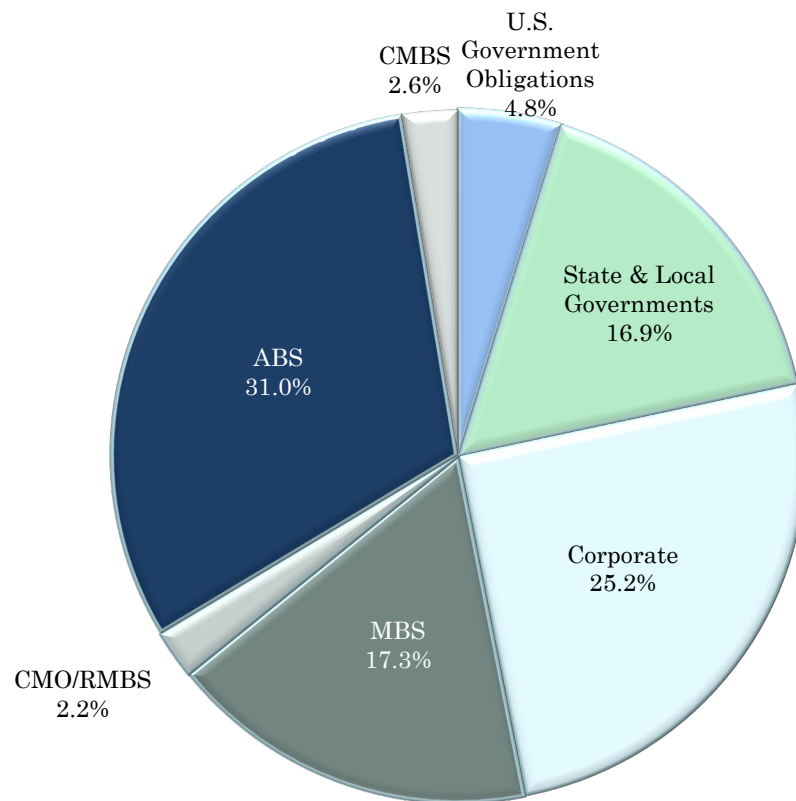




# Q2 2024 INVESTMENT PORTFOLIO

- Net Investment Income for Q2 2024: \$1.5M
- Highly liquid portfolio of investment grade debt securities
- Total investment portfolio of \$154.1M at June 30, 2024:
  - Average duration: 2.6 years
  - Average tax-equivalent yield: ~3.4%
  - Average credit quality: AA+

## DEBT SECURITY PORTFOLIO ALLOCATION



### DEBT SECURITY PORTFOLIO CREDIT RATING

	June 30, 2024	
	Fair Value	% of Total
AAA	\$ 56,979	48%
AA	36,882	31%
A	16,622	14%
BBB	8,888	7%
<b>TOTAL DEBT SECURITIES</b>	<b>\$ 119,371</b>	<b>100%</b>





## ALIGNED AND EXPERIENCED MANAGEMENT TEAM

*Insiders own 70% of outstanding stock*

**NICHOLAS PETCOFF**  
CEO & Director

As Chief Executive Officer of Conifer Holdings, Inc., Nick Petcoff oversees the Company's Underwriting, Reinsurance, Claims and Information Technology operations.

Mr. Petcoff is also Director and President of Conifer Insurance Company and President of White Pine Insurance Company, both wholly owned subsidiaries of Conifer Holdings, Inc. He has been with the Company since 2009 and has more than 19 years of experience in the insurance industry.

Mr. Petcoff's distinctive skillset in the areas of Underwriting, Claims and Treaty Reinsurance equips him to direct the Company's overall strategy, growing the business while enabling the Company to conceptualize and deftly respond to market needs.

**BRIAN RONEY**  
President

As President of Conifer Holdings, Inc., Brian Roney oversees the Company's finance and investor relations functions, as well as general operations. He has been with the Company since 2010 and has more than 25 years of experience in the insurance industry.

Mr. Roney has a B.A. from the University of Notre Dame and a M.B.A. from the University of Detroit. Mr. Roney has more than 35 years of financial services experience and spent 10 years in the securities industry as a principal with a broker-dealer, where he specialized in public and private offerings and held FINRA (NASD) Series 7, 24 and 63 licenses.

Mr. Roney's prior experience with multiple publicly traded insurance companies brings vital public company expertise to the executive leadership team.

**HAROLD MELOCHE**  
Chief Financial Officer &  
Treasurer

As Chief Financial Officer and Treasurer of Conifer Holdings, Inc., Harold Meloche has primary responsibility over accounting and financial reporting.

Mr. Meloche has been with the Company since 2013 and has over 30 years of experience in the insurance industry.

Mr. Meloche is a registered Certified Public Accountant, and his analytical expertise bears considerable value to the Company's financial leadership team.

# APPENDIX

- *Income Statement*
- *Balance Sheet*
- *Summary Financial Information*
- *Adjusted Operating EPS*

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Conifer  
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## Q2 2024 INCOME STATEMENT

- Net loss allocable to common shareholders of \$4.0 million, or \$0.32 per share, based on 12.2 million average shares outstanding
- For Q2 2024, adjusted operating loss was \$3.6 million, or \$0.30 per share

(\$ in thousands, except per share data)	Three Months Ended June 30,	
	2024	2023
Gross Written Premium	\$ 18,971	\$ 44,674
Net Written Premium	13,247	29,328
Net Earned Premium	16,666	23,183
Net Income (Loss) allocable to common shareholders	(3,950)	(4,739)
EPS, Basic and Diluted	\$ (0.32)	\$ (0.39)
Adjusted Operating Income (Loss)	(3,636)	(4,727)
Adjusted Operating Income (Loss) per share	\$ (0.30)	\$ (0.39)



## JUNE 30, 2024 BALANCE SHEET

- Shareholders' equity of \$(1.2) million – book value of \$(0.10) per share
- \$2.36 per share full valuation allowance against deferred tax assets not reflected in book value
- Total adjusted book value of \$2.26 as of quarter ended June 30, 2024

SUMMARY BALANCE SHEET	June 30, 2024	June 30, 2023
\$ in thousands		
Cash & Invested Assets	\$ 154,067	\$ 166,651
Reinsurance Recoverables	82,972	62,333
Goodwill and Intangible Assets	985	985
<b>Total Assets</b>	<b>\$ 292,934</b>	<b>\$ 296,523</b>
Unpaid Losses and Loss Adjustment Expenses	174,786	145,004
Unearned Premiums	44,820	78,468
Debt	24,832	34,031
<b>Total Liabilities</b>	<b>\$ 294,099</b>	<b>\$ 279,666</b>
<b>Total Shareholders' Equity</b>	<b>\$ (1,165)</b>	<b>\$ 16,857</b>



## SUMMARY FINANCIAL INFORMATION

OPERATING RESULTS	Three Months Ended	
	June 30,	
\$ in thousands, except per share data	2024	2023
Gross Written Premiums	\$18,971	44,674
Ceded Written Premiums	(5,724)	(15,346)
Net Written Premiums	13,247	29,328
Net Earned Premiums	16,666	23,183
Net Investment Income	1,505	1,354
Net Realized Investment Gains (Losses)	(118)	-
Change in Fair Value of Equity Securities	(196)	(12)
Other Gains (Losses)	-	-
Agency commission income	8,831	211
Other Income	160	187
Total Revenue and Other Income	26,848	24,923
Losses and Loss Adjustment Expenses, Net	15,281	19,319
Policy Acquisition Costs	10,480	4,413
Operating Expenses	4,256	5,114
Interest Expense	869	820
Total Expenses	30,886	29,666
Income (Loss) before Equity Earnings in Affiliate and Income Taxes	(4,038)	(4,743)
Equity Earnings in Affiliate, Net of Tax	228	4
Income Tax (Benefit) Expense	(18)	-
Net Income (Loss)	(3,792)	(4,739)
Preferred stock dividends	158	-
Net income (loss) allocable to common shareholders	(3,950)	(4,739)
Earnings (Loss) per Common Share, Basic and Diluted	(0.32)	(0.39)
Weighted Average Common Shares Outstanding, Basic and Diluted	12,222,881	12,220,331



## ADJUSTED OPERATING INCOME

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(dollar in thousands, except share and per share amounts)			
Net income (loss) allocable to common shareholders	\$ (3,950)	\$ (4,739)	\$ (3,876)	\$ (3,738)
Less:				
Net realized investment gains (losses)	(118)	-	(118)	-
Change in fair value of equity securities, net of tax	(196)	(12)	(153)	682
Impact of income tax expense (benefit) from adjustments *	-	-	-	-
Adjusted operating income (loss)	<u>\$ (3,636)</u>	<u>\$ (4,727)</u>	<u>\$ (3,605)</u>	<u>\$ (4,420)</u>
Weighted average common shares, diluted	12,222,881	12,220,331	12,222,881	12,218,102
Diluted income (loss) per common share:				
Net income (loss) allocable to common shareholders	\$ (0.32)	\$ (0.39)	\$ (0.32)	\$ (0.31)
Less:				
Net realized investment gains (losses)	(0.01)	-	(0.01)	-
Change in fair value of equity securities	(0.01)	-	(0.01)	0.05
Impact of income tax expense (benefit) from adjustments *	-	-	-	-
Adjusted operating income (loss), per share	<u>\$ (0.30)</u>	<u>\$ (0.39)</u>	<u>\$ (0.30)</u>	<u>\$ (0.36)</u>

\* The Company has recorded a full valuation allowance against its deferred tax assets as of June 30, 2024 and June 30, 2023, respectively. As a result, there were no taxable impacts to adjusted operating income from the adjustments to net income (loss) in the table above after taking into account the use of NOLs and the change in the valuation allowance.

### Definitions of Non-GAAP Measures

Conifer prepares its public financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Statutory data is prepared in accordance with statutory accounting rules as defined by the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, and therefore is not reconciled to GAAP data.

We believe that investors' understanding of Conifer's performance is enhanced by our disclosure of adjusted operating income. Our method for calculating this measure may differ from that used by other companies and therefore comparability may be limited. We define adjusted operating income (loss), a non-GAAP measure, as net income (loss) excluding: 1) net realized investment gains and losses, 2) change in fair value of equity securities and 3) Other gains (losses). We use adjusted operating income as an internal performance measure in the management of our operations because we believe it gives our management and other users of our financial information useful insight into our results of operations and our underlying business performance.