



**ACMAT Corporation  
Annual Shareholders' Meeting  
June 23, 2022**



# Operating Income – December 31



	Year Ended December 31,	
	2021	2020
<b>Revenues</b>		
Premiums	\$ 742,407	\$ 825,390
Net investment income	1,471,469	1,833,981
Realized capital gains	694,947	354,045
Unrealized capital gains (losses) on equity securities	294,830	(127,258)
Fee income	104,226	136,021
Total revenues	<u>3,307,879</u>	<u>3,022,179</u>
<b>Expenses</b>		
Net benefit recognized on loss and LAE reserves	(899,479)	(965,667)
Policy acquisition costs	57,997	190,055
General and administrative	2,579,727	2,865,365
Interest	65,911	75,137
Total expenses	<u>1,804,156</u>	<u>2,164,890</u>
Operating income	1,503,723	857,289
Income taxes	<u>295,103</u>	<u>161,272</u>
Net income	<u>\$ 1,208,620</u>	<u>\$ 696,017</u>
Earnings per share:		
Common stock	\$ 1.57	\$ 0.89
Class A stock	\$ 1.57	\$ 0.89

# Operating Income, Adjusted – December 31



	Year Ended December 31,	
	2021	2020
<b>Revenues:</b>		
Revenues	\$ 3,307,879	\$ 3,022,179
<i>Deduct:</i>		
Unrealized capital gains (losses) on equity securities	<u>294,830</u>	<u>(127,258)</u>
Adjusted revenues	<u>\$ 3,013,049</u>	<u>\$ 3,149,437</u>
<b>Net earnings:</b>		
Net earnings	\$ 1,208,620	\$ 696,017
<i>Deduct:</i>		
Unrealized capital gains (losses) on equity securities	294,830	(127,258)
Provision for income taxes	<u>(61,914)</u>	<u>26,724</u>
Non-GAAP adjustment	<u>232,916</u>	<u>(100,534)</u>
Adjusted net earnings	<u>\$ 975,704</u>	<u>\$ 796,551</u>

## **Earnings per share:**

	Year Ended December 31,	
	2021	2020
Net earnings per share attributable to Common and Class A shareholders, basic and diluted	\$ 1.57	\$ 0.89
<i>Deduct:</i>		
Per share effect of Non-GAAP adjustments	<u>0.30</u>	<u>(0.13)</u>
Adjusted net earnings per share attributable to Common and Class A shareholders, basic and diluted	<u>\$ 1.27</u>	<u>\$ 1.02</u>

# First Quarter 2022 Results



	Quarter Ended March 31,	
	<u>2022</u>	<u>2021</u>
Net (losses) earnings	\$ (701,754)	\$ 429,521
Revenues	\$ (63,227)	\$ 1,137,676
Net unrealized capital (losses) gains on equity securities, included in Revenues	<u>\$ (898,090)</u>	<u>\$ 271,237</u>
Revenues, controllable	<u>\$ 834,863</u>	<u>\$ 866,439</u>
(Losses) earnings per-share <i>(Common and Class A Shares)</i>	\$ (0.91)	\$ 0.56

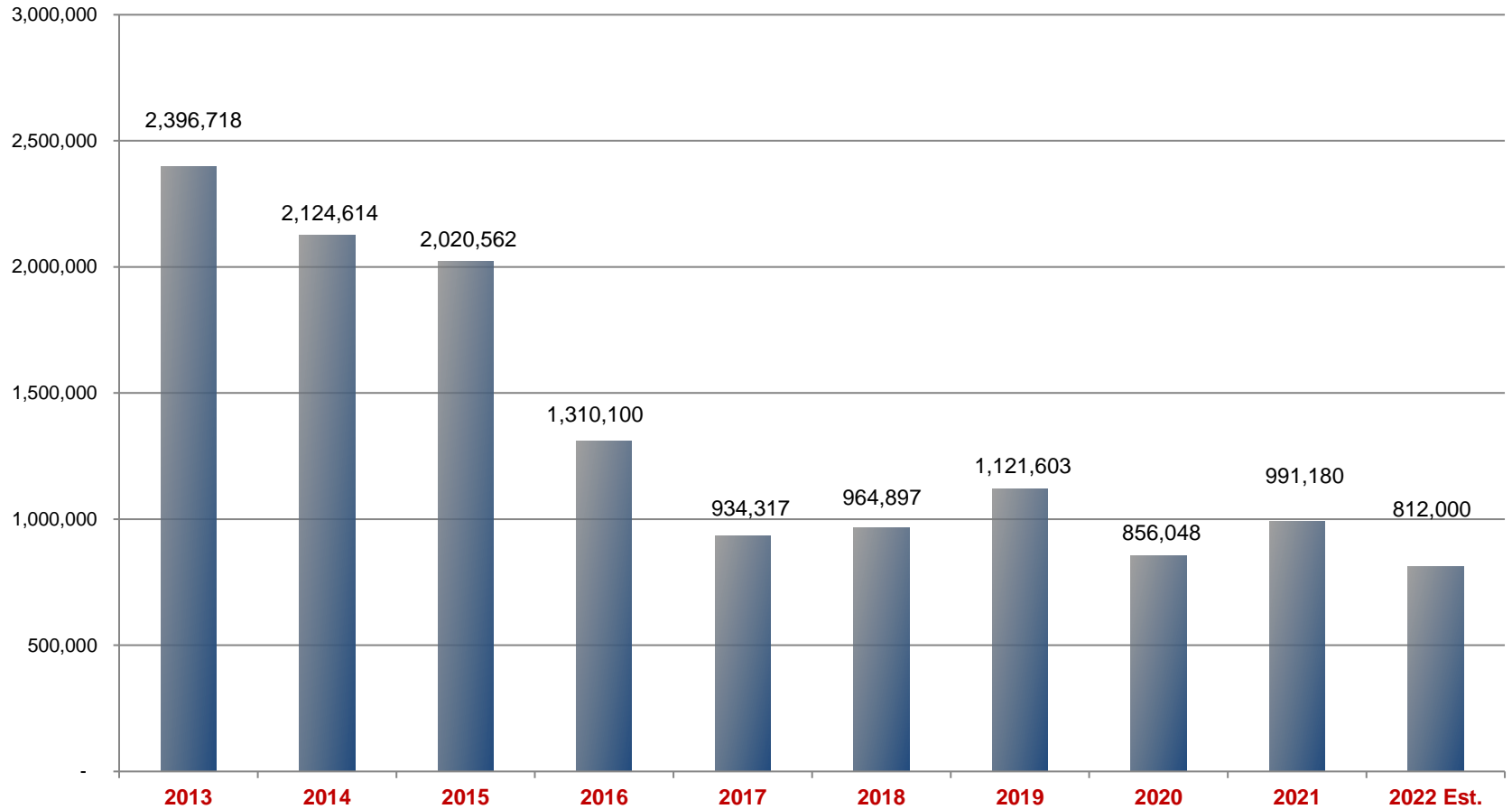
# Operating Income, Adjusted – March 31



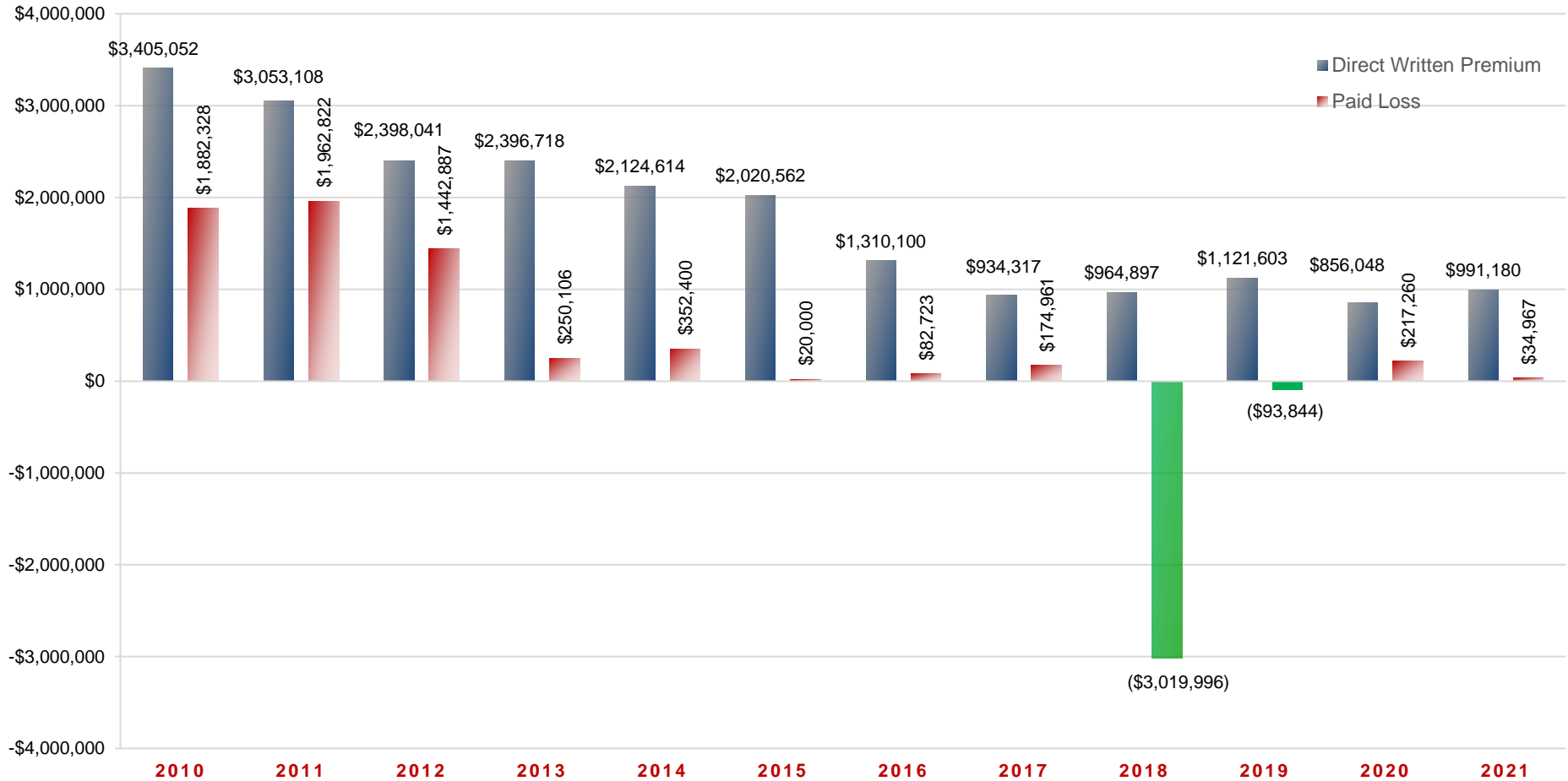
	Three Months Ended March 31,	
	2022	2021
<b>Revenues:</b>		
Revenues	\$ (63,227)	\$ 1,137,676
<i>Deduct:</i>		
Unrealized capital (losses) gains on equity securities	<u>(898,090)</u>	<u>271,237</u>
Adjusted revenues	<u>\$ 834,863</u>	<u>\$ 866,439</u>
<b>Net earnings:</b>		
Net (losses) earnings	\$ (701,754)	\$ 429,521
<i>Deduct:</i>		
Unrealized capital (losses) gains on equity securities	(898,090)	271,237
Provision for income taxes	<u>188,599</u>	<u>(56,960)</u>
Non-GAAP adjustment	<u>(709,491)</u>	<u>214,277</u>
Adjusted net earnings	<u>\$ 7,737</u>	<u>\$ 215,244</u>

	Three Months Ended March 31,	
	2022	2021
<b>Earnings per share:</b>		
Net (losses) earnings per share attributable to Common and Class A shareholders, basic and diluted	\$ (0.91)	\$ 0.56
<i>Deduct:</i>		
Per share effect of Non-GAAP adjustments	<u>(0.92)</u>	<u>0.28</u>
Adjusted net earnings per share attributable to Common and Class A shareholders, basic and diluted	<u>\$ 0.01</u>	<u>\$ 0.28</u>

# Direct Written Surety Premium



# Paid Losses to Written Premium

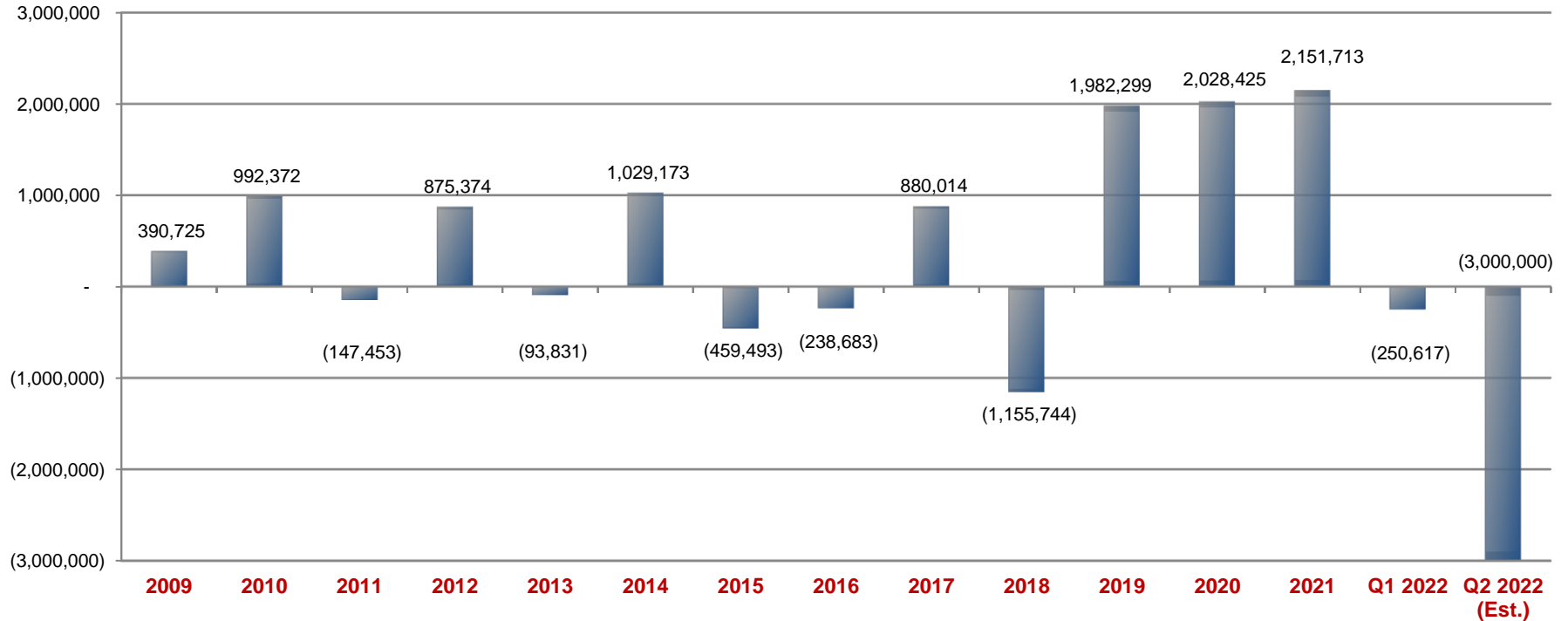




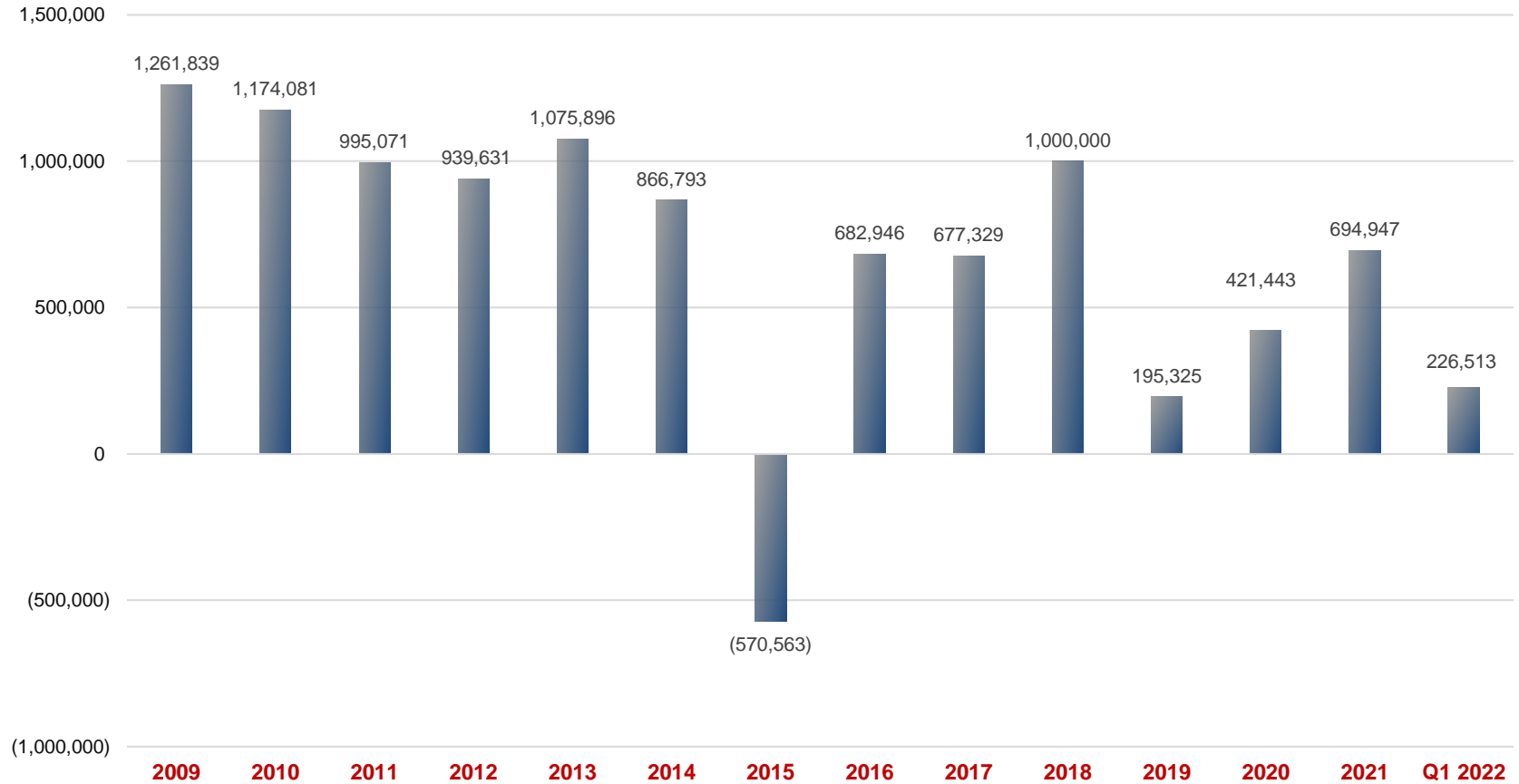
# Cumulative Unrealized Gains and Losses



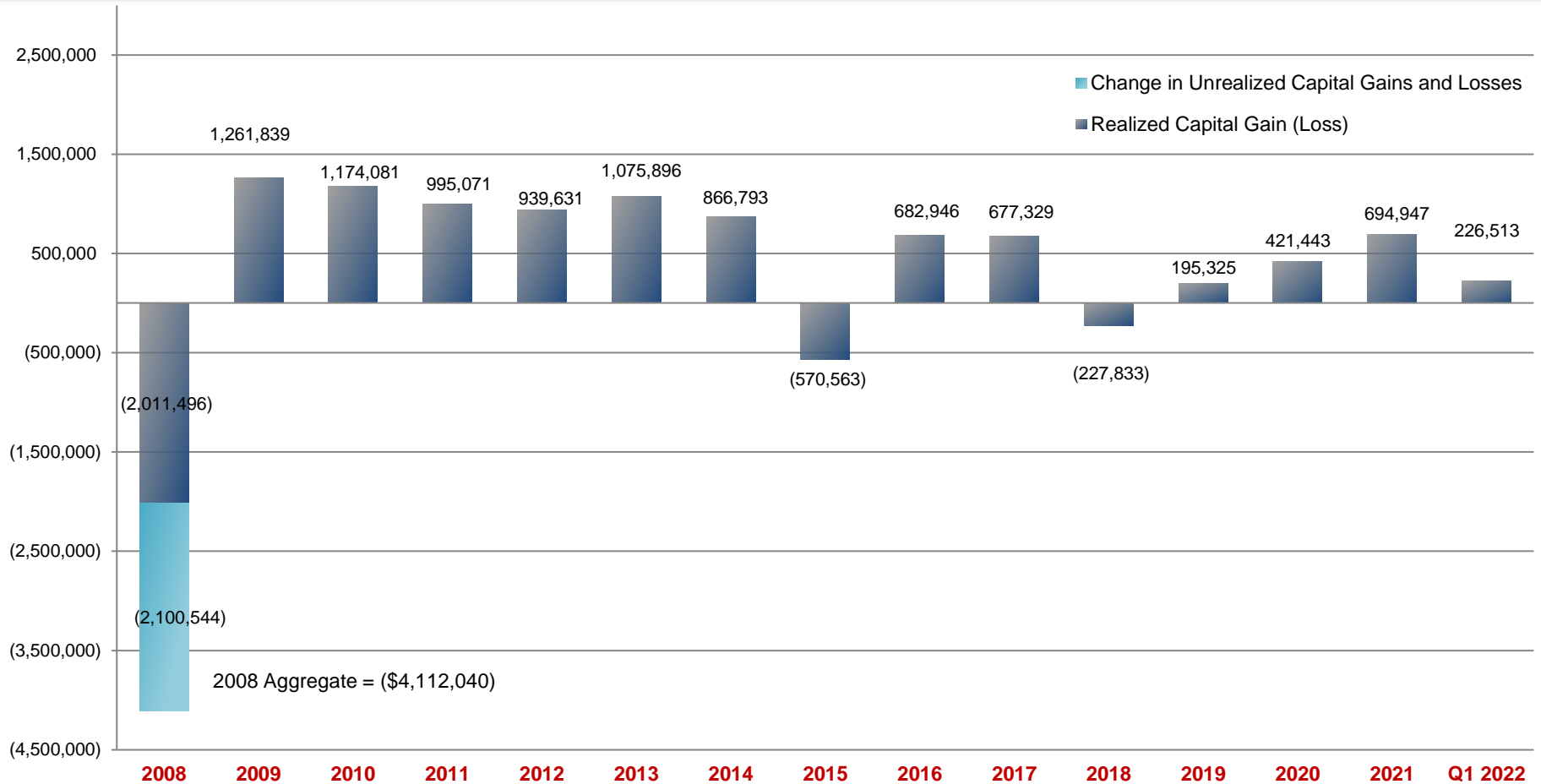
*Note: Amounts are cumulative as of the period-end balance sheet date and include all marketable securities.*



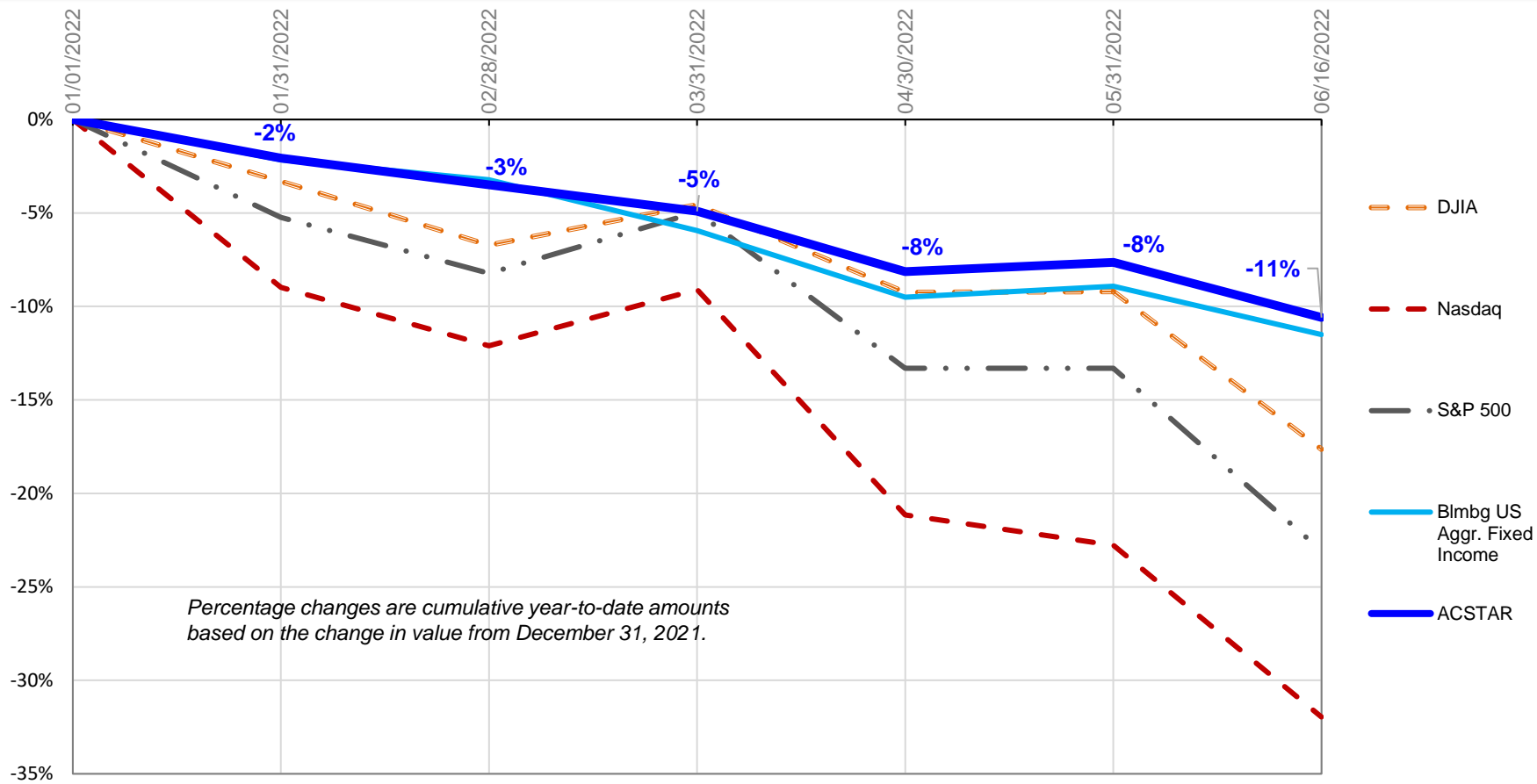
# Realized Capital Gain (Loss) - Historical



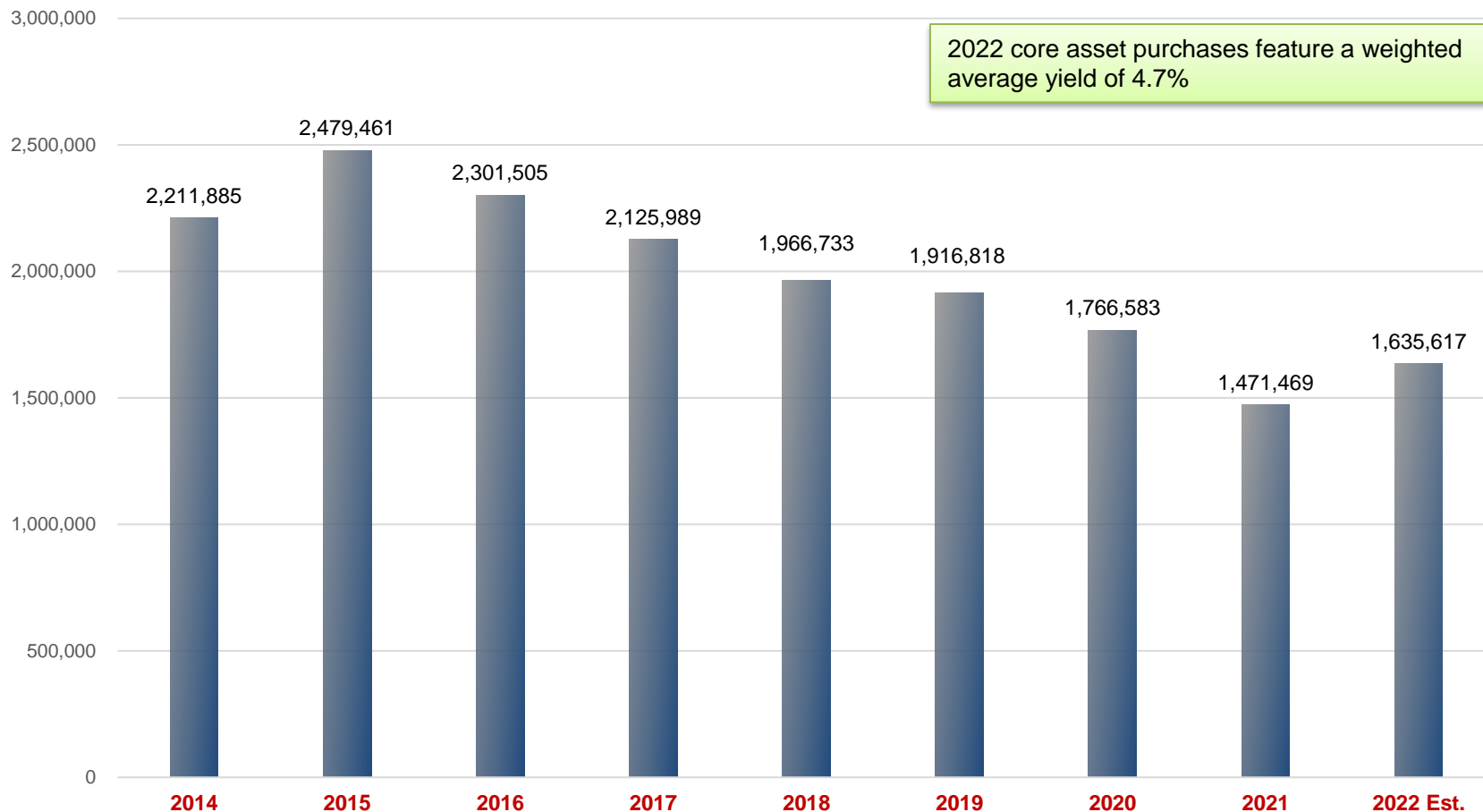
# Realized Capital Gain (Loss) - Historical



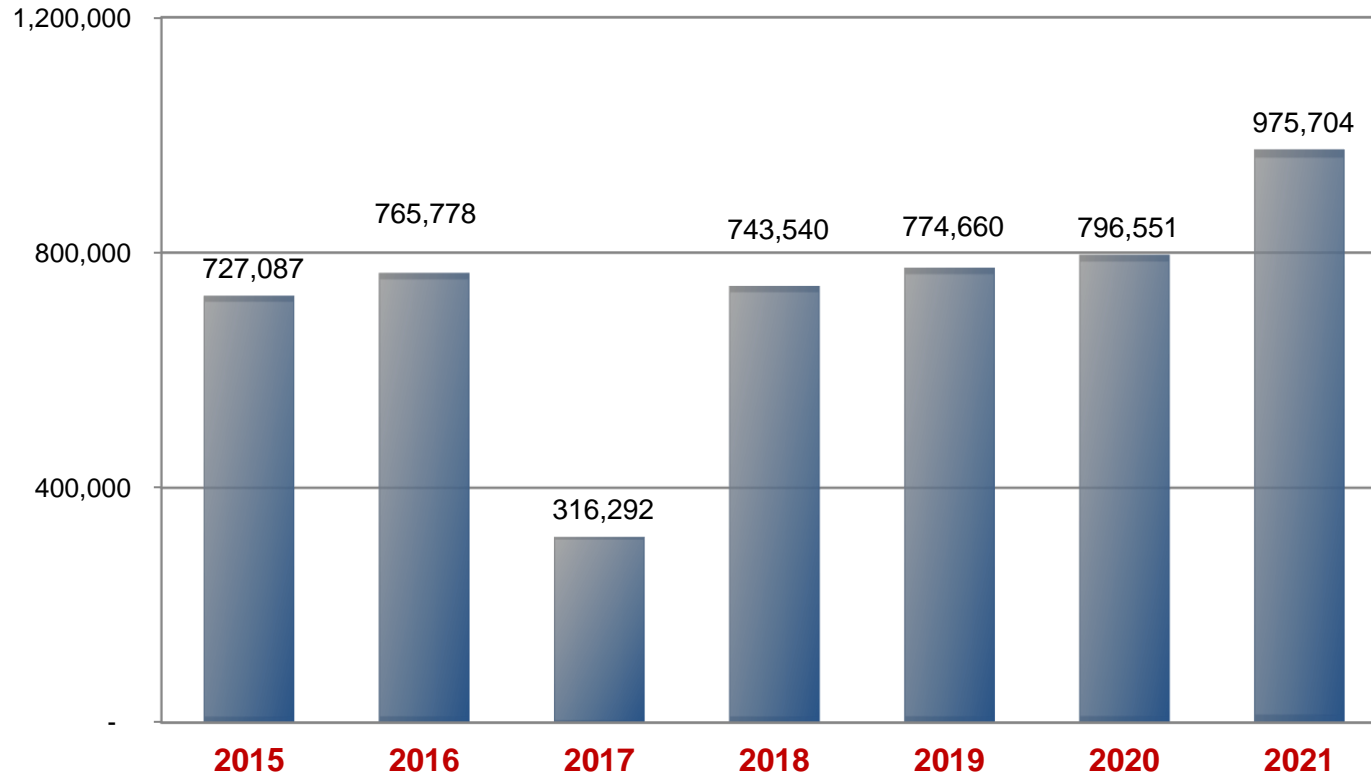
# Change in Invested Asset Values



# Investment Income



# Historical Net Income – Excluding Unrealized



# Loss and LAE by Line of Business



	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Reserve accrual actions by line of business:</b>						
<b><i>Surety</i></b>						
Current accident year loss and LAE accrual	350,521	399,333	838,904	457,421	438,088	675,142
Prior accident year reserve strengthening (release)	<u>(50,000)</u>	<u>-</u>	<u>(756,968)</u>	<u>(919,691)</u>	<u>(551,377)</u>	<u>(803,977)</u>
	300,521	399,333	81,936	(462,270)	(113,289)	(128,835)
<b><i>Casualty</i></b>						
Current accident year loss and LAE accrual	-	-	-	-	-	-
Prior accident year reserve strengthening (release)	<u>(1,200,000)</u>	<u>(1,365,000)</u>	<u>(1,050,000)</u>	<u>-</u>	<u>(62,500)</u>	<u>(100,000)</u>
	(1,200,000)	(1,365,000)	(1,050,000)	-	(62,500)	(100,000)
<b><i>Net effect</i></b>						
Current accident year	350,521	399,333	838,904	457,421	438,088	675,142
Prior accident years	<u>(1,250,000)</u>	<u>(1,365,000)</u>	<u>(1,806,968)</u>	<u>(919,691)</u>	<u>(613,877)</u>	<u>(903,977)</u>
<b>Calendar year basis incurred loss and LAE</b>	<b><u>(899,479)</u></b>	<b><u>(965,667)</u></b>	<b><u>(968,064)</u></b>	<b><u>(462,270)</u></b>	<b><u>(175,789)</u></b>	<b><u>(228,835)</u></b>
<b>US GAAP PBT - reported through December 31</b>	<b>1,503,723</b>	<b>857,289</b>	<b>1,847,714</b>	<b>986,015</b>	<b>538,368</b>	<b>1,000,079</b>

# Forward-Looking Statements and use of Non-GAAP Measures



## **ACMAT Corporation, 2022**

This presentation includes financial results with respect to adjusted operating income, and adjusted earnings per share, which are non-GAAP financial measures. Non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for the Company's financial results prepared in accordance with GAAP. Reconciliations of such non-GAAP financial measures in this presentation to the most comparable GAAP financial measures can be found in the Company's earnings release for the first quarter of 2022, filed with the OTC Pinksheets on May 10, 2022, and also available on the Company's website.

Certain information included herein is unaudited and should be read in conjunction with the Company's Audited Annual Statement and Quarterly (Unaudited) Financial Statements and OTC Markets Disclosure Statements. All "2022" balances and other forward-looking statements are estimates by management and subject to adjustment.

This presentation contains, and management may make, certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Words such as "may," "will," "should," "likely," "anticipates," "expects," "intends," "plans," "projects," "believes," "estimates" and similar expressions are used to identify these forward-looking statements. Examples of our forward-looking statements include statements relating to our future financial condition and operating results, our share repurchase plans, potential margins, potential returns, the sufficiency of our reserves and our strategic initiatives, among others. We caution that such statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements.

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