

PRESS RELEASE

Maiden Holdings, Ltd. Announces Third Quarter 2021 Financial Results

PEMBROKE, Bermuda, November 9, 2021 - Maiden Holdings, Ltd. (NASDAQ: MHL) ("Maiden" or the "Company") today reported third quarter 2021 net income available to Maiden common shareholders of \$2.9 million or \$0.03 per diluted common share, compared to a net income available to Maiden common shareholders of \$2.2 million or \$0.03 per diluted common share in the third quarter of 2020.

Non-GAAP operating loss⁽⁵⁾ was \$3.1 million or \$0.04 per diluted common share for the third quarter of 2021, compared to non-GAAP operating loss of \$2.3 million or \$0.03 per diluted common share for the same period in 2020.

Maiden's book value per common share⁽¹⁾ was \$2.50 at September 30, 2021 compared to \$1.57 at December 31, 2020. On a non-GAAP basis, adjusted for unamortized deferred gain on retroactive reinsurance recognized as of September 30, 2021 of \$50.6 million and the fair value of certain assets within an equity method investment held by the Company of \$7.2 million, the Company's adjusted book value per common share⁽²⁾ was \$3.16 at September 30, 2021.

Commenting on the third quarter of 2021 financial results, Patrick J. Haveron and Lawrence F. Metz, Maiden's Co-Chief Executive Officers stated, "Our continuing capital management activities added another \$0.07 in book value during the third quarter and brings the total increase in book value since commencing these initiatives in the fourth quarter of 2020 to \$1.45 per common share. Along with other continuing favorable trends in prior loss development, 2021 continues to advance on a very positive note. The run-off of our insurance liabilities remains consistent with our expectations, and we continue to make progress in managing expenses down to an appropriate level for the scope of our ongoing operations. Our net results did reflect higher current accident year losses on the run-off as well as lower investment income and unrealized losses on certain assets, producing a net result that was modestly lower than prior quarters. Finally, book value reflects unrealized losses on our fixed income portfolio of \$0.19 per share as interest rates rose during the third quarter."

Messrs. Haveron and Metz added, "Maiden is well positioned heading into the fourth quarter. Our Genesis Legacy Solutions unit has completed its first transaction, an LPT/ADC agreement, and its pipeline for current transactions is robust. In addition to Genesis, our continuing investment at a steady pace across a range of asset classes, including private equity and credit, real estate and venture capital is expected to produce results in the fourth quarter and beyond as we increasingly deploy both legs of our strategy. As our earnings and strategy develop further, we are closely evaluating our ability to recognize the tax assets not reflected on our balance sheet today."

Consolidated Results for the Quarter Ended September 30, 2021

Net income available to Maiden common shareholders for the three months ended September 30, 2021 was \$2.9 million compared to a net income available to Maiden common shareholders of \$2.2 million for the same period in 2020. The most significant items affecting our financial performance during the third quarter of 2021 on a comparative basis to the third quarter of 2020 included:

- gain from repurchase of preference shares of \$6.0 million for the three months ended September 30, 2021, due to the purchase, primarily via private negotiation with certain security holders for preference shares;
- net loss of \$3.1 million compared to net income of \$2.2 million for the same period in 2020 largely due to the following factors:
 - underwriting loss⁽⁴⁾ of \$3.6 million in third quarter of 2021 compared to an underwriting income of \$3.4 million in the same period in 2020. The deterioration in underwriting loss was largely due to:
 - favorable prior year loss development of \$5.4 million in the third quarter of 2021 compared to favorable prior year loss development of \$7.2 million during the same period in 2020 primarily related to the quota share reinsurance agreements with AmTrust Financial Services, Inc. ("AmTrust"), or the AmTrust Reinsurance segment; and partially offset by:
 - underwriting loss of \$9.0 million in the third quarter of 2021 on a current accident year basis compared to

an underwriting loss of \$3.8 million for the same period in 2020 on a current accident year basis, due to higher loss ratios and higher general and administrative expenses, many of which will be nonrecurring.

- interest in loss of equity method investments of \$0.8 million for the three months ended September 30, 2021 compared to interest in loss of equity method investments of \$0.2 million for the same period in 2020;
- net investment income which was \$7.5 million for the three months ended September 30, 2021 compared to \$12.7 million for the same period in 2020;
- net realized and unrealized losses on investment which were \$0.9 million for the three months ended September 30, 2021 compared to net realized and unrealized gains of \$4.3 million for the same period in 2020; and
- net foreign exchange and other gains amounted to \$4.1 million during the three months ended September 30, 2021, compared net foreign exchange and other losses of \$6.5 million for the same period in 2020.

Net premiums written for the three months ended September 30, 2021 were \$7.0 million compared to net premiums written of \$3.0 million for the third quarter of 2020. Net premiums written in the Diversified Reinsurance segment decreased by \$2.9 million or 32.9% for the three months ended September 30, 2021 compared to the same respective period in 2020 due to return of unearned premiums written in our German Auto quota share reinsurance contract which went into run-off on January 1, 2021. Direct premiums written by our wholly owned Swedish subsidiaries Maiden Life Försäkrings AB ("Maiden LF") and Maiden General Försäkrings AB ("Maiden GF") increased by \$1.1 million or 25.5% during the three months ended September 30, 2021, compared to the third quarter of 2020. Due to premium adjustments from the terminated AmTrust reinsurance contracts, there were \$1.1 million in net premiums written in the AmTrust Reinsurance segment during the three months ended September 30, 2021.

Net premiums earned decreased by \$9.3 million or 38.2% for the three months ended September 30, 2021 compared to the third quarter of 2020 due to the combined impact of the terminated quota share contracts within the AmTrust Reinsurance segment and the Diversified Reinsurance segment due to run-off of the German Auto programs produced by our IIS unit.

Net investment income decreased by \$5.2 million or 41.1% for the three months ended September 30, 2021 compared to the third quarter of 2020, primarily due to the decline in average aggregate fixed income assets of 27.5% in the same period. The decline in fixed income assets is largely due to the cessation of active reinsurance underwriting since 2018 which is responsible for significant negative operating cash flows as we continue to run-off our existing reinsurance liabilities. Net investment income also decreased due to the decline in annualized average book yields from fixed income assets to 1.9% for the three months ended September 30, 2021 compared to 2.1% for the third quarter of 2020.

Net realized and unrealized losses on investment were \$0.9 million for the three months ended September 30, 2021 compared to net realized and unrealized gains of \$4.3 million for the third quarter in 2020. Net realized and unrealized losses for the three months ended September 30, 2021 included the recognition of \$3.0 million in unrealized losses related to an investment in an insurtech start-up company that was acquired by a special purpose acquisition company. Excluding the unrealized losses, net realized gains for the three months ended September 30, 2021 and 2020 reflect sales of corporate bonds for the settlement of claim payments to AmTrust. Interest in loss of equity method investments was \$0.8 million in the third quarter of 2021 compared to an interest in loss of equity method investments of \$0.2 million for the third quarter in 2020.

Net loss and LAE increased by \$1.4 million during the three months ended September 30, 2021 compared to the third quarter in 2020. Net loss and LAE for the third quarter of 2021 was impacted by net favorable prior year reserve development of \$5.4 million compared to net favorable prior year reserve development of \$7.2 million during the third quarter of 2020.

Commission and other acquisition expenses decreased by \$3.3 million or 34.6% for the three months ended September 30, 2021, compared to the third quarter of 2020 due to significantly lower earned premiums in both of our reportable segments.

Total general and administrative expenses decreased by \$1.5 million, or 18.5% for the three months ended September 30, 2021, compared to the third quarter of 2020 due to lower staff related costs. The Company estimates that it incurred certain operating expenses of \$0.1 million during the three months ended September 30, 2021, which it believes will not recur in future periods. These costs include salary and related costs associated with headcount reductions and information technology costs.

Consolidated Results For the Nine Months Ended September 30, 2021

Net income available to Maiden common shareholders for the nine months ended September 30, 2021 was \$101.4 million compared to net income of \$32.2 million for the same period in 2020. The net improvement in our results for the nine months ended September 30, 2021 compared to the same period in 2020 was primarily due to the gain from repurchase of preference shares of \$87.2 million for the nine months ended September 30, 2021. Excluding this gain, the most significant items affecting our financial performance during the nine months ended September 30, 2021 compared to the same period in 2020 included:

- net income of \$14.3 million compared to net income of \$32.2 million for the same period in 2020 largely due to the following factors:

- underwriting income⁽⁴⁾ of \$6.4 million in the nine months ended September 30, 2021 compared to an underwriting loss of \$0.3 million in the same period in 2020. The improvement in the underwriting income was largely due to:
 - favorable prior year loss development of \$23.7 million for the nine months ended September 30, 2021 compared to favorable loss development of \$7.8 million during the same period in 2020 primarily related to the quota share reinsurance agreements with AmTrust, or the AmTrust Reinsurance segment; and offset by:
 - an underwriting loss of \$17.3 million for the nine months ended September 30, 2021 on a current accident year basis compared to an underwriting loss of \$8.1 million for the same period in 2020 on a current accident year basis, due to higher expense ratios caused by a significant decrease in earned premium.
- interest in income of equity method investments of \$4.9 million for the nine months ended September 30, 2021 compared to an interest in loss of equity method investments of \$0.2 million for the same period in 2020;
- foreign exchange gains of \$6.3 million for the nine months ended September 30, 2021 compared to foreign exchange losses of \$0.2 million for the same period in 2020;
- net investment income which was \$24.6 million for the nine months ended September 30, 2021 compared to \$45.0 million for the same period in 2020; and
- net realized and unrealized gains on investment which were \$8.0 million for the nine months ended September 30, 2021 compared to net realized and unrealized gains of \$24.2 million for the same period in 2020.

Net premiums written for the nine months ended September 30, 2021 were \$7.5 million compared to net premiums written of \$17.5 million for the same period in 2020. Net premiums written in the Diversified Reinsurance segment decreased by \$17.0 million or 61.6% for the nine months ended September 30, 2021 compared to the same period in 2020 due to return of unearned premiums written in our German Auto quota share reinsurance contract which went into run-off on January 1, 2021. Direct premiums written by Maiden LF and Maiden GF increased by \$1.5 million or 9.9% during the nine months ended September 30, 2021, compared to the same period in 2020. Due to premium adjustments from the terminated AmTrust reinsurance contracts, there were \$(3.1) million in net premiums written in the AmTrust Reinsurance segment during the nine months ended September 30, 2021.

Net premiums earned decreased by \$36.7 million or 47.8% for the nine months ended September 30, 2021 compared to the same period in 2020 due to the combined impact of the terminated quota share contracts within the AmTrust Reinsurance segment and the Diversified Reinsurance segment due to run-off of the German Auto programs produced by our IIS unit.

Net investment income decreased by \$20.4 million or 45.3% for the nine months ended September 30, 2021 compared to the same period in 2020, primarily due to the decline in average aggregate fixed income assets of 25.8% in the same period. The decline in fixed income assets is largely due to the cessation of active reinsurance underwriting since 2018 which is responsible for significant negative operating cash flows as we continue to run-off our existing reinsurance liabilities. Net investment income also decreased due to the decline in annualized average book yields from fixed income assets to 1.9% for the nine months ended September 30, 2021 compared to 2.4% for the same period in 2020.

Net realized and unrealized gains on investment were \$8.0 million for the nine months ended September 30, 2021 compared to net realized gains of \$24.2 million for the same period in 2020. Net realized and unrealized gains for the nine months ended September 30, 2021 included the recognition of \$0.9 million in unrealized gains related to an investment in an insurtech start-up company that was acquired by a special purpose acquisition company. In addition, realized gains for the nine months ended September 30, 2021 and 2020 reflect sales of corporate bonds for the settlement of claim payments to AmTrust. Interest in income of equity method investments was \$4.9 million in the nine months ended September 30, 2021 compared to an interest in loss of equity method investments of \$0.2 million for the same period in 2020.

Net loss and LAE decreased by \$33.6 million during the nine months ended September 30, 2021 compared to the same period in 2020. Net loss and LAE for the nine months ended September 30, 2021 was impacted by net favorable prior year reserve development of \$23.7 million compared to net favorable prior year reserve development of \$7.8 million for the same period in 2020. The development was primarily generated within the AmTrust Reinsurance segment.

Commission and other acquisition expenses decreased by \$10.6 million or 35.7% for the nine months ended September 30, 2021, compared to the same period in 2020 due to significantly lower earned premiums in both of our reportable segments.

Total general and administrative expenses increased by \$3.6 million, or 13.8% for the nine months ended September 30, 2021, compared to the same period in 2020 due to higher incentive compensation and professional fees incurred. The Company estimates that it incurred certain operating expenses of \$3.0 million during the nine months ended September 30, 2021, which it believes will not recur in future periods. These costs include fees and write-offs related to the termination of our existing lease in Bermuda, salary and related costs associated with headcount reductions and certain regulatory costs in our international operations.

Non-GAAP Operating Results for the three and nine months ended September 30, 2021

In addition to other adjustments, management has adjusted the GAAP net income and underwriting results by excluding incurred losses and LAE that are subject to the Loss Portfolio Transfer and Adverse Development Cover Agreement ("LPT/ADC Agreement") with Cavello Bay Reinsurance Ltd. ("Cavello"), a subsidiary of Enstar Group Limited. Such losses are fully recoverable from Cavello, and therefore adjusting for them shows the ultimate economic benefit of the LPT/ADC Agreement to Maiden.

Non-GAAP operating loss were \$3.1 million or \$0.04 per diluted common share for the third quarter of 2021, compared to non-GAAP operating loss of \$2.3 million or \$0.03 per diluted common share for the third quarter of 2020. Adjusted to include net realized and unrealized investment losses and an interest in loss of equity method investments which are a recurring part of investment results with the Company's underwriting activities in run-off, non-GAAP operating loss was \$4.9 million or \$0.06 per diluted common share for the third quarter of 2021, compared to non-GAAP operating earnings of \$1.8 million or \$0.02 per diluted common share for the third quarter of 2020.

Non-GAAP operating earnings were \$58.1 million or \$0.67 per diluted common share for the nine months ended September 30, 2021, compared to non-GAAP operating earnings of \$2.0 million or \$0.02 per diluted common share for the nine months ended September 30, 2020. Adjusted to include net realized and unrealized investment gains and an interest in income of equity method investments which are a recurring part of investment results with the Company's underwriting activities in run-off, non-GAAP operating earnings were \$71.1 million or \$0.82 per diluted common share for the nine months ended September 30, 2021, compared to non-GAAP operating earnings of \$26.1 million or \$0.31 per diluted common share for the nine months ended September 30, 2020.

Similar to the reported GAAP results, the improvement in non-GAAP operating results for the three and nine months ended September 30, 2021 compared to the same respective periods in 2020 primarily reflects the gain from repurchase of preference shares of \$6.0 million and \$87.2 million recognized in the three and nine months ended September 30, 2021, respectively.

The unamortized deferred gain on retroactive reinsurance under the LPT/ADC Agreement with Cavello was \$50.6 million as of September 30, 2021, a decrease of \$24.3 million compared to \$74.9 million at December 31, 2020. The decrease in the unamortized deferred gain on retroactive reinsurance for the nine months ended September 30, 2021 is primarily attributable to \$24.3 million in loss and LAE recognized as favorable loss development in the Company's GAAP income statement that are covered by the LPT/ADC Agreement.

Adjusted for favorable loss development covered by the LPT/ADC Agreement of \$3.6 million and \$24.3 million during the three and nine months ended September 30, 2021, respectively, the non-GAAP underwriting loss⁽⁹⁾ was \$7.3 million and \$17.9 million, respectively, compared to non-GAAP underwriting loss of \$4.4 million and \$9.6 million for the same respective periods in 2020.

For the three and nine months ended September 30, 2021, our non-GAAP operating earnings also include the underwriting results for business not covered by the LPT/ADC Agreement, specifically the Hospital Liability business and run-off of the AmTrust Reinsurance segment.

In addition, as previously noted, the Company estimates that it incurred operating expenses of \$0.1 million and \$3.0 million during the three and nine months ended September 30, 2021, respectively, which it believes will not recur in future periods.

Quarterly Report on Form 10-Q for the Period Ended September 30, 2021 and Other Financial Matters

The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2021 was filed with the U.S. Securities and Exchange Commission on November 9, 2021. Additional information on the matters reported in this news release along with other required disclosures can be found in that filing.

Total assets were \$2.5 billion at September 30, 2021 compared to \$2.9 billion at December 31, 2020. Shareholders' equity was \$383.2 million at September 30, 2021 compared to \$527.8 million at December 31, 2020. Adjusted shareholders' equity⁽²⁾ was \$441.0 million at September 30, 2021 compared to \$602.8 million at December 31, 2020, which reflects the unamortized deferred gain on retroactive reinsurance of \$50.6 million at September 30, 2021 and \$74.9 million at December 31, 2020; and 2) an adjustment of \$7.2 million which reflects the equity accounting related to the fair value of certain hedged liabilities within an equity method investment in a limited partnership investment held by the Company wherein the ultimate realizable value of the asset supporting the hedged liabilities cannot currently be recognized at fair value ("LP Investment Adjustment") at September 30, 2021.

The Company's wholly owned subsidiary, Maiden Holdings North America, Ltd., holds net operating loss carryforwards ("NOLs") which were \$234.0 million as of September 30, 2021. These NOLs, in combination with additional net deferred tax assets primarily related to our insurance liabilities, result in a net deferred tax asset (before valuation allowance) of \$91.7

million or \$1.06 per common share as of September 30, 2021. These net deferred tax assets are not presently recognized on the Company's balance sheet as a full valuation allowance is carried against them.

The Company no longer presents certain non-GAAP measures such as combined ratio and its related components in its news release, as it believes that as the run-off of its reinsurance portfolios progresses, such ratios are increasingly not meaningful and of less value to readers as they evaluate our financial results. For now, the Company continues to utilize such non-GAAP measures on a quarterly basis in its Quarterly Report on Form 10-Q for the period ended September 30, 2021.

Preference Shares

On March 3, 2021, the Company's Board of Directors approved the repurchase, including the repurchase by Maiden Reinsurance Ltd. ("Maiden Reinsurance") in accordance with its investment guidelines, of up to \$100.0 million of the Company's preference shares from time to time at market prices in open market purchases or as may be privately negotiated.

On May 6, 2021, the Company's Board of Directors approved the repurchase, including the repurchase by Maiden Reinsurance in accordance with its investment guidelines (as may be amended), of up to an additional \$50.0 million of the Company's preference shares from time to time at market prices in open market purchases or as may be privately negotiated.

The authorizations that were approved on March 3, 2021 and May 6, 2021 are collectively referred to as the "2021 Preference Share Repurchase Program". The principal purpose of the cash tender offer on December 24, 2020 to purchase the Company's preference shares and the 2021 Preference Share Repurchase Program is to adjust our capital structure to reflect current operations and the amount of capital required to operate Maiden Reinsurance.

The following table shows the summary of repurchases made of the Company's preference shares pursuant to the 2021 Preference Share Repurchase Program during the three and nine months ended September 30, 2021:

	For the Three Months Ended September 30, 2021		For the Nine Months Ended September 30, 2021	
	Number of shares purchased	Average price of shares purchased	Number of shares purchased	Average price of shares purchased
Series A	135,353	\$ 13.51	3,519,093	\$ 14.74
Series C	241,466	13.42	2,917,244	14.44
Series D	181,817	13.34	2,639,336	14.45
Total	558,636	13.42	9,075,673	14.56
Total price paid (in millions)	\$ 7.5		\$ 132.2	
Gain on purchase (in millions)	\$ 6.0		\$ 87.2	

Subsequent to September 30, 2021, under the Rule 10b5-1 plan, the Company repurchased via the open market (i) 29,502 shares of the Company's 7.125% Non-Cumulative Preference Shares Series C at an average price of \$12.33 per share, and (ii) 14,637 shares of the Company's 6.7% Non-Cumulative Preference Shares Series D at an average price of \$12.33 per share for a total amount of \$544. The acquisition by Maiden Reinsurance of these Preference Shares were made in compliance with the Company's investment guidelines previously approved by the Vermont DFR. These purchases will result in a gain on purchase of approximately \$0.5 million in the fourth quarter of 2021. The Company has a remaining authorization of \$17.3 million for preference share repurchases.

Quarterly Dividends

The Company's Board of Directors did not authorize any quarterly dividends related to either its common shares or any series of its preference shares.

About Maiden Holdings, Ltd.

Maiden Holdings, Ltd. is a Bermuda-based holding company formed in 2007. Maiden creates shareholder value by actively managing and allocating our assets and capital, including through ownership and management of businesses and assets mostly in the insurance and related financial services industries where we can leverage our deep knowledge of those markets. Maiden also provides a full range of legacy services to small insurance companies, particularly those in run-off or with blocks of reserves that are no longer core, working with clients to develop and implement finality solutions including acquiring entire companies.

(1)(2)(4)(5)(9) Please see the Non-GAAP Financial Measures table for additional information on these non-GAAP financial measures and reconciliation of these measures to GAAP measures.

Special Note about Forward Looking Statements

Certain statements in this press release, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results and the assumptions upon which those statements are based are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include general statements both with respect to the Company and the insurance industry and generally are identified with the words "anticipate", "believe", "expect", "predict", "estimate", "intend", "plan", "project", "seek", "potential", "possible", "could", "might", "may", "should", "will", "would", "will be", "will continue", "will likely result" and similar expressions. In light of the risks and uncertainties inherent in all forward-looking statements, the inclusion of such statements in this press release should not be considered as a representation by the Company or any other person that the Company's objectives or plans or other matters described in any forward-looking statement will be achieved. These statements are based on current plans, estimates, assumptions and expectations. Actual results may differ materially from those projected in such forward-looking statements and therefore, you should not place undue reliance on them. Important factors that could cause actual results to differ materially from those in such forward-looking statements are set forth in Item 1A "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020. Circumstances caused by the COVID-19 pandemic are complex, uncertain and rapidly evolving. We therefore may not be able to accurately predict the longer-term effects that the COVID-19 pandemic may have on our financial condition or results of operations. To the extent the COVID-19 pandemic adversely affects our financial condition or results of operations, it may also heighten additional risks described in "Part I, Item 1A, Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2020.

The Company cautions that the list of important risk factors in its Annual Report on Form 10-K for the year ended December 31, 2020 is not intended to be and is not exhaustive. The Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law, and all subsequent written and oral forward-looking statements attributable to the Company or individuals acting on the Company's behalf are expressly qualified in their entirety by this paragraph. If one or more risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, the Company's actual results may vary materially from what was projected. Any forward-looking statements in this press release reflect the Company's current view with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth, strategy and liquidity. Readers are cautioned not to place undue reliance on the forward-looking statements which speak only as of the dates of the documents in which such statements were made.

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MAIDEN HOLDINGS, LTD.
CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data)

	September 30, 2021	December 31, 2020
	Unaudited	Audited
ASSETS		
<i>Investments:</i>		
Fixed maturities, available-for-sale, at fair value (amortized cost 2021 - \$757,835; 2020 - \$1,163,923)	\$ 772,427	\$ 1,213,411
Equity securities, at fair value	1,903	—
Equity method investments	75,050	39,886
Other investments	103,888	67,010
Total investments	953,268	1,320,307
Cash and cash equivalents	29,310	74,040
Restricted cash and cash equivalents	21,651	61,786
Accrued investment income	7,445	11,240
Reinsurance balances receivable, net	19,788	5,777
Reinsurance recoverable on unpaid losses	561,627	592,571
Loan to related party	167,975	167,975
Deferred commission and other acquisition expenses, net	40,242	51,903
Funds withheld receivable	642,070	654,805
Other assets	11,642	8,051
Total assets	\$ 2,455,018	\$ 2,948,455
LIABILITIES		
Reserve for loss and loss adjustment expenses	\$ 1,567,526	\$ 1,893,299
Unearned premiums	110,071	144,271
Deferred gain on retroactive reinsurance	50,645	74,941
Liability for securities purchased	15,886	—
Accrued expenses and other liabilities	72,424	53,002
Senior notes - principal amount	262,500	262,500
Less: unamortized debt issuance costs	7,208	7,374
Senior notes, net	255,292	255,126
Total liabilities	2,071,844	2,420,639
<i>Commitments and Contingencies</i>		
EQUITY		
Preference shares	167,418	394,310
Common shares	923	898
Additional paid-in capital	768,171	756,122
Accumulated other comprehensive (loss) income	(4,859)	23,857
Accumulated deficit	(514,512)	(615,837)
Treasury shares, at cost	(33,967)	(31,534)
Total Equity	383,174	527,816
Total Liabilities and Equity	\$ 2,455,018	\$ 2,948,455
Book value per common share⁽¹⁾	\$ 2.50	\$ 1.57
Common shares outstanding	86,443,757	84,801,161

MAIDEN HOLDINGS, LTD.
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(In thousands of U.S. dollars, except share and per share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues:				
Gross premiums written	\$ 6,821	\$ 3,517	\$ 7,865	\$ 20,233
Net premiums written	\$ 6,953	\$ 3,031	\$ 7,518	\$ 17,493
Change in unearned premiums	8,077	21,274	32,588	59,335
Net premiums earned	15,030	24,305	40,106	76,828
Other insurance revenue	138	261	946	919
Net investment income	7,477	12,686	24,596	44,959
Net realized and unrealized (losses) gains on investment	(937)	4,287	8,013	24,200
Total other-than-temporary impairment losses	—	(962)	—	(2,468)
Total revenues	21,708	40,577	73,661	144,438
Expenses:				
Net loss and loss adjustment expenses	10,514	9,065	7,546	41,159
Commission and other acquisition expenses	6,313	9,651	19,154	29,778
General and administrative expenses	6,650	8,160	29,553	25,971
Total expenses	23,477	26,876	56,253	96,908
Other expenses				
Interest and amortization expenses	4,832	4,832	14,495	14,493
Foreign exchange and other (gains) losses	(4,116)	6,536	(6,070)	634
Total other expenses	716	11,368	8,425	15,127
(Loss) income before income taxes	(2,485)	2,333	8,983	32,403
Less: income tax (benefit) expense	(155)	17	(363)	14
Add: interest in (loss) income of equity method investments	(810)	(154)	4,912	(154)
Net (loss) income	(3,140)	2,162	14,258	32,235
Gain from repurchase of preference shares	6,004	—	87,168	—
Net income available to Maiden common shareholders	\$ 2,864	\$ 2,162	\$ 101,426	\$ 32,235
Basic and diluted earnings per share available to Maiden common shareholders	\$ 0.03	\$ 0.03	\$ 1.17	\$ 0.38
Annualized return on average common equity	5.2 %	12.4 %	77.7 %	74.4 %
Weighted average number of common shares - basic	86,433,780	84,744,787	85,937,012	84,181,528
Adjusted weighted average number of common shares and assumed conversions - diluted	86,438,232	84,744,787	85,941,418	84,181,528

MAIDEN HOLDINGS, LTD.
SUPPLEMENTAL FINANCIAL DATA - SEGMENT INFORMATION (Unaudited)
(in thousands of U.S. dollars)

For the Three Months Ended September 30, 2021	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	\$ 5,684	\$ 1,137	\$ 6,821
Net premiums written	\$ 5,816	\$ 1,137	\$ 6,953
Net premiums earned	\$ 7,521	\$ 7,509	\$ 15,030
Other insurance revenue	138	—	138
Net loss and loss adjustment expenses ("loss and LAE")	(554)	(9,960)	(10,514)
Commission and other acquisition expenses	(3,461)	(2,852)	(6,313)
General and administrative expenses ⁽³⁾	(1,583)	(407)	(1,990)
Underwriting income (loss)⁽⁴⁾	\$ 2,061	\$ (5,710)	(3,649)
<i>Reconciliation to net loss</i>			
Net investment income and net realized and unrealized losses on investment			6,540
Interest and amortization expenses			(4,832)
Foreign exchange and other gains, net			4,116
Other general and administrative expenses ⁽³⁾			(4,660)
Income tax benefit			155
Interest in loss of equity method investments			(810)
Net loss			\$ (3,140)

For the Three Months Ended September 30, 2020	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	\$ 9,152	\$ (5,635)	\$ 3,517
Net premiums written	\$ 8,666	\$ (5,635)	\$ 3,031
Net premiums earned	\$ 11,323	\$ 12,982	\$ 24,305
Other insurance revenue	261	—	261
Net loss and LAE	(6,624)	(2,441)	(9,065)
Commission and other acquisition expenses	(4,204)	(5,447)	(9,651)
General and administrative expenses ⁽³⁾	(1,818)	(630)	(2,448)
Underwriting (loss) income⁽⁴⁾	\$ (1,062)	\$ 4,464	3,402
<i>Reconciliation to net income</i>			
Net investment income and net realized and unrealized gains on investment			16,973
Total other-than-temporary impairment losses			(962)
Interest and amortization expenses			(4,832)
Foreign exchange and other losses, net			(6,536)
Other general and administrative expenses ⁽³⁾			(5,712)
Income tax expense			(17)
Interest in loss of equity method investments			(154)
Net income			\$ 2,162

MAIDEN HOLDINGS, LTD.
SUPPLEMENTAL FINANCIAL DATA - SEGMENT INFORMATION (Unaudited)
(in thousands of U.S. dollars)

For the Nine Months Ended September 30, 2021	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	\$ 10,947	\$ (3,082)	\$ 7,865
Net premiums written	\$ 10,600	\$ (3,082)	\$ 7,518
Net premiums earned	\$ 20,723	\$ 19,383	\$ 40,106
Other insurance revenue	946	—	946
Net loss and LAE	(3,216)	(4,330)	(7,546)
Commission and other acquisition expenses	(11,668)	(7,486)	(19,154)
General and administrative expenses ⁽³⁾	(6,190)	(1,785)	(7,975)
Underwriting income⁽⁴⁾	\$ 595	\$ 5,782	6,377

Reconciliation to net income

Net investment income and net realized and unrealized gains on investment			32,609
Interest and amortization expenses			(14,495)
Foreign exchange and other gains, net			6,070
Other general and administrative expenses ⁽³⁾			(21,578)
Income tax benefit			363
Interest in income of equity method investments			4,912
Net income			\$ 14,258

For the Nine Months Ended September 30, 2020	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	\$ 30,573	\$ (10,340)	\$ 20,233
Net premiums written	\$ 27,591	\$ (10,098)	\$ 17,493
Net premiums earned	\$ 35,381	\$ 41,447	\$ 76,828
Other insurance revenue	919	—	919
Net loss and LAE	(19,703)	(21,456)	(41,159)
Commission and other acquisition expenses	(13,557)	(16,221)	(29,778)
General and administrative expenses ⁽³⁾	(5,177)	(1,941)	(7,118)
Underwriting (loss) income⁽⁴⁾	\$ (2,137)	\$ 1,829	(308)

Reconciliation to net income

Net investment income and net realized and unrealized gains on investment			69,159
Total other-than-temporary impairment losses			(2,468)
Interest and amortization expenses			(14,493)
Foreign exchange and other losses, net			(634)
Other general and administrative expenses ⁽³⁾			(18,853)
Income tax expense			(14)
Interest in loss of equity method investments			(154)
Net income			\$ 32,235

MAIDEN HOLDINGS, LTD.
NON-GAAP FINANCIAL MEASURES (Unaudited)
(In thousands of U.S. dollars, except share and per share data)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Non-GAAP operating (loss) earnings⁽⁵⁾	\$ (3,114)	\$ (2,313)	\$ 58,135	\$ 2,041
Non-GAAP basic and diluted operating (loss) earnings per common share available to Maiden common shareholders ⁽⁵⁾	\$ (0.04)	\$ (0.03)	\$ 0.67	\$ 0.02
Annualized non-GAAP operating return on average adjusted common equity⁽⁶⁾	(4.5)%	(5.6)%	32.3 %	1.8 %
Reconciliation of net income available to Maiden common shareholders to non-GAAP operating (loss) earnings:				
Net income available to Maiden common shareholders	\$ 2,864	\$ 2,162	\$ 101,426	\$ 32,235
<i>Add (subtract):</i>				
Net realized and unrealized losses (gains) on investment	937	(4,287)	(8,013)	(24,200)
Total other-than-temporary impairment losses	—	962	—	2,468
Foreign exchange and other (gains) losses	(4,116)	6,536	(6,070)	634
Interest in loss (income) of equity method investments	810	154	(4,912)	154
Favorable prior year loss development subject to LPT/ADC Agreement	(3,609)	(7,840)	(24,296)	(9,250)
Non-GAAP operating (loss) earnings⁽⁵⁾	\$ (3,114)	\$ (2,313)	\$ 58,135	\$ 2,041
Weighted average number of common shares - basic	86,433,780	84,744,787	85,937,012	84,181,528
Adjusted weighted average number of common shares and assumed conversions - diluted	86,433,780	84,744,787	85,941,418	84,181,528
Reconciliation of diluted earnings per share available to Maiden common shareholders to non-GAAP diluted operating (loss) earnings per share available to Maiden common shareholders:				
Diluted earnings per share available to Maiden common shareholders	\$ 0.03	\$ 0.03	\$ 1.17	\$ 0.38
<i>Add (subtract):</i>				
Net realized and unrealized losses (gains) on investment	0.01	(0.05)	(0.09)	(0.29)
Total other-than-temporary impairment losses	—	0.01	—	0.03
Foreign exchange and other (gains) losses	(0.05)	0.07	(0.07)	0.01
Interest in loss (income) of equity method investments	0.01	—	(0.06)	—
Favorable prior year loss development subject to LPT/ADC Agreement	(0.04)	(0.09)	(0.28)	(0.11)
Non-GAAP diluted operating (losses) earnings per share available to Maiden common shareholders	\$ (0.04)	\$ (0.03)	\$ 0.67	\$ 0.02
Non-GAAP Underwriting Results and Non-GAAP Net Loss and LAE				
Gross premiums written	\$ 6,821	\$ 3,517	\$ 7,865	\$ 20,233
Net premiums written	\$ 6,953	\$ 3,031	\$ 7,518	\$ 17,493
Net premiums earned	\$ 15,030	\$ 24,305	\$ 40,106	\$ 76,828
Other insurance revenue	138	261	946	919
Non-GAAP net loss and LAE ⁽⁹⁾	(14,123)	(16,905)	(31,842)	(50,409)
Commission and other acquisition expenses	(6,313)	(9,651)	(19,154)	(29,778)
General and administrative expenses	(1,990)	(2,448)	(7,975)	(7,118)
Non-GAAP underwriting loss⁽⁹⁾	\$ (7,258)	\$ (4,438)	\$ (17,919)	\$ (9,558)
Net loss and LAE	\$ 10,514	\$ 9,065	\$ 7,546	\$ 41,159
Less: favorable prior year loss development subject to LPT/ADC Agreement	(3,609)	(7,840)	(24,296)	(9,250)
Non-GAAP net loss and LAE⁽⁹⁾	\$ 14,123	\$ 16,905	\$ 31,842	\$ 50,409

MAIDEN HOLDINGS, LTD.
NON-GAAP FINANCIAL MEASURES (Unaudited)
(In thousands of U.S. dollars, except share and per share data)

	September 30, 2021	December 31, 2020
Investable assets:		
Total investments	\$ 953,268	\$ 1,320,307
Cash and cash equivalents	29,310	74,040
Restricted cash and cash equivalents	21,651	61,786
Loan to related party	167,975	167,975
Funds withheld receivable	642,070	654,805
Total investable assets⁽⁷⁾	\$ 1,814,274	\$ 2,278,913
Capital:		
Preference shares	\$ 167,418	\$ 394,310
Common shareholders' equity	215,756	133,506
Total shareholders' equity	383,174	527,816
2016 Senior Notes	110,000	110,000
2013 Senior Notes	152,500	152,500
Total capital resources⁽⁸⁾	\$ 645,674	\$ 790,316
Reconciliation of total shareholders' equity to adjusted shareholders' equity:		
Total Shareholders' Equity	\$ 383,174	\$ 527,816
LP Investment Adjustment	7,164	—
Unamortized deferred gain on retroactive reinsurance	50,645	74,941
Adjusted shareholders' equity⁽²⁾	\$ 440,983	\$ 602,757
Reconciliation of book value per common share to adjusted book value per common share:		
Book value per common share	\$ 2.50	\$ 1.57
LP Investment Adjustment	0.08	—
Unamortized deferred gain on retroactive reinsurance	0.58	0.89
Adjusted book value per common share⁽²⁾	\$ 3.16	\$ 2.46

(1) Book value per common share is calculated using common shareholders' equity (shareholders' equity excluding the aggregate liquidation value of our preference shares) divided by the number of common shares outstanding. Management uses growth in this metric as a prime measure of the value we are generating for our common shareholders, because management believes that growth in this metric ultimately results in growth in the Company's common share price. This metric is impacted by the Company's net income and external factors, such as interest rates, which can drive changes in unrealized gains or losses on our investment portfolio, as well as share repurchases.

(2) Adjusted Total Shareholders' Equity and Adjusted Book Value per Common Share: Management has adjusted GAAP shareholders' equity by adding the following items: 1) the unamortized deferred gain on retroactive reinsurance arising from the LPT/ADC Agreement; and 2) an adjustment which reflects the equity method accounting related to the fair value of certain hedged liabilities within an equity method investment in a limited partnership held by the Company wherein the ultimate realizable value of the asset supporting the hedged liabilities cannot currently be recognized at fair value. As a result, by virtue of this adjustment, management has also computed the Adjusted Book Value per Common Share. The deferred gain on retroactive reinsurance represents amounts estimated to be fully recoverable from Cavello and management believes adjusting for this shows the ultimate economic benefit of the LPT/ADC Agreement. The LP Investment Adjustment reflects the fair value of the assets not presently able to be recognized currently. We believe reflecting the economic benefit of both items is helpful to understand future trends in our operations, which will improve the Company's shareholders' equity over the settlement or contract periods, respectively.

(3) Underwriting related general and administrative expenses is a non-GAAP measure and includes expenses which are segregated for analytical purposes as a component of underwriting loss.

(4) Underwriting income or loss is a non-GAAP measure and is calculated as net premiums earned plus other insurance revenue less net loss and LAE, commission and other acquisition expenses and general and administrative expenses directly related to underwriting activities. For purposes of these non-GAAP operating measures, the fee-generating business, which is included in our Diversified Reinsurance segment, is considered part of the underwriting operations of the Company. Management believes that this measure is important in evaluating the underwriting performance of the Company and its segments. This measure is also a useful tool to measure the profitability of the Company separately from the investment results and is also a widely used performance indicator in the insurance industry.

(5) Non-GAAP operating earnings and non-GAAP basic and diluted operating earnings per common share are non-GAAP financial measure defined by the Company as net income excluding realized investment gains and losses, total other-than-temporary impairment losses, foreign exchange and other gains and losses, interest in income of equity method investment, and (favorable) adverse prior year loss development subject to LPT/ADC Agreement and should not be considered as an alternative to net income. The Company's management believes that the use of non-GAAP operating earnings and non-GAAP diluted operating earnings per common share enables investors and other users of the Company's financial information to analyze its performance in a manner similar to how management analyzes performance. Management also believes that these measures generally follow industry practice therefore allowing the users of financial information to compare the Company's performance with its industry peer group, and that the equity analysts and certain rating agencies which follow the Company, and the insurance industry as a whole, generally exclude these items from their analyses for the same reasons. Non-GAAP operating earnings should not be viewed as a substitute for U.S. GAAP net income.

(6) Non-GAAP operating return on average adjusted common equity is a non-GAAP financial measure. Management uses non-GAAP operating return on average adjusted common shareholders' equity as a measure of profitability that focuses on the return to common shareholders. It is calculated using non-GAAP operating earnings divided by average adjusted common shareholders' equity adjusted for the deferred gain on retroactive reinsurance.

(7) Investable assets are the total of the Company's investments, cash and cash equivalents, loan to a related party and funds withheld receivable.

(8) Total capital resources are the sum of the Company's principal amount of debt and shareholders' equity.

(9) Non-GAAP net loss and LAE and Non-GAAP underwriting income (loss): Management has further adjusted the net loss and LAE and underwriting income (loss) (as defined above) by recognizing into income the (favorable) adverse prior year loss development subject to LPT/ADC Agreement relating to losses subject to that agreement. The deferred gain represents amounts estimated to be fully recoverable from Cavello and management believes adjusting for this shows the ultimate economic benefit of the LPT/ADC Agreement on Maiden's underwriting income (loss). Management believes reflecting the economic benefit of this retroactive reinsurance agreement is helpful for understanding future trends in our operations.