

**Penn Treaty American Corporation**  
**2500 Legacy Drive, Suite 130**  
**Frisco, Texas 75034**  
**469.287.7044**  
[www.penn treaty american.com](http://www.penn treaty american.com)

August 8, 2022

Dear Shareholder:

The purpose of this letter is to bring you up to date about some important events regarding Penn Treaty American Corporation (the “Company”).

I am pleased to announce that the board declared a non-taxable distribution of three cents (\$0.03) per share to shareholders of record as of July 28, 2022. The distribution is being handled by American Stock Transfer & Trust Company, LLC, the Company’s transfer agent. The distribution will be made as soon as possible. We are happy to be able to return this value to our shareholders who have continued to support the Company for many years, just as we did with respect to the November 2021 distribution. In total, we will have returned twenty-one cents (\$0.21) per share to our shareholders in the past 10 months.

Additionally, on July 28, 2022, the Company completed a transaction with an affiliate of Broadbill Investment Partners, LLC (the “Lender”) pursuant to which the Lender will loan to the Company up to \$1,000,000, which funds will be used to support the Company’s operations going forward while the Company continues to pursue strategic alternatives. To date, \$250,000 has been funded by the Lender. Broadbill is a large shareholder and is affiliated with Kurt Lageschulte, one of the Company’s directors.

In connection with the Broadbill transaction described above, the Company entered into a transition services agreement with a company affiliated with Sean Mullen, a former director and

chief financial officer of the Company, to continue to provide certain accounting and other administrative services to the Company.

And while I have stepped down from my official role as Chairman and Chief Executive Officer of the Company, I have entered into an agreement with the Company to serve as a senior advisor for a period of three (3) months to help ensure a smooth transition following the closing of the Broadbill transaction.

In connection with the Broadbill transaction and upon the recommendation of the Company's Compensation Committee, the board of directors unanimously approved certain bonus payments to the members of the board in the aggregate amount of \$340,000. Additional bonuses in the aggregate amount of \$125,000 may be paid to the directors, but such additional bonuses are contingent upon receipt by the Company of Funds in settlement of ongoing litigation involving a former subsidiary of the Company. Such bonuses were approved in recognition of the outstanding work performed by the members of the board in pursuing transactions designed to maximize shareholder value and in negotiating and consummating the Broadbill transaction and for their long service on the board during a difficult period for the Company.

The Broadbill transaction represents an occasion for transition by the Company. As noted above, I have stepped down as a director and executive officer of the Company. In addition, Sean Mullen and Matt Kaplan have resigned as directors of the Company, and Peter Ross intends to resign from the board as well. With those departures, we are pleased to introduce you to two new directors who were highly recommended by the Company's Nominating and Corporate Governance Committee – Mark E. Holliday and Steven D. Scheiwe. The board is confident that these two gentlemen will be excellent additions to the board and provide valuable contributions.

As I step down from my positions of Chairman and Chief Executive Officer of the Company, I want to thank you, my fellow shareholders, for your continued support over the years, and I wish the best for you and the Company going forward.

Should you have any questions, please contact the Company through its website  
([www.PennTreatyAmerican.com](http://www.PennTreatyAmerican.com)) or [info@penntreatyamerican.com](mailto:info@penntreatyamerican.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "Eugene J. Woznicki".

Eugene J. Woznicki  
Senior Advisor