



**Conifer
Holdings
Inc.**

Q4 2023 INVESTOR CONFERENCE CALL

April 5, 2024

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 December 31, 2023, 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.



2023 HIGHLIGHTS

TOP LINE GROWTH IN KEY VERTICALS

GWP for FY 2023: \$143.8M
+4.2% over FY 2022

2024 will mark a shift to a
production-based revenue model,
while maintaining profitable
premium in Texas and Midwest
homeowners business

EXPENSE RATIO CONTINUES TO IMPROVE

YE 2023 Expense Ratio: 37.1%

130 bps improvement
compared to YE 2022

Approaching our near-term
target expense ratio of 35%

ADJUSTED BOOK VALUE OF \$2.53 PER SHARE

Book Value of \$0.24 per share
excludes \$28.0M of DTAs
(\$2.29 per share)

Total adjusted book value of
\$2.53 as of year ended
December 31, 2023

STRATEGIC SHIFT: PRIORITIZING 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.

PROGRAM PORTFOLIO



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



Cannabis



Craft Beverage



CBD & Hemp



Food & Beverage



Liquor Liability



Marijuana Liability



Workers' Compensation



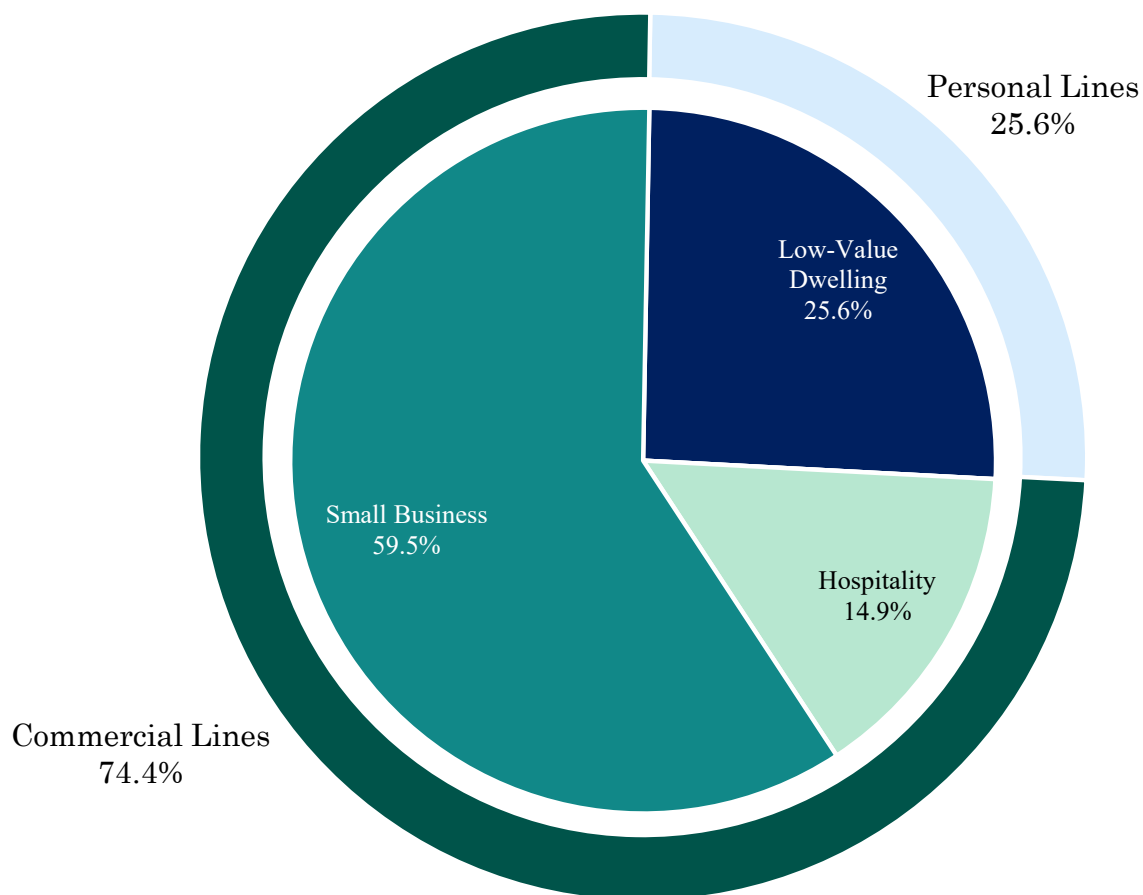
Specialty Homeowners



Our Lines Of Business



GROSS WRITTEN PREMIUM FOR FY 2023:
\$143.8 MILLION, UP 4.2% YOY





COMMERCIAL LINES

Focus: Disciplined, Quality Underwriting

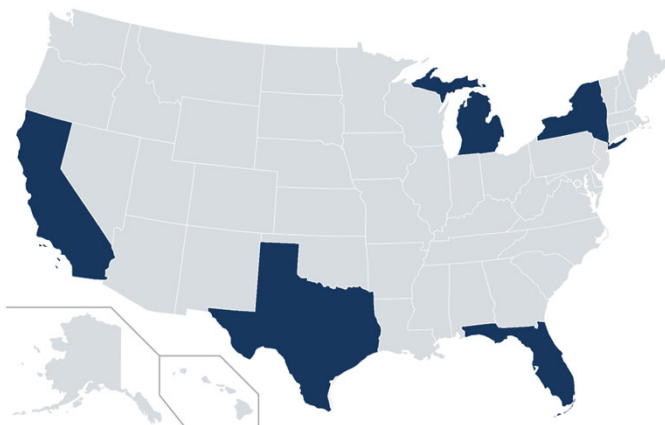
- Focus on classes where we have deep underwriting knowledge and experience
- Partner with retail and select wholesale agencies and retain underwriting authority in-house:
 - Underwriting teams have established strong relationships with retail and wholesale specialists in these lines of business.
 - With agents who specialize in our unique classes, we remain closer to our insureds and underwrite a stronger account / risk profile.
- A hallmark of our success has always been tight agent relationships that generate high account retention:
 - Commercial retention remains over 90%.
 - High account retention allows us to selectively grow market share where we see the best pricing and profitability.
- Leverage ability to write on E&S and admitted paper for rate and form flexibility:
 - Our markets continue firming, and we are seeing rate increases in our specialty markets.
 - Increasing rate, especially Excess & Surplus lines.
- Maintain low limits as much as possible: vast majority of property TIV is under \$1M
- Also, we are seeing opportunities for additional market share movement in our space
- Continuing to emphasize specialty business, our premium mix remains firmly dedicated to Commercial Lines with 74.4% Specialty Commercial and 25.6% Personal Lines for FY 2023.



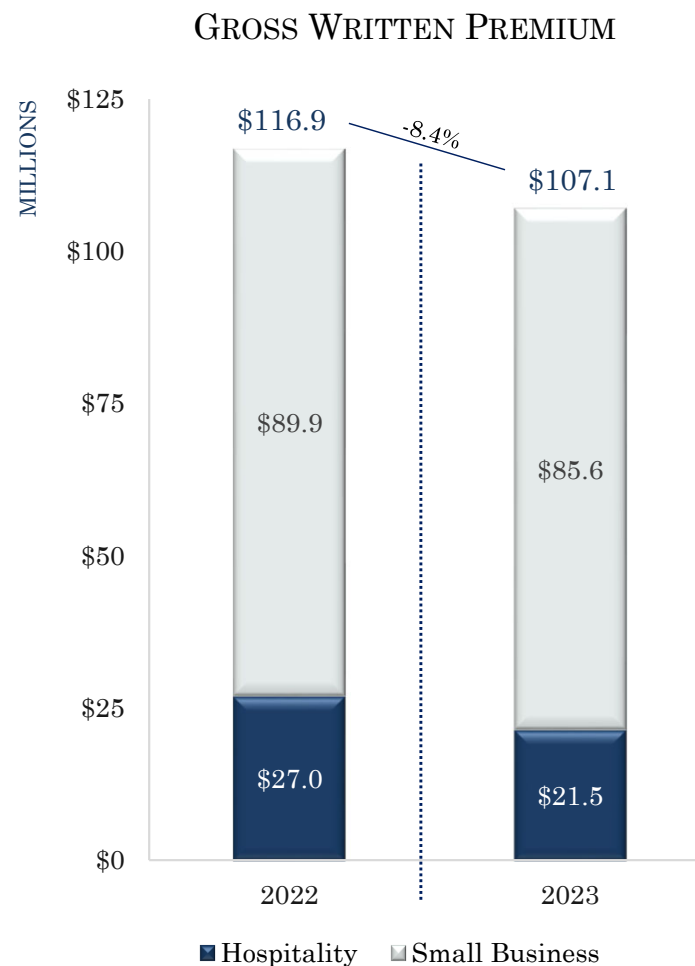


COMMERCIAL LINES

- Underwriting focus narrowed in 2023 to select key verticals: commercial lines GWP decreased 8.4% from FY 2022
- Commercial Lines represented roughly 74% of the premium written in 2023
- Substantially all commercial business will shift to A-rated capacity providers by 2H24



YTD December 31, 2023 Top Five States	Gross Written Premium \$ in thousands	
Michigan	\$ 34,957	32.6%
California	11,479	10.7%
New York	9,269	8.7%
Florida	7,632	7.1%
Ohio	4,995	4.7%
All Other	38,746	36.2%
Total	\$ 107,078	100.0%





PERSONAL LINES

Focus: Niche Specialty Homeowners Products

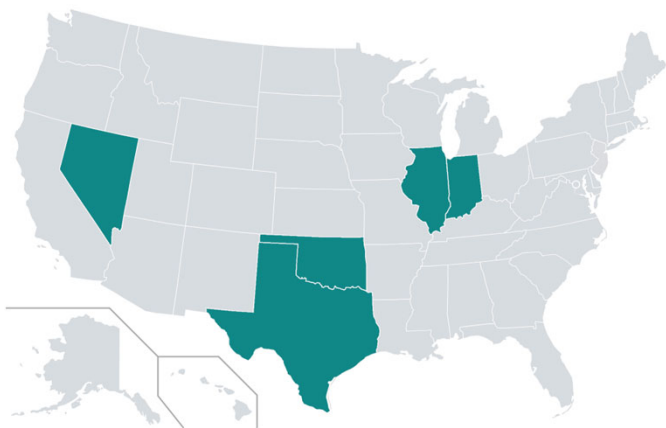
- Underwriting teams have established strong relationships with retail and wholesale specialists in low value dwelling markets
- Leverage ability to write on E&S and admitted paper, where possible, for rate and form flexibility
- Utilize technology to appropriately price our property risks
- Maintain competitive advantage in ease of use for agency portal and submission/bind process
- Cloud-based agency portal system with strong data mining and predictive outcome capabilities
- Maintain rate and underwriting discipline regardless of market cycles





PERSONAL LINES

- Personal Lines production comprised approximately 26% of total premium for 2023
- Growth in low-value dwelling segment, with Texas book performing well – loss ratio for the full year 2023 is 57%
- Continuing to write Texas and Midwest homeowners policies while shifting commercial book to capacity providers



YTD December 31, 2023 Top Five States

Gross Written Premium \$ in thousands

Texas	\$ 17,375	47.3%
Oklahoma	17,071	46.4%
Indiana	1,597	4.3%
Illinois	462	1.3%
Nevada	151	0.4%
All Other	100	0.3%
Total	<u>\$ 36,756</u>	<u>100.0%</u>

GROSS WRITTEN PREMIUM





Q4 2023 INVESTMENT PORTFOLIO

- Net Investment Income for Q4 2023: \$1.4M
- Highly liquid portfolio of investment grade debt securities
- Total investment portfolio of \$156.4M at December 31, 2023:
 - Average duration: 2.9 years
 - Average tax-equivalent yield: ~3.3%
 - Average credit quality: AA+

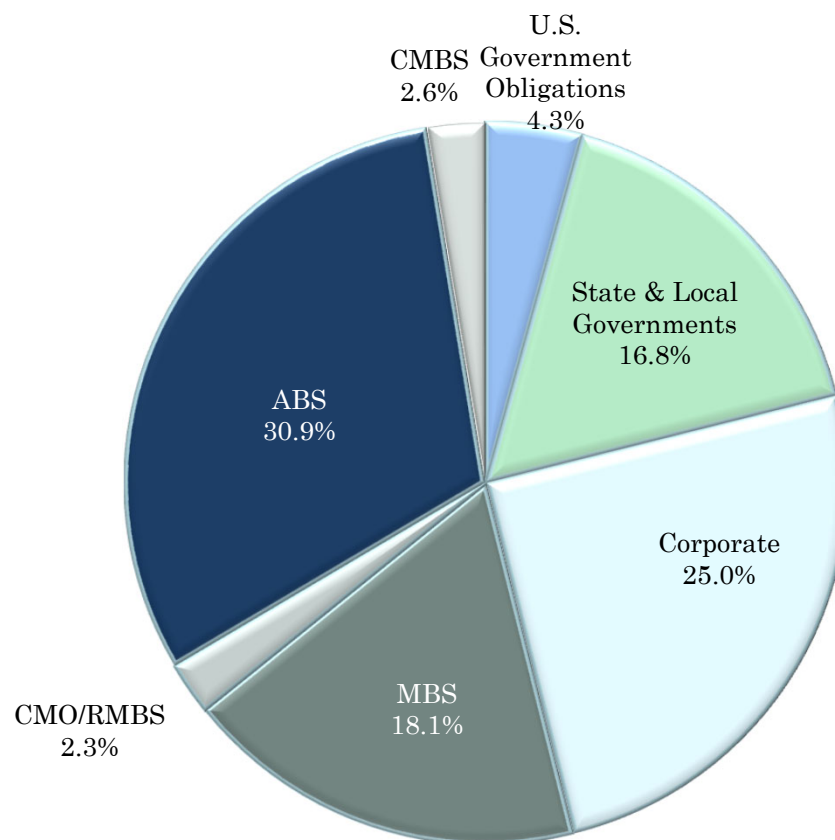
DEBT SECURITY PORTFOLIO CREDIT RATING

\$ in thousands

December 31, 2023

	Fair Value	% of Total
AAA	\$ 57,322	47%
AA	38,379	32%
A	17,490	14%
BBB	8,922	7%
TOTAL DEBT SECURITIES	\$ 122,113	100%

DEBT SECURITY PORTFOLIO ALLOCATION



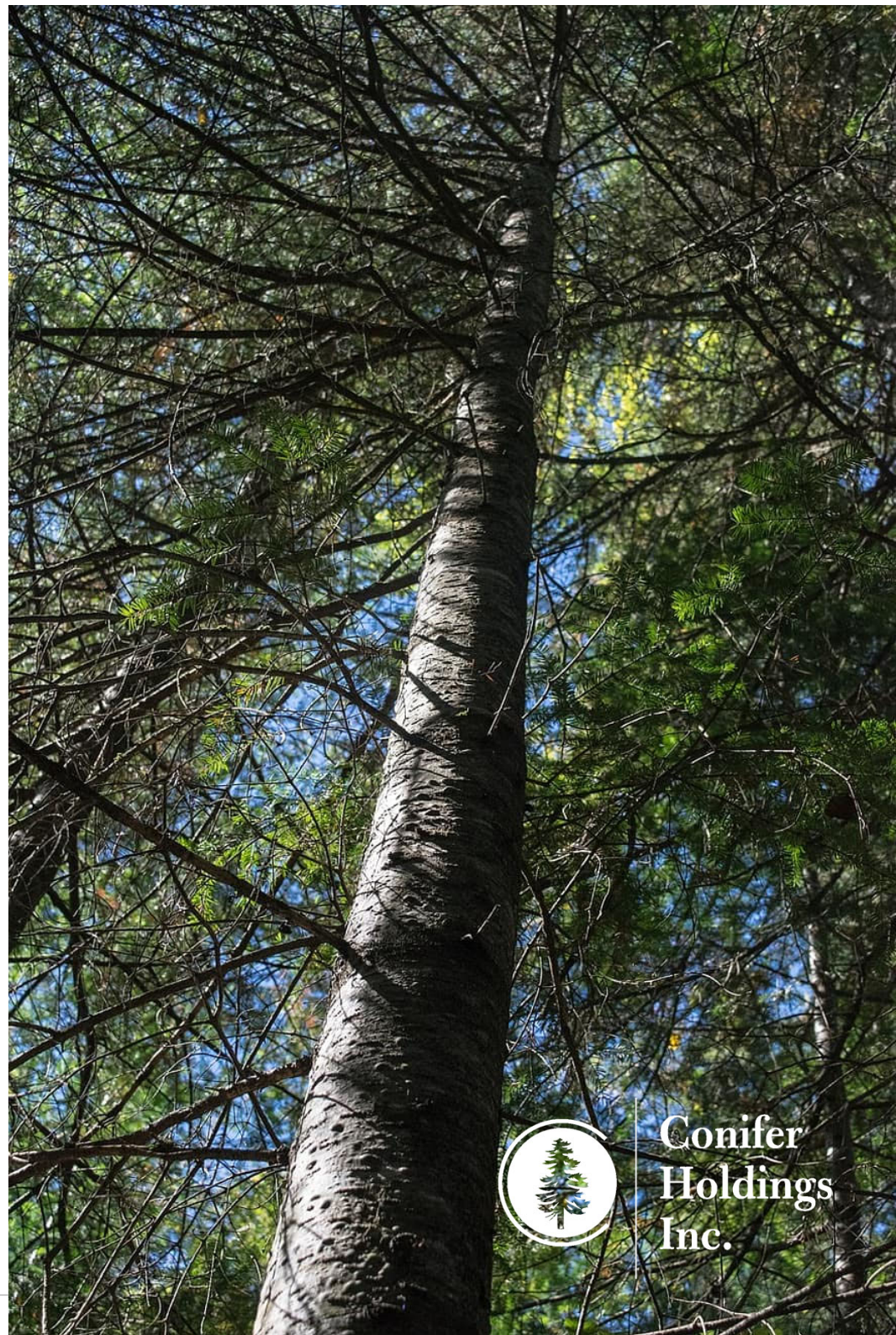
APPENDIX

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

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Conifer
Holdings
Inc.





ALIGNED AND EXPERIENCED MANAGEMENT TEAM

Insiders own nearly 72% of outstanding stock

NICHOLAS PETCOFF
CEO & Director

As Director & 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.



Q4 2023 INCOME STATEMENT

- Net loss of \$19.5 million, or \$1.59 per share, based on 12.2 million average shares outstanding
- For Q4 2023, adjusted operating loss was \$19.5 million, or \$1.59 per share

(\$ in thousands, except per share data)	Three Months Ended December 31,	
	2023	2022
Gross Written Premium	\$ 24,398	\$ 34,549
Net Written Premium	15,329	22,252
Net Earned Premium	14,821	23,222
Net Income (Loss)	(19,460)	2,111
EPS, Basic and Diluted	\$ (1.59)	\$ 0.17
Adjusted Operating Income (Loss)	(19,453)	(1,255)
Adjusted Operating Income (Loss) per share	\$ (1.59)	\$ (0.10)



DECEMBER 31, 2023 BALANCE SHEET

- Shareholders' equity of \$2.9 million – book value of \$0.24 per share
- \$2.29 per share full valuation allowance against deferred tax assets not reflected in book value
- Total adjusted book value of \$2.53 as of quarter ended December 31, 2023

SUMMARY BALANCE SHEET		
\$ in thousands	December 31, 2023	December 31, 2022
Cash & Invested Assets	\$ 156,430	\$ 165,432
Reinsurance Recoverables	83,426	89,304
Goodwill and Intangible Assets	985	985
Total Assets	\$ 311,804	\$ 312,350
Unpaid Losses and Loss Adjustment Expenses	174,612	165,539
Unearned Premiums	65,150	67,887
Debt	25,061	33,876
Total Liabilities	\$ 308,915	\$ 293,400
Total Shareholders' Equity	\$ 2,889	\$ 18,950



SUMMARY FINANCIAL INFORMATION

OPERATING RESULTS	Three Months Ended December 31,	
	2023	2022
\$ in thousands, except per share data		
Gross Written Premiums	\$24,398	34,549
Ceded Written Premiums	(9,069)	(12,297)
Net Written Premiums	15,329	22,252
Net Earned Premiums	14,821	23,222
Net Investment Income	1,415	1,112
Net Realized Investment Gains (Losses)	(20)	-
Change in Fair Value of Equity Securities	13	(43)
Gain from VSRM Transaction	-	8,810
Loss portfolio transfer risk fee	-	(5,400)
Other Gains (Losses)	-	(1)
Agency commission income	4,743	278
Other Income	168	526
Total Revenue and Other Income	21,140	28,504
Losses and Loss Adjustment Expenses, Net	28,470	24,500
Policy Acquisition Costs	7,033	4,760
Operating Expenses	4,095	5,779
Interest Expense	845	755
Total Expenses	40,443	35,794
Income (Loss) before Equity Earnings in Affiliate and Income Taxes	(19,303)	(7,290)
Equity Earnings in Affiliate, Net of Tax	(148)	-
Income Tax (Benefit) Expense	9	(9,401)
Net Income (Loss)	(19,460)	2,111
Earnings (Loss) per Common Share, Basic and Diluted	(1.59)	0.17
Weighted Average Common Shares Outstanding, Basic and Diluted	12,222,881	12,215,479



ADJUSTED OPERATING INCOME

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
(dollar in thousands, except share and per share amounts)				
Net income (loss)	\$ (19,460)	\$ 2,111	\$ (25,904)	\$ (10,681)
Less:				
Net realized investment gains (losses)	(20)	-	(20)	(1,505)
Change in fair value of equity securities	13	(43)	608	403
Gain from VSRM Transaction	-	8,810	-	8,810
Loss portfolio transfer risk fee	-	(5,400)	-	(5,400)
Gain from sale of renewal rights	-	-	2,335	-
Other gains (losses)	-	(1)	-	59
Impact of income tax expense (benefit) from adjustments *	-	-	-	-
Adjusted operating income (loss)	<u>\$ (19,453)</u>	<u>\$ (1,255)</u>	<u>\$ (28,827)</u>	<u>\$ (13,048)</u>
Weighted average common shares, diluted	12,222,881	12,215,479	12,220,511	10,692,090
Diluted income (loss) per common share:				
Net income (loss)	\$ (1.59)	\$ 0.17	\$ (2.12)	\$ (1.00)
Less:				
Net realized investment gains (losses)	-	-	-	(0.14)
Change in fair value of equity securities	-	(0.01)	0.05	0.04
Gain from VSRM Transaction	-	0.72	-	0.82
Loss portfolio transfer risk fee	-	(0.44)	-	(0.51)
Gain from sale of renewal rights	-	-	0.19	-
Other gains (losses)	-	-	-	0.01
Impact of income tax expense (benefit) from adjustments *	-	-	-	-
Adjusted operating income (loss), per share	<u>\$ (1.59)</u>	<u>\$ (0.10)</u>	<u>\$ (2.36)</u>	<u>\$ (1.22)</u>

* The Company has recorded a full valuation allowance against its deferred tax assets as of December 31, 2023 and 2022. 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, 3) gain from VSRM Transaction, 4) Loss portfolio transfer (loss), 5) Gain from sale of renewal rights and 6) 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.