

PRESS RELEASE

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ACMAT Corporation
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**ACMAT CORPORATION REPORTS FOURTH QUARTER
AND YEAR END 2020 RESULTS**

	Quarter Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net earnings	\$ 1,360,811	\$ 600,567	\$ 696,017	\$ 1,522,471
Revenues	\$ 1,903,280	\$ 876,924	\$ 3,022,179	\$ 4,006,638
Earnings per-share <i>(Applies to Common and Class A stock)</i>	\$ 1.74	\$ 0.76	\$ 0.89	\$ 1.92

Net earnings were \$1,360,811 for the quarter ended December 31, 2020, compared to \$600,567 for the quarter ended December 31, 2019. Revenues were \$1,903,280 for the quarter ended December 31, 2020, compared to \$876,924 for the quarter ended December 31, 2019. Earnings were \$1.74 per-share in the fourth quarter of 2020, compared to \$0.76 per-share in the fourth quarter of 2019.

Excluding the effects of net unrealized capital gains and losses on equity securities, which are recognized in revenues; net earnings were \$404,819 for the quarter ended December 31, 2020, compared to \$323,092 for the quarter ended December 31, 2019. Revenues were \$693,160 for the quarter ended December 31, 2020, compared to \$525,690 for the quarter ended December 31, 2019. Earnings were \$0.52 per-share in the fourth quarter of 2020, compared to \$0.41 per-share in the fourth quarter of 2019.

Net earnings were \$696,017 for the year ended December 31, 2020 compared to net earnings of \$1,522,471 for the year ended December 31, 2019. Revenues were \$3,022,179 for the year ended December 31, 2020 compared to \$4,006,638 for the year ended December 31, 2019. Earnings per-share were \$0.89 in 2020 compared to \$1.92 in 2019.

Excluding the effects of net unrealized capital gains and losses on equity securities, which are recognized in revenues; net earnings were \$796,551 for the year ended December 31, 2020 compared to \$774,660 for the year ended December 31, 2019. Revenues were \$3,149,437 for the year ended December 31, 2020 compared to \$3,060,042 for the year ended December 31, 2019. Earnings per-share increased to \$1.02 in 2020 from \$0.98 per-share in 2019.

ACMAT's insurance subsidiary, ACSTAR Insurance Company, is licensed nationwide and provides surety bonds for prime contractors, specialty trade and environmental remediation contractors. ACSTAR also provides miscellaneous surety and some general liability.

ACMAT CORPORATION AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures
For the three months and year ended December 31, 2020 and 2019

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Revenues:				
Revenues	\$ 1,903,280	\$ 876,924	\$ 3,022,179	\$ 4,006,638
Deduct:				
Unrealized capital gains (losses) on equity securities	1,210,117	351,234	(127,258)	946,596
Adjusted revenues (1)	<u>\$ 693,163</u>	<u>\$ 525,690</u>	<u>\$ 3,149,437</u>	<u>\$ 3,060,042</u>
Net earnings:				
Net earnings	\$ 1,360,811	\$ 600,567	\$ 696,017	\$ 1,522,471
Deduct:				
Unrealized capital gains (losses) on equity securities	1,210,117	351,234	(127,258)	946,596
Provision for income taxes	(254,125)	(73,759)	26,724	(198,785)
Non-GAAP adjustment	955,992	277,475	(100,534)	747,811
Adjusted net earnings (1)	<u>\$ 404,819</u>	<u>\$ 323,092</u>	<u>\$ 796,551</u>	<u>\$ 774,660</u>
Earnings per share: (2)				
Net earnings per share attributable to Common and Class A shareholders, basic and diluted	\$ 1.74	\$ 0.76	\$ 0.89	\$ 1.92
Deduct:				
Per share effect of Non-GAAP adjustments	1.22	0.35	(0.13)	0.94
Adjusted net earnings per share attributable to Common and Class A shareholders, basic and diluted	<u>\$ 0.52</u>	<u>\$ 0.41</u>	<u>\$ 1.02</u>	<u>\$ 0.98</u>

(1) The Company recognizes the changes in the fair value of marketable equity securities in revenues and, consequently, net earnings and losses. Management has presented information excluding the effects of this item to provide shareholders and other stakeholders a measure of controllable revenues and operating income.

(2) Earnings and losses per share are presented in the aggregate. Common stock and Class A stock share equally in the profits and losses of the Company.