

WINTAAI HOLDINGS LTD.

110 Sheppard Ave. East
Suite 301 Box 18
Toronto ON, M2N 6Y8, Canada

FINANCIAL HIGHLIGHTS (September 2022)

As of September 30th, 2022, the GAAP book value of Stonetrust Commercial Insurance Company (“Stonetrust”) increased from \$165.95 million CAD on June 30th, 2022 to \$174.55 million CAD, a quarterly increase of 5.2%. In U.S. dollars, Stonetrust’s book value decreased from \$129.48 million USD to \$127.35 million USD, a quarterly decrease of 1.6%. The difference in returns is due to the Canadian dollar depreciating against the U.S. dollar during the quarter, positively impacting the book value in CAD.

Similarly, the adjusted book value per share of Wintai Holdings Ltd. (“Wintai”) increased from \$31.05 CAD on June 30th, 2022 to \$32.72 CAD on September 30th, 2022, a quarterly increase of 5.4%. In US dollars, it decreased from \$24.22 USD on June 30th, 2022 to \$23.87 USD on September 30th, 2022, a quarterly decrease of 1.4%. For further details, please refer to the Wintai Q3 2022 quarterly financial statement and share price calculations prepared by Wintai’s auditor McGovern Hurley.

Key Quarterly Figures

	June 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	June 30, 2022	Sept. 30, 2022	YTD % Change	Q3 % Change
Wintai Adjusted Book Value per Share (CAD)	\$29.44	\$31.23	\$33.50	\$32.32	\$31.05	\$32.72	(2.3%)	5.4%
Wintai Adjusted Book Value per Share (USD)	\$23.75	\$24.51	\$26.42	\$25.86	\$24.22	\$23.87	(9.7%)	(1.4%)
Stonetrust GAAP Book Value (CAD in Mils)	\$156.93	\$166.45	\$178.72	\$172.67	\$165.95	\$174.55	(2.3%)	5.2%
Stonetrust GAAP Book Value (USD in Mils)	\$126.62	\$130.64	\$140.97	\$138.18	\$129.48	\$127.35	(9.7%)	(1.6%)

Stonetrust Fixed Income Instruments

Below is a table highlighting the major investments in fixed income securities as of September 30th, 2022. All numbers are in USD.

Company	Maturity	Coupon	Par Value	Cost Base	Market Value	Unrealized gains/(losses)
B Riley Financial	2028-08-31	5.25%	\$ 224,616	\$ 5,577,286	\$ 4,734,905	\$ (842,381)
Cleco Corporate Holdings LLC	2026-05-01	3.74%	5,000,000	4,726,000	4,658,600	(67,400)
Lamar Media Corp	2028-02-15	3.75%	4,925,000	4,932,958	4,302,086	(630,872)
Entergy Corporation	2026-09-01	2.95%	3,540,000	3,462,408	3,236,233	(226,176)
CenturyLink Inc	2027-02-15	4.00%	3,000,000	3,007,500	2,519,340	(488,160)
Rain CII Carbon LLC	2025-04-01	7.25%	2,365,000	2,461,877	2,080,278	(381,600)
Lamar Media Corp	2031-01-15	3.63%	2,000,000	2,000,005	1,573,020	(426,985)
Bausch Health Companies Inc	2028-09-30	11.00%	1,435,000	1,435,000	1,435,000	-
Eagle Point Credit Company Inc	2029-01-31	5.38%	61,427	1,474,332	1,324,950	(149,383)
1375209 BC LTD	2028-01-30	9.00%	807,000	807,000	807,000	-

With the exceptions of B. Riley Financial, Eagle Point Credit Company, Bausch Health Companies Inc, and 1375209 BC Ltd, the remaining fixed-income securities are domiciled in Louisiana. We need a certain percentage of investable assets invested in Louisianan securities to qualify for the premium tax credits.

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Stonetrust Equity Securities

Below is a table highlighting the major investments in equity securities as of September 30th, 2022. During the period, Alphabet Inc executed its 20-for-1 stock split on July 15th, 2022. All numbers are in USD.

Equity Holdings	Shares	Cost Base	Market Value	Unrealized gains/(losses)
Resolute Forest Products Inc	685,000	\$ 2,179,236	\$ 13,700,000	\$ 11,520,764
Berkshire Hathaway Inc	25	7,901,245	10,161,750	2,260,505
Lumen Technologies Inc	1,210,000	13,248,058	8,808,800	(4,439,258)
Alphabet Inc	76,640	1,999,885	7,368,936	5,369,051
Apple Inc	44,000	1,862,693	6,080,800	4,218,107
Exor N.V.	90,021	4,000,022	5,581,302	1,581,280
Stellantis N.V.	426,388	3,464,884	5,048,434	1,583,550
Pool Corp	10,636	1,253,830	3,384,482	2,130,651
EXCO Resources	133,377	1,597,954	3,096,347	1,498,393
MBIA Inc	321,000	2,030,024	2,953,200	923,176
Liberty Global Plc	142,500	3,444,220	2,221,575	(1,222,645)
Wells Fargo	40,000	1,027,529	1,608,800	581,271
Bank of America	50,000	1,359,510	1,510,000	150,490
Moody's Corporation	5,899	583,551	1,434,106	850,555

In addition, we had no naked call option position as of September 30, 2022.

WINTAAI Holdings Securities

At WINTAAI, we held Synchrony Financial as of September 30th, 2022. All numbers are in USD.

Equity Holdings	Shares	Cost Base	Market Value	Unrealized gains/(losses)
Synchrony Financial	22,500	\$ 297,637	\$ 634,275	\$ 336,638

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Stonetrust's Financial and Operating Results – GAAP Basis

The consolidated results of the Stonetrust companies (Stonetrust Commercial Insurance Company and its wholly owned subsidiary, Stonetrust Premier Casualty Insurance Company) for the three and nine month periods ending September 30, 2022 and 2021 on a GAAP basis are as follows:

All figures in \$USD

	Unaudited 3rd Quarter		Unaudited Nine Months	
	2022	2021	2022	2021
Gross premiums written	\$ 14,591,846	\$ 12,637,995	\$ 41,609,814	\$ 37,511,537
Net premiums written	\$ 13,903,341	\$ 12,037,849	\$ 39,633,942	\$ 35,712,603
Net premiums earned	\$ 12,459,072	\$ 11,061,864	\$ 35,789,379	\$ 33,167,386
Underwriting profit	\$ 6,244,216	\$ 4,348,032	\$ 13,315,281	\$ 9,485,589
Net investment income	805,486	2,095,468	2,502,466	7,551,850
Operating income	7,049,702	6,443,500	15,817,747	17,037,439
Net gain (losses) on investments ⁽¹⁾	(12,041,541)	(527,633)	(30,002,733)	20,941,700
Interest expense, bad debt expense & other income	(16,451)	(79,693)	(236,594)	(327,604)
Pre-tax income (loss)	(5,008,290)	5,836,174	(14,421,580)	37,651,535
Income tax (expense) benefit	2,973,774	(1,232,354)	5,264,556	(7,816,463)
Net income (loss)	\$ (2,034,516)	\$ 4,603,820	\$ (9,157,024)	\$ 29,835,072
Underwriting profit:				
Loss & LAE - accident year	58.2%	59.3%	58.1%	59.6%
Underwriting expenses	37.4%	38.6%	38.7%	40.4%
Combined ratio - accident year ⁽²⁾	95.6%	97.9%	96.8%	99.9%
Net (favorable) adverse reserve development	-45.7%	-37.2%	-34.0%	-28.5%
Combined ratio - calendar year ⁽²⁾	49.9%	60.7%	62.8%	71.4%
Ending Stockholders' Equity			\$ 127,346,203	\$ 130,639,269

⁽¹⁾Net gains (losses) on investments include realized gains (losses) on disposals and changes in the unrealized gains (losses) recognized on equity investments.

⁽²⁾The combined ratio is the traditional performance measure of underwriting results for property and casualty companies and is calculated by the company as the sum of the loss ratio (claims losses and loss adjustment expenses expressed as a percentage of net premiums earned) and the expense ratio (commissions, premium acquisition costs and other underwriting expenses expressed as a percentage of net premiums earned). The accident year loss ratio excludes the net favorable or adverse development of reserves established for claims that occurred in previous accident years. The calendar year loss ratio includes the accident year's loss ratio and the net favorable or adverse development of reserves established for claims that occurred in previous accident years.

The calendar year combined ratios for the quarters ending September 30, 2022 and 2021 were 49.9% and 60.7%, respectively, while the calendar year combined ratios for the nine months ending September 30, 2022 and 2021 were 62.8% and 71.4%, respectively.

The accident year combined ratios for the quarters ending September 30, 2022 and 2021 were 95.6% and 97.9%, respectively, while the accident year combined ratios for the nine months ending September 30, 2022 and 2021 were 96.8% and 99.9%, respectively.

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Net favorable reserve development of \$12.2 million and \$9.5 million was recognized during the nine months ending September 30, 2022 and 2021, respectively. This resulted in a decrease in the calendar year net combined ratios of 34.0% and 28.5%, respectively.

Underwriting profit of \$6,244,216 for the third quarter of 2022 increased from \$4,348,032 in the third quarter of 2021. A pre-tax net loss of \$5,008,290 was recognized during the third quarter of 2022 as compared to pre-tax net income of \$5,836,174 being recognized in the third quarter of 2021 mainly due to an increase in net losses from investments of \$11,513,908.

Underwriting profit of \$13,315,281 for the nine months ending September 30, 2022 increased from \$9,485,589 for the nine months ending September 30, 2021. A pre-tax net loss of \$14,421,580 was recognized for the nine months ending September 30, 2022 vs. pre-tax net income of \$37,651,535 for the nine months ending September 30, 2021. The decrease in net income was mainly due to a decrease in net investment income and an increase in net losses recognized on investment securities.

Net written premiums of \$13,903,341 for the third quarter of 2022 and \$39,633,942 for the nine months ended September 30, 2022, represents an increase of 15.5% and 11.0% from the same periods in the prior year. Additionally, net premiums earned of \$12,459,072 for the third quarter of 2022 and \$35,789,379 for the nine months ended September 30, 2022, represents an increase of 12.6% and 7.9% from the same periods in the prior year.

Capital Raise Update

In July 2022, we raised another \$5.7 million CAD in the fourth round of financing. Currently we have roughly 44 shareholders after four rounds of financing, excluding employees and former employees. The terms for all four financings were the same as before: the purchase price was equivalent to a 10% premium on Wintaai's adjusted book value as of the latest quarter-end financials prior to issuance.

In total of four rounds of financing, we have raised about \$21.3 million CAD without going through an investment banker. If we had hired investment bankers, they would have charged 7% of the proceeds in investment banking fees (approximately \$1.5 million CAD). These fees were all saved for the benefit of the shareholders.

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Appendix

Date	Wintaai Holdings Adjusted Book Value per Share (CAD)	Wintaai Holdings Adjusted Book Value per Share (USD)
Dec. 31, 2018	\$14.98	\$10.98
Mar. 31, 2019	\$16.77	\$12.56
June 30, 2019	\$17.44	\$13.33
Sept. 30, 2019	\$18.04	\$13.62
Dec. 31, 2019	\$19.41	\$14.94
Mar. 31, 2020	\$15.70	\$11.16
June 30, 2020	\$20.60	\$15.13
Sept. 30, 2020	\$21.96	\$16.48
Dec. 31, 2020	\$24.20	\$19.01
Mar. 31, 2021	\$27.42	\$21.81
June 30, 2021	\$29.44	\$23.75
Sept. 30, 2021	\$31.23	\$24.51
Dec. 31, 2021	\$33.50	\$26.42
Mar. 31, 2022	\$32.32	\$25.86
June 30, 2022	\$31.05	\$24.22
Sept. 30, 2022	\$32.72	\$23.87