Earnings Presentation

4th Quarter 2024

February 27, 2025

AMERICAN COASTAL INSURANCE CORPORATION

Company Overview

ACIC is a specialty underwriter of catastrophe exposed property insurance.

American Coastal Insurance Corp. (Nasdaq: ACIC) is the insurance holding company for two P&C carriers: **American Coastal Insurance Company** (AmCoastal) and **Interboro Insurance Company** (IIC) [1] along with other operating affiliates.

AmCoastal has the **#1 market share of commercial residential** property insurance (commercial lines) **in Florida** with roughly 4,018 policies and $646.1 million of premium in-force.

IIC's homeowners & fire insurance products (personal lines) are written exclusively **in New York** with approximately 19,000 policies and $40.0 million of premium in-force. [1]

ACIC as of December 31, 2024	
Total Assets:	$1.22 billion
Total Equity:	$235.7 million
Annualized Revenue:	$296.7 million
Employees:	64
Headquarters:	St. Petersburg, FL
Credit Rating:	BB+ (Kroll)

Specialty Commercial Property	***Specialty Homeowners [1]***
AmCoastal	INTERBORO INSURANCE

[1] *IIC 's results are classified as discontinued operations.*

Executive Summary

- **Q4-24 Results**
  - **Non-GAAP Core Income of $6.0m ($0.12)** decreased $12.0m (-66.7%) from $18.0m ($0.39) y/y on higher incurred losses resulting from Hurricane Milton and higher policy acquisition costs due to lower ceding commission income, offset by lower ceded earned premiums resulting from the step down of the 40% gross CAT quota share effective 6.1.2023 to 20% effective 6.1.2024.
  - **Net premiums earned grew $24.4m (+49.7%)** to $73.5m y/y.
  - Our **combined ratio of 91.9% was impacted by Hurricane Milton**, which drove 27.8 points of this ratio. **Our Non-GAAP underlying combined** ratio (which excludes current catastrophe losses and PY development) **was 65.9%. FY24 ended with a combined ratio of 67.5%.**
  - Current year **net catastrophe losses in the quarter were $20.4m before tax (Hurricane Milton) and we had $1.3m of favorable prior year reserve development.**
  - **Stockholders' equity attributable to ACIC**, decreased $23.9 million from September 30, 2024, to **$235.7m** or **$4.89 per share** and **$5.21 per share excluding unrealized losses** in accumulated other comprehensive income. **This was driven by the $0.50 special dividend declared during the fourth quarter.**
- **Other Highlights**
  - We successfully launched our new apartment product, having bound 19 policies with $2.3m of premium as of February 25, 2025.
  - Successful placement of an additional Catastrophe Bond effective December 20, 2024, which was oversubscribed and provides an additional $200 million in cascading coverage up to a third event.
  - In addition to the renewal of our January 1, 2025, AOP CAT and February 1, 2025, Excess Per Risk programs at a lower risk-adjusted cost, we placed a new catastrophe aggregate excess of loss agreement (CAT AGG), providing $40m of aggregate limit excess of $40m from all catastrophe perils for the full year ending December 31, 2025 to reduce potential earnings volatility from increased frequency.

4Q-24 Financial Scorecard

Results remain in line with Raymond James' estimates for the quarter.

Core Earnings per Share (CEPS)

4Q-24 = $0.12
vs.
Analyst's Est. = $0.16

Combined Ratio (CR)

4Q-24 = 91.9%
vs.
Analyst's Est. = 88.9%

Book Value per Share (BVPS)

4Q-24 = $4.89
vs.
Analyst's Est. = $5.05*

*Analyst Est. adjusted for special dividend

Core Return on Equity (CROE)

4Q-24 = 10.6%
vs.
Analyst's Est. = 11.9%

4Q-24 Summary of Key Results

A profitable Q4 and our FY24 combined ratio ended near our 65% target, despite the impact of Hurricane Milton

$ in thousands, except per share amounts	Q4-24	Q4-23	Change	2024	2023	Change
Net income (loss)	**$ 4,946**	**$ 14,284**	**-65.4%**	**$ 75,718**	**$ 309,911**	**n/m**
per diluted share (EPS)	*$ 0.10*	*$ 0.31*		*$ 1.54*	*$ 6.98*	
Reconciliation to core income (loss), net of tax:						
Investment gains (losses)	*$ 358*	*$ 15*		*$ 1,479*	*$ (4,720)*	
Amortization of intangible assets	*$ (480)*	*$ (640)*		*$ (2,085)*	*$ (2,565)*	
Gain (loss) from discontinued operations	*$ (922)*	*$ (3,096)*		*$ (601)*	*$ 224,707*	
Total adjustments	*$ (1,044)*	*$ (3,721)*		*$ (1,207)*	*$ 217,422*	
Core income (loss)	**$ 5,990**	**$ 18,005**	**-66.7%**	**$ 76,925**	**$ 92,489**	**-16.8%**
per diluted share (CEPS)	*$ 0.12*	*$ 0.39*		*$ 1.56*	*$ 2.08*	
Net loss & LAE ratio	40.5%	13.7%		25.3%	17.8%	
Net expense ratio	51.4%	46.2%		42.2%	43.1%	
Combined ratio	**91.9%**	**59.9%**	**32.0 pts**	**67.5%**	**60.9%**	**6.6 pts**
Less: Net current year catastrophe loss & LAE	*27.8%*	*-0.8%*		9.3%	4.9%	
Less: Net (favorable) unfavorable reserve development	*-1.8%*	*-3.0%*		-1.4%	-4.9%	
Underlying combined ratio	***65.9%***	***63.7%***	***2.2 pts***	**59.6%**	**60.9%**	**(1.3) pts**

4Q-24 Operating Overview

Despite a full catastrophe retention from Hurricane Milton, the Company remained profitable in Q4

$ in millions	Q4-24	Q4-23	Change	% Chg
Gross Premiums Earned	$ 162.7	$ 159.1	3.6	2.3%
Ceded Premiums Earned	(89.2)	(110.0)	20.8	-18.9%
Net Premiums Earned	73.5	49.1	24.4	49.7%
Investment & Other Income	5.3	2.1	3.2	152.4%
Unrealized G(L) on Equities	0.5	0.0	0.5	100.0%
Total Revenue	**79.3**	**51.2**	**28.1**	**54.9%**
Underlying Loss & LAE	10.7	8.6	2.1	24.4%
Current year CAT Loss & LAE	20.4	(0.4)	20.8	-5200.0%
Prior year development (F)/U	(1.3)	(1.5)	0.2	-13.3%
Net Loss & LAE	29.8	6.7	23.1	344.8%
Operating Expense	37.8	22.7	15.1	66.5%
Interest Expense	2.8	2.7	0.1	3.7%
Total Expenses	**70.4**	**32.1**	**38.3**	**119.3%**
Other income (expense)	(0.0)	1.1	(1.1)	-100.0%
Earnings from continuing operations before tax	**$ 8.9**	**$ 20.2**	**$ (11.3)**	**-55.9%**
Provision (benefit) for income tax	3.0	2.8	0.2	7.1%
Net income from continuing operations	**$ 5.9**	**$ 17.4**	**$ (11.5)**	**-66.1%**

The impact of the quota share step down from 40% to 20% effective June 1, 2024, had a significant impact on ceded premiums earned and operating expense (policy acquisition costs) y/y.

Balance Sheet Highlights

($ in thousands, except per share amounts)	Dec 31, 2024	Dec. 31, 2023	YTD % Change
Selected Balance Sheet Data			
Cash & investments	$ 540,811	$ 311,874	73.4%
Accumulated other comprehensive income (loss)	$ (15,666)	$ (17,137)	-8.6%
Unpaid loss & LAE reserves	$ 322,087	$ 347,738	-7.4%
Reinsurance recoverable	$ 263,419	$ 340,820	-22.7%
Net Loss & LAE reserves	*$ 58,668*	*$ 6,918*	*748.0%*
Financial debt	$ 149,020	$ 148,688	0.2%
Stockholders' equity attributable to ACIC	**$ 235,660**	**$ 168,765**	39.6%
Total capital	$ 384,680	$ 317,453	21.2%
Leverage Ratios			
Debt-to-total capital	38.7%	46.8%	-17.3%
Net premiums earned-to-stockholders' equity (annualized)	116.3%	155.3%	-25.1%
Per Share Data			
Common shares outstanding	48,204,962	46,777,006	3.1%
Book value per common share	**$ 4.89**	**$ 3.61**	35.5%
Underlying book value per common share	$ 5.21	$ 3.97	31.2%
Tangible book value per common share	$ 3.53	$ 2.14	65.0%
Underlying tangible book value per common share	$ 3.86	$ 2.50	54.4%

Strong underwriting results have improved our financial strength and allowed us to pay a $0.50 special dividend, despite an active hurricane season.

2025 Full Year Guidance

Our 2025 guidance remains unchanged from our initial December 4, 2024, estimate.

Net Income from Continuing Operations

$70M to $90M

(7.9)% to +18.4%

vs. $76M in FY2024

Net Premiums Earned

$290M to $320M

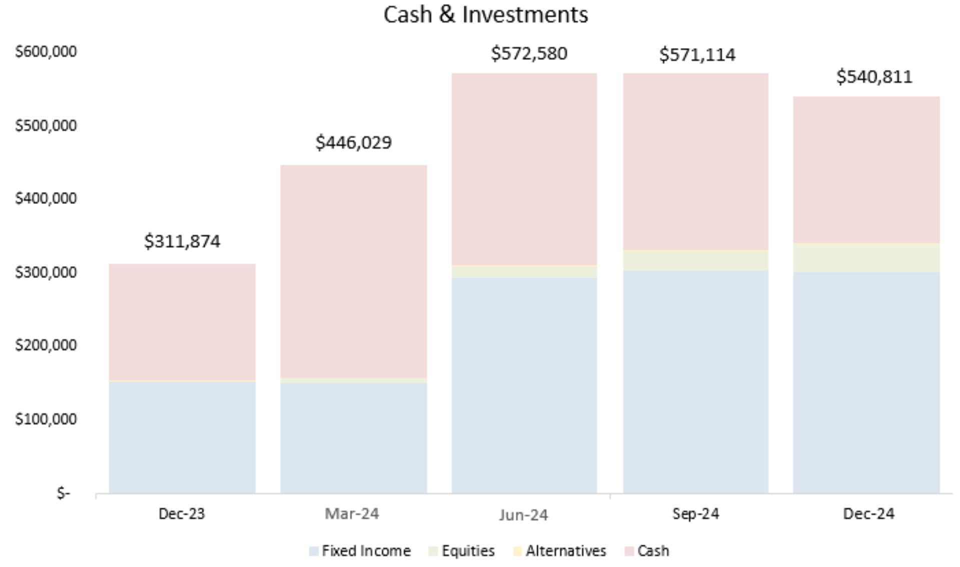
+5.8% to +16.8%

vs. $274M in FY2024

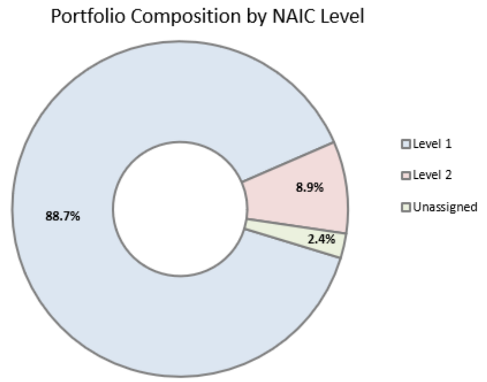
Investment Portfolio Overview

- The Company continues to add to its investment positions in anticipation of future cash yields decreasing.

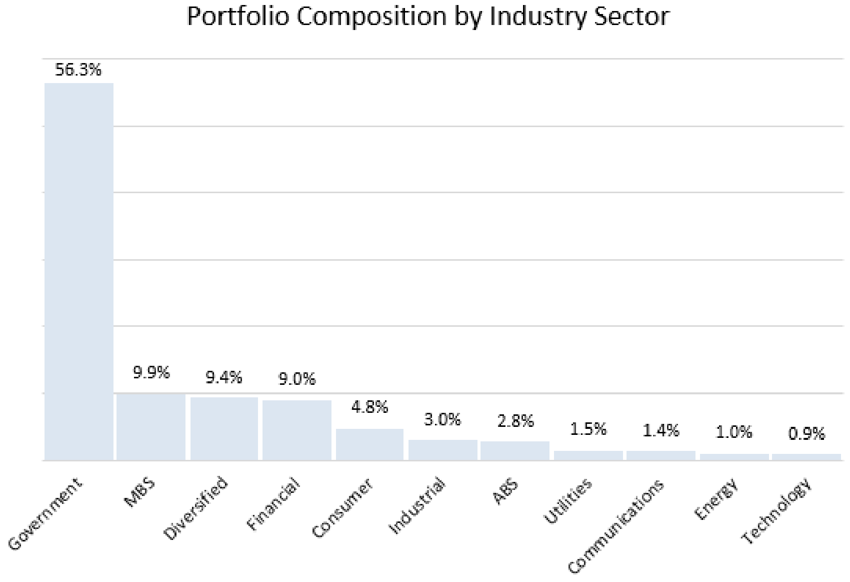
($ in thousands)	Dec. 31, 2024	Sep. 30, 2024	Q/Q % Change
Investments, at fair value:			
Fixed Income	$301,495	$302,806	-0.4%
Equity Securities	$36,794	$25,950	41.8%
Alternatives	$3,129	$1,959	59.7%
Total Investments	**$341,418**	**$330,715**	**3.2%**
Total Cash	$199,393	$240,399	-17.1%
Total Cash & Investments	**$540,811**	**$571,114**	**-5.3%**



- The Company continues to hold high quality fixed income investments to mitigate market risk.

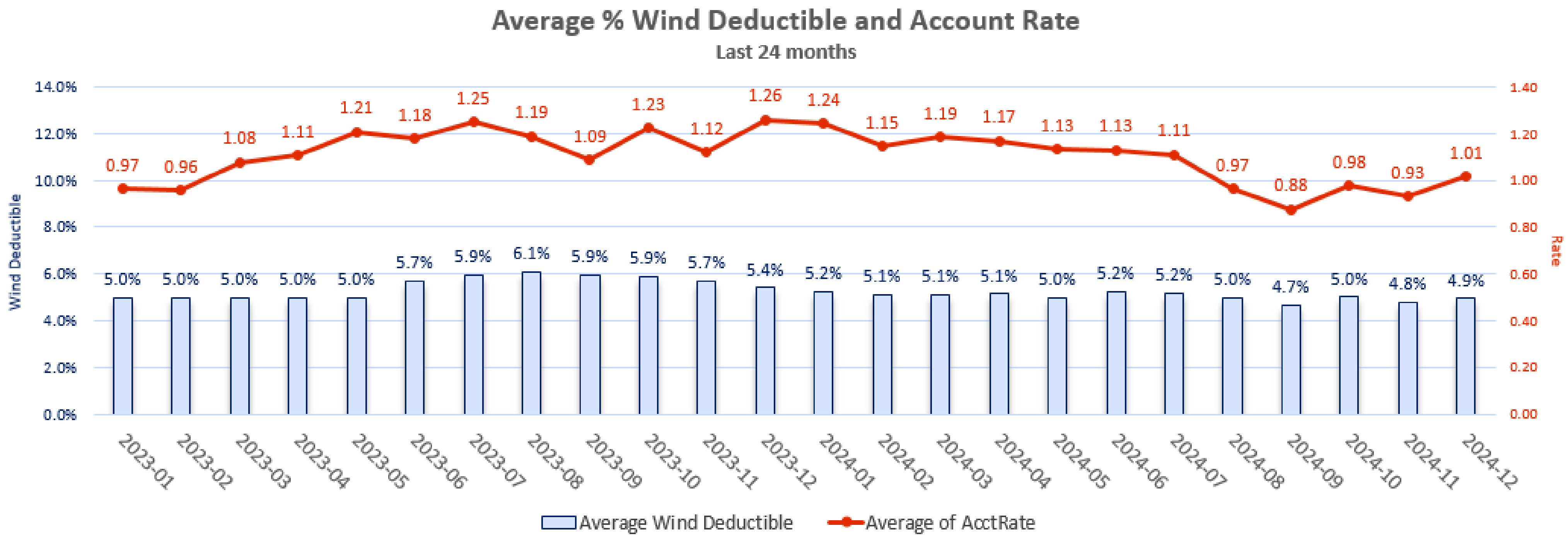


Fixed Income Metrics: Q4-24	
Portfolio duration	2.1 years
Weighted Avg Coupon	4.02%
Book Yield	3.67%
% A-or Higher	88.9%
Composite Rating	AA-



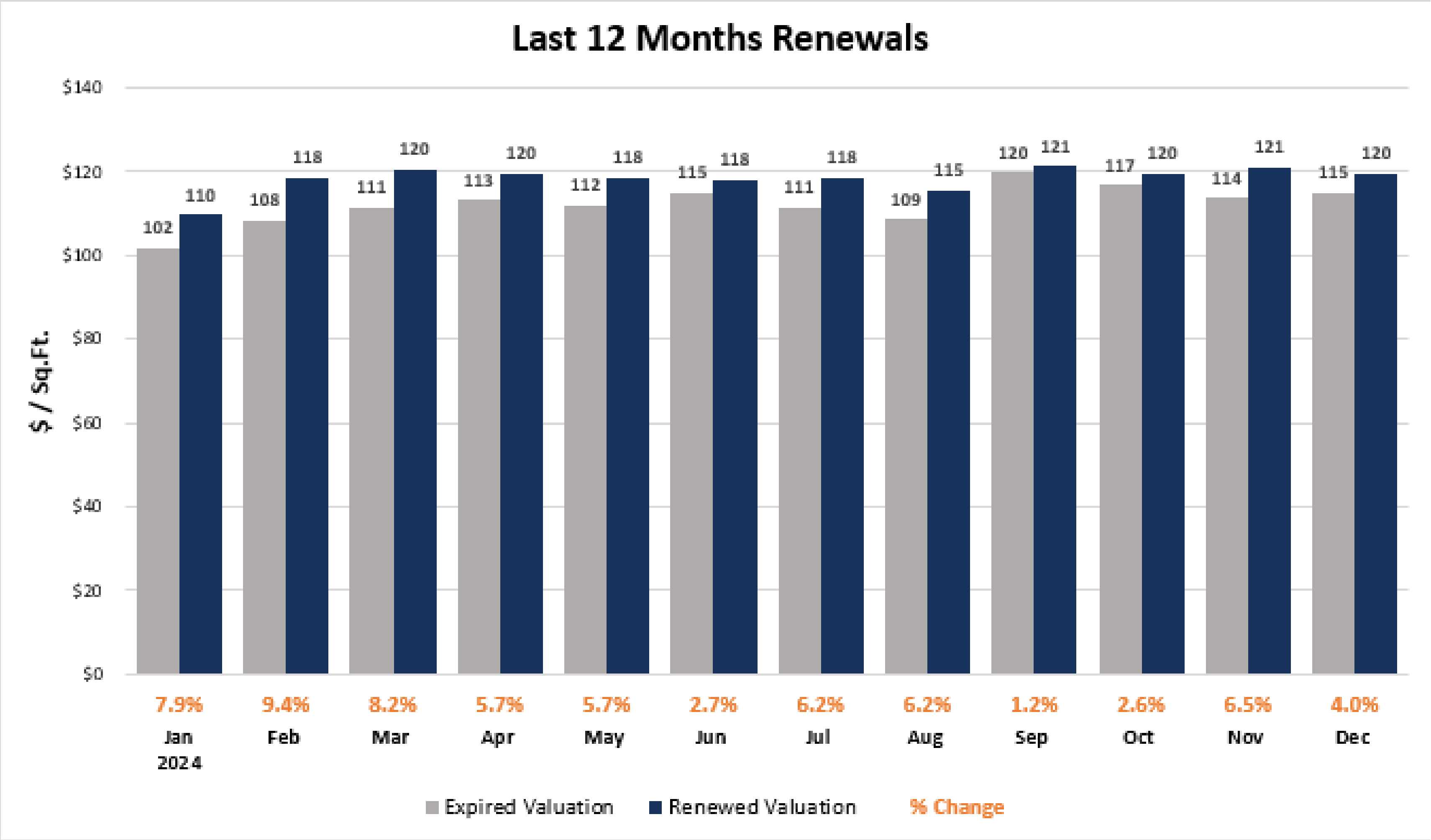
Average Account Rate Trends & Wind Deductible

While rates trend lower, consistent with reinsurance trends, deductibles and terms remain largely unchanged.



Commercial Property Valuation Trends

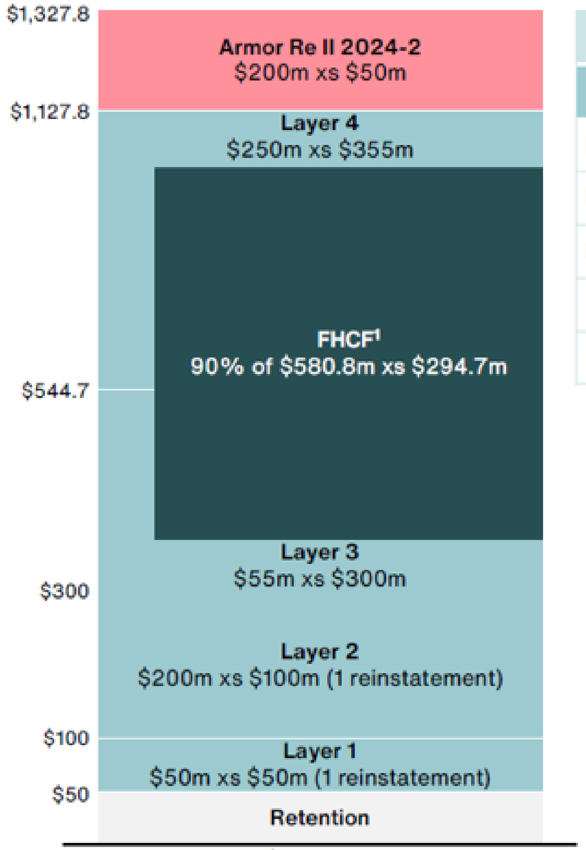
Renewed valuations are holding steady in the low single digits vs. expiring.



12/21/2024 Armor Re II CAT Bond: Structure

New top layer has a "drop-down" feature that can provide 2nd & 3rd event protection.

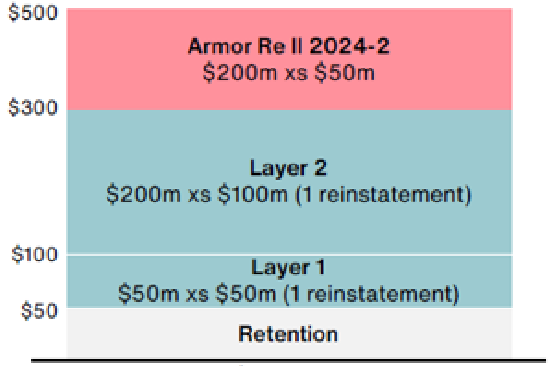
First Event



$ millions
Note: *Not drawn to scale*

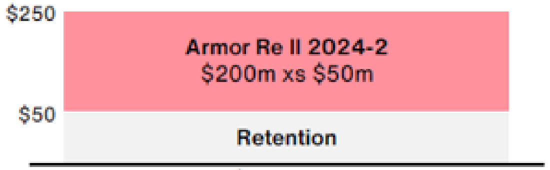
Initial Stated Reinsurance						
Layer	**Participation**	**Limit ($)**	**Retention ($)**	**Reinstatement**	**Inuring Coverage**	**Loss Adj. Expense**
FHCF	90.0%	580,842,753	294,717,999	0@0%	None	STAT-10.0%
Layer 1	100.0%	50,000,000	50,000,000	1@0%	FHCF	12.0%
Layer 2	100.0%	200,000,000	100,000,000	1@0%	FHCF	12.0%
Layer 3	100.0%	55,000,000	300,000,000	0@0%	FHCF	12.0%
Layer 4	100.0%	250,000,000	355,000,000	0@0%	FHCF	12.0%

Second Event



$ millions
Note: *Not drawn to scale*

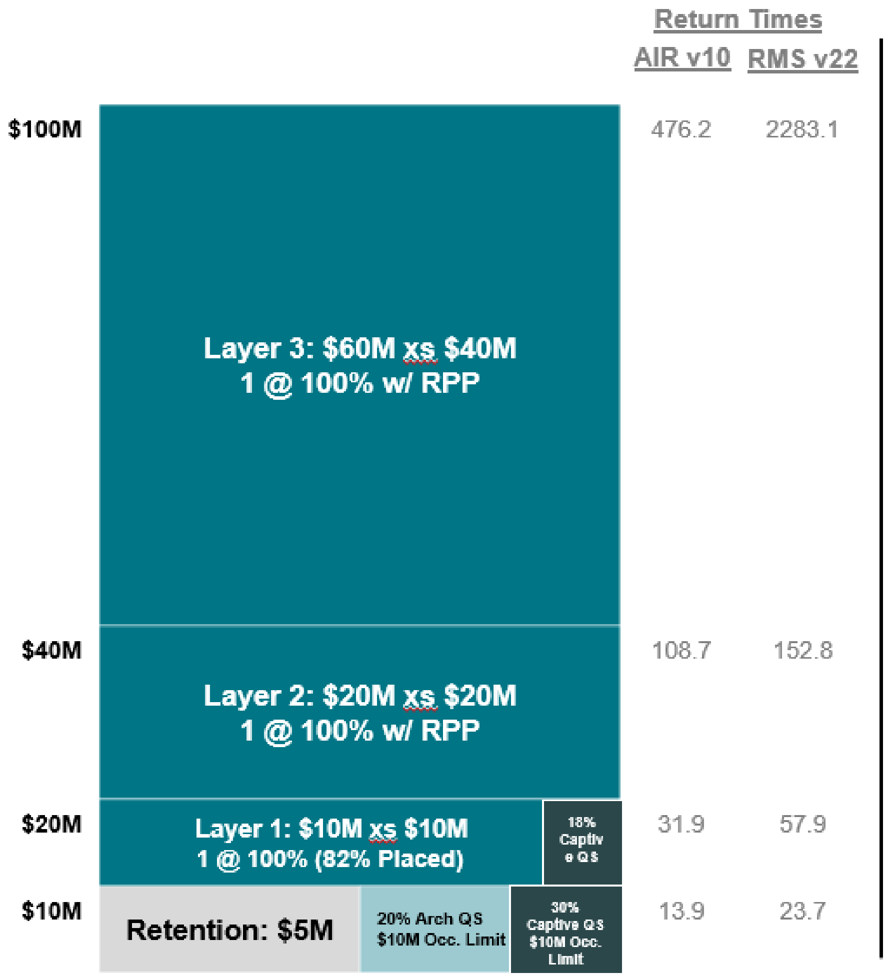
Third Event



$ millions
Note: *Not drawn to scale*

1/1/25 AOP: Cat Renewal Structure & Highlights

Structure Illustration



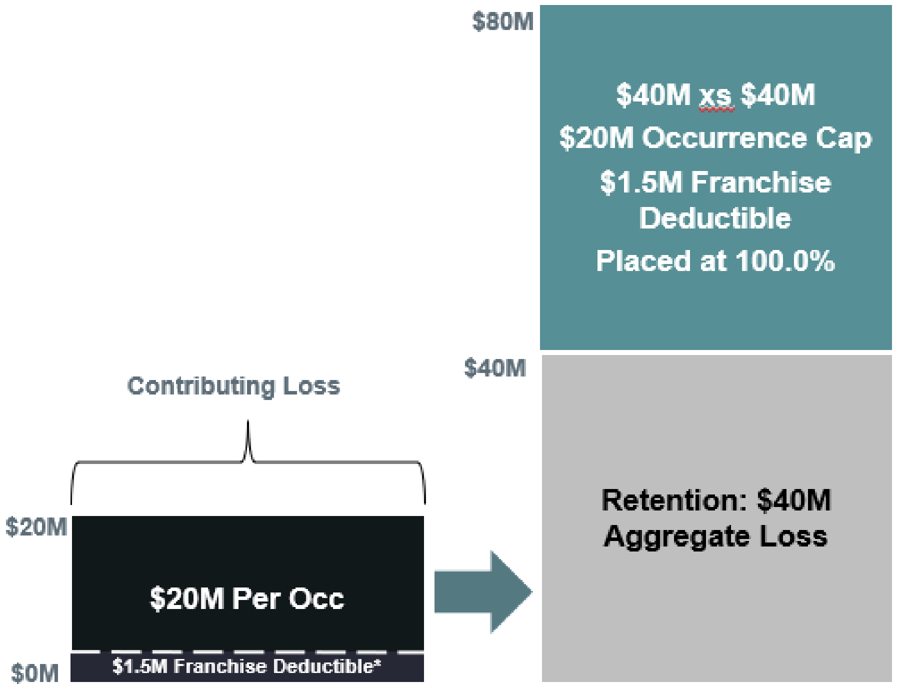
Highlights

- **Ground-Up All Other Perils Coverage of $100M**
  - Reduced YoY attachment down to $10M from $14M
  - Program exhaustion above 450 Year RT AIRv10 (SCS+WT)
  - Fully reinstateable limit
  - $5M STAT Pre-Tax Net Retention (1st & 2nd event) vs. $9M in prior year
  - Maximum GAAP retained loss of $12.7M, including the impacts of reinstatement premiums

- **Program Cost of $11.9M**
  - Risk-adjusted rate decrease of ~8%
  - 6 New Markets Added to Program
  - All incumbents increased authorized line size from prior year

1/1/25 Cat Agg: Structure & Highlights

Structure Illustration



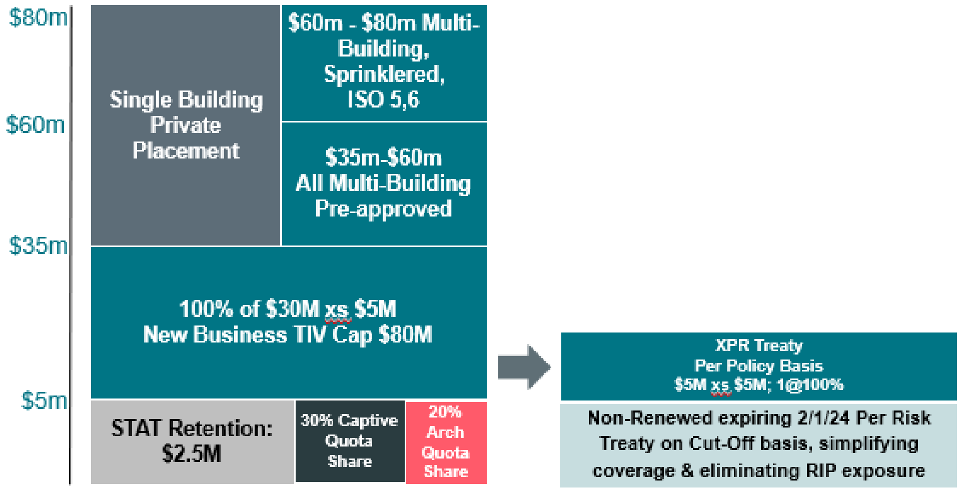
*Each and every occurrence that exceeds $1.5M is eligible on a ground-up basis to contribute to the $40M deductible, triggering $40M of coverage

Highlights

- **$40M of coverage, triggered after $40M of Aggregate Loss**
  - Contributing Perils: Named natural perils (HU, SCS, WT, WF, EQ)
  - $20M Per Occurrence Cap
  - $1.5M Franchise Deductible
- **New coverage purchased in 2025**
- **Provides additional sideways cover on a calendar year basis**
- **Depending on the size of contributing loss, could be utilized on a 3rd or subsequent event**

2/1/25 Auto Fac: Structure & Highlights

Structure Illustration



Highlights

Contract Highlights

- Forecasted $6.5m ceded premium
- Per Policy cessions
  - Policies greater than $35m will be capped at a maximum exposure of $30m
  - $80m TIV Cap, however, risks between $60m-$80m must be multi-building, sprinklered, with ISO construction class 5,6
- All risk, excluding: EQ with exception of fire following, Named Storm, NBCR, Flood A&V
- 2x Occurrence Cap All Perils ($60m) with exception of Terrorism 1x ($30m)
- Free & Unlimited Reinstatements

Cautionary Statements

This presentation and the accompanying remarks contain "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward looking statements include expectations regarding our diversification, growth opportunities, retention rates, liquidity, investment returns and ability to meet our investment objectives and to manage and mitigate market risk with respect to our investments. These statements are based on current expectations, estimates and projections about the industry and market in which we operate, and management's current beliefs and assumptions. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "endeavor," "project," "believe," "anticipate," "intend," "could," "would," "estimate" or "continue" or the negative variations thereof, or comparable terminology, are intended to identify forward-looking statements. Forward-looking statements are not guarantees of future performance and involve certain known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. The risks and uncertainties include, without limitation: the regulatory, economic and weather conditions in the states in which we operate; the impact of new federal or state regulations that affect the property and casualty insurance market; the cost, variability and availability of reinsurance; assessments charged by various governmental agencies; pricing competition and other initiatives by competitors; our ability to attract and retain the services of senior management; the outcome of litigation pending against us, including the terms of any settlements; dependence on investment income and the composition of our investment portfolio and related market risks; our exposure to catastrophic events and severe weather conditions; downgrades in our financial strength ratings; risks and uncertainties relating to our acquisitions, including our ability to successfully integrate the acquired companies; and other risks and uncertainties described in the section entitled "Risk Factors" and elsewhere in our filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report in Form 10-K for the year ended December 31, 2024 and 2023. We caution you not to place undue reliance on these forward looking statements, which are valid only as of the date they were made. Except as may be required by applicable law, we undertake no obligation to update or revise any forward-looking statements to reflect new information, the occurrence of unanticipated events, or otherwise.

This presentation contains certain non-GAAP financial measures. These measures should be considered supplementary to our results of operations and financial condition that are presented in accordance with GAAP and should not be viewed as a substitute for GAAP measures. See our earnings release, Form 10-K , Form 10-Q and Form 10-Q/A for further information regarding these non-GAAP financial measures.