MAIDEN HOLDINGS, LTD

PRESS RELEASE

Maiden Holdings, Ltd. Announces Leadership Update and First Quarter 2023 Financial Results

PEMBROKE, Bermuda, May 9, 2023 - Maiden Holdings, Ltd. (NASDAQ: MHLD) ("Maiden" or the "Company") today reported an update on its leadership team along with its first quarter 2023 results.

Leadership Update

The Company reported that its Board of Directors had named Patrick J. Haveron its sole Chief Executive Officer and Lawrence F. Metz was named Executive Vice Chairman while remaining as Group President. Mr. Haveron will continue as the Company's Chief Financial Officer. Barry D. Zyskind, Maiden's Chairman of the Board, commented on the leadership changes: "As our Board evaluated Maiden's requirements as we continue to advance and further develop our strategies, the Board concluded a reversion to a more traditional leadership structure was in order. As we look to develop an increased operating profile building for the long term, the Board recognized Pat's significant leadership, experience and aptitude in these areas in becoming the sole CEO. While continuing his executive duties, Larry's appointment as Executive Vice Chairman of our Board recognizes his many contributions during his time with Maiden, particularly during the Company's most challenging period. We look forward to both of their continuing contributions as we move ahead."

First Quarter 2023 Results

Maiden reported a net loss attributable to Maiden common shareholders of $11.3 million or $0.11 per diluted common share for the first quarter of 2023 compared to net income available to Maiden common shareholders of $1.6 million or $0.02 per diluted common share in the first quarter of 2022.

Non-GAAP operating loss(5) was $7.9 million or $0.08 per diluted common share for the first quarter of 2023 compared to non-GAAP operating loss of $6.9 million or $0.08 per diluted common share for the same period in 2022.

Maiden's book value per common share(1) was $2.66 at March 31, 2023 compared to $2.80 at December 31, 2022. Adjusted for the unamortized deferred gain on ceded retroactive reinsurance of $47.0 million at March 31, 2023, the Company's adjusted book value per common share(2) was $3.12 at March 31, 2023.

Patrick J. Haveron, Maiden's Chief Executive Officer commented on the first quarter of 2023 financial results: "First quarter results were impacted by an underwriting loss in both our AmTrust Reinsurance and Diversified segments. The AmTrust Reinsurance segment reported an underwriting loss of $6.3 million which was largely the result of adverse prior year loss development of $2.9 million during the quarter as adverse development in Auto Liability and Specialty programs were the principal drivers of the results. In addition, while smaller than last year, continuing negative premium adjustments from the run-off of our terminated AmTrust reinsurance contracts contributed $3.9 million to the underwriting loss. Our GLS unit reported a small loss, largely reflecting adjustments to a previously recognized gain on acquisition of certain assets."

"Book value was reduced by $0.05 per common share in the first quarter from the adoption of a new accounting standard for credit losses which we generally expect to not recur. In addition, while first quarter expenses are traditionally higher compared to the balance of the year, operating expenses were 7.1% lower on a year-over-year basis for the first quarter and we expect them to return to a significantly lower trajectory over the remainder of 2023."

Mr. Haveron added, "As interest rates continue to rise, with 32.3% of our fixed income investments now in floating rate securities, we are seeing the benefit from the rise in interest rates on our financial statements, as net investment income increased by $3.0 million or 45.3% compared to last year's first quarter. As noted in our last report, the market environment has led to a more measured pace of deployment of new alternative investment opportunities, and we are adjusting our investment focus accordingly. Our alternative asset portfolio decreased by 3% during the first quarter, and the slower pace of deployment reflects the challenging market conditions, particularly the continued repricing of fixed income assets, which affords us the opportunity to focus on income producing, lower risk assets at more attractive yields. While our alternative portfolio returns were marginally positive in the first quarter, we are confident our asset management strategy remains on track to achieve its targeted long-term returns."

"Finally, our consolidated balance sheet at March 31, 2023 does not reflect $1.18 in net U.S. deferred tax assets which still maintains a full valuation allowance. While the ongoing adverse reserve development experienced may impact the timing related to ultimately recognizing this asset, we believe the factors that will enable us to ultimately recognize these tax assets in the future continues to accumulate, particularly with our asset portfolio producing more current income."

Mr. Haveron concluded, "The authorization by our Board for the repurchase of senior notes adds another avenue by which we can create additional shareholder value. We expect to deploy this authorization in a disciplined and prudent manner. We also continue to closely evaluate our strategies as we look to build a more consistent base of revenue and profits."

Consolidated Results for the Quarter Ended March 31, 2023

Net loss attributable to Maiden common shareholders for the three months ended March 31, 2023 was $11.3 million, compared to net income available to Maiden common shareholders of $1.6 million for the same respective period in 2022. Net income available to Maiden common shareholders for the three months ended March 31, 2022 included a gain of $3.5 million for preference shares repurchases in 2022. Excluding the gain on the repurchase of preference shares in 2022, our net loss was $11.3 million for the three months ended March 31, 2023 compared to a net loss of $1.9 million for the same period in 2022 largely due to the following:

- underwriting loss[4] of $8.3 million in the first quarter of 2023 compared to underwriting loss of $1.7 million in the same period in 2022. The decrease in underwriting results was largely due to:
    - adverse prior year loss development of $3.7 million in the first quarter of 2023 compared to favorable prior year loss development of $7.3 million during the same period in 2022; and
    - on a current accident year basis, underwriting loss of $4.6 million for the three months ended March 31, 2023 compared to underwriting loss of $8.9 million for the same period in 2022, largely due to lower negative premium adjustments reported by AmTrust in the first quarter of 2023 as compared to the same period in 2022.
- foreign exchange and other losses of $2.8 million during the three months ended March 31, 2023, compared to foreign exchange and other gains of $3.9 million for the same period in 2022.

These unfavorable movements were partly offset by the following favorable results:

- total income from investment activities was $10.5 million for the three months ended March 31, 2023 compared to $10.1 million for the same period in 2022 which was comprised of:
    - net investment income of $9.5 million for the three months ended March 31, 2023 compared to $6.6 million for the same period in 2022;
    - net realized and unrealized investment gains of $1.0 million for the three months ended March 31, 2023 compared to net realized and unrealized investment gains of $2.3 million for the same period in 2022; and
    - interest in loss of equity method investments of $0.1 million for the three months ended March 31, 2023 compared to income of $1.3 million for the same period in 2022.
- corporate general and administrative expenses decreased to $7.0 million for the three months ended March 31, 2023 compared to $8.3 million for the same period in 2022.

Net premiums written for the three months ended March 31, 2023 were $0.8 million compared to $(10.3) million for the same period in 2022 largely due to lower negative cession adjustments in the first quarter of 2023. Negative net written premiums in the AmTrust Reinsurance segment were $6.0 million in the three months ended March 31, 2023 compared to negative premiums of $14.9 million for the same period in 2022. Net premiums written in both periods were impacted by higher-than-expected negative premium adjustments ("AmTrust Cession Adjustments"). For the three months ended March 31, 2023, the negative gross and net premiums written reflect AmTrust Cession Adjustments of $6.1 million due to the cancellation of cases in a certain program within Specialty Risk and Extended Warranty. Negative premiums written in the three months ended March 31, 2022 reflect AmTrust Cession Adjustments of $15.8 million related to the following items:

- $11.0 million of premium reductions on Workers Compensation policy surcharges in Small Commercial Business subsequent to the termination of the AmTrust Quota Share; and
- $4.8 million of premium reductions to AmTrust's inuring reinsurance for certain programs in Specialty Risk and Extended Warranty which reduced the amount of premium ceded to Maiden.

Net premiums written in the Diversified Reinsurance segment increased by $2.2 million for the three months ended March 31, 2023 compared to the same period in 2022 due to growth in direct premiums for Credit Life programs written by wholly owned Swedish subsidiaries Maiden Life Försäkrings AB ("Maiden LF") and Maiden General Försäkrings AB ("Maiden GF").

Net premiums earned increased by $7.9 million for the three months ended March 31, 2023 compared to the same period in 2022 largely due to considerably lower cession adjustments compared to the AmTrust Cession Adjustments made in the AmTrust Reinsurance segment during the first quarter of 2022.

Net investment income increased by $3.0 million or 45.3% for the three months ended March 31, 2023 compared to the same period in 2022, primarily due to an increase in annualized average book yields from fixed income assets to 3.7% for the three months ended March 31, 2023 compared to 1.7% for the same period in 2022. Our fixed income assets include available-for-sale ("AFS") securities, cash and restricted cash, funds withheld receivable, and loan to related party. These amounts are an average of the amounts disclosed in our quarterly U.S. GAAP consolidated financial statements.

The increase in annualized average book yields on fixed income assets to 3.7% for the three months ended March 31, 2023 compared to 1.7% for the same period in 2022 was partly driven by a shorter duration on our fixed income portfolio combined with 32.3% of our fixed income investments as of March 31, 2023 invested in floating rate assets which enabled us to take advantage of a higher interest rate environment by reinvesting at higher yields more quickly. Also, interest income on funds withheld and related party loans have increased since these assets carry periodically adjusted interest rates and have directly benefited from the recent rise in interest rates. The decline in fixed income assets by 33.1% was due to continued run-off of our reinsurance liabilities previously written on prospective risks, resulting in significant negative operating cash flows as we run-off our existing reinsurance liabilities.

Net realized and unrealized investment gains for the three months ended March 31, 2023 were $1.0 million compared to gains of $2.3 million for the same period in 2022. This included net realized and unrealized investment gains on alternative investments of $1.0 million for the three months ended March 31, 2023 compared to net unrealized gains of $1.1 million for the same period in 2022.

Net loss and LAE increased by $12.1 million during the three months ended March 31, 2023 compared to the same period in 2022. Net loss and LAE for the first quarter of 2023 was impacted by net adverse prior year reserve development of $3.7 million compared to net favorable prior year reserve development of $7.3 million during the first quarter of 2022. The AmTrust Reinsurance segment produced adverse prior year loss development of $2.9 million in the first quarter of 2023 compared to favorable development of $5.1 million for the same period in 2022. The Diversified Reinsurance segment produced adverse prior year loss development of $0.8 million in the first quarter of 2023, compared to favorable prior year development of $2.2 million in 2022, mostly due to development in other runoff business lines.

Commission and other acquisition expenses increased to $4.2 million for the three months ended March 31, 2023 compared to $2.5 million for the same respective period in 2022 due to lower earned premium adjustments in the current period. This was the result of lower AmTrust Cession Adjustments made during the first quarter of 2023 compared to the same period in 2022 which resulted in a corresponding increase in commission costs and brokerage fees.

Total general and administrative expenses decreased by $0.8 million, or 7.1% for the three months ended March 31, 2023, compared to the same respective period in 2022 primarily due to lower stock-based incentive compensation costs incurred.

Operating Results for the three months ended March 31, 2023

In addition to other adjustments, management adjusts reported GAAP net loss and underwriting results by excluding incurred losses and LAE covered by 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 these losses shows the ultimate economic benefit of the LPT/ADC Agreement to Maiden.

Non-GAAP operating loss was $7.9 million or $0.08 per diluted common share for the first quarter of 2023 compared to non-GAAP operating loss of $6.9 million or $0.08 per diluted common share for the first quarter of 2022. Adjusted to include net realized and unrealized investment gains and an interest in loss or income of equity method investments which are recurring parts of investment results with the Company’s underwriting activities in run-off, non-GAAP operating loss were $6.9 million or $0.07 per diluted common share for the first quarter of 2023, compared to non-GAAP operating loss of $3.4 million or $0.04 per diluted common share for the first quarter of 2022.

The unamortized deferred gain on retroactive reinsurance under the LPT/ADC Agreement with Cavello was $47.0 million as of March 31, 2023, an increase of $1.6 million compared to $45.4 million at December 31, 2022. Adjusted for the increase in the deferred gain under the LPT/ADC Agreement of $1.6 million during the three months ended March 31, 2023, the non-GAAP underwriting loss[9] was $6.7 million. This compared to a non-GAAP underwriting loss of $2.7 million when adjusted for the decrease in the deferred gain under the LPT/ADC Agreement of $1.0 million during the three months ended March 31, 2022.

The non-GAAP underwriting loss in both respective periods included underwriting results in the AmTrust Reinsurance segment not covered by the LPT/ADC Agreement, specifically the run-off of the AmTrust Quota Share with losses occurring after December 31, 2018, as well as loss development under the European Hospital Liability Quota Share. Also, it included an underwriting loss in the Diversified Reinsurance segment of $2.0 million for the three months ended March 31, 2023 compared to underwriting income of $1.5 million for the same period in 2022.

Please refer to the Non-GAAP Financial Measures tables in this earnings release for additional information on these non-GAAP financial measures and reconciliation of these measures to the appropriate GAAP measures.

Quarterly Report on Form 10-Q for the Period Ended March 31, 2023 and Other Financial Matters

The Company's Quarterly Report on Form 10-Q for the three months ended March 31, 2023 was filed with the U.S. Securities and Exchange Commission on May 9, 2023. Additional information on the matters reported in this news release along with other required disclosures can be found in that filing.

On May 3, 2023, the Company's Board of Directors approved the repurchase, including the repurchase by Maiden Reinsurance in accordance with its investment guidelines, of up to $100.0 million of the Company's Senior Notes from time to time at market prices in open market purchases or as may be privately negotiated.

Total assets were $1.8 billion at March 31, 2023 and decreased by $90.8 million compared to December 31, 2022. Shareholders' equity was $270.8 million at March 31, 2023 compared to $284.6 million at December 31, 2022.

Adjusted shareholders' equity(2) was $317.8 million at March 31, 2023 compared to $330.0 million at December 31, 2022, which includes an unamortized deferred gain under the LPT/ADC Agreement of $47.0 million at March 31, 2023 and $45.4 million at December 31, 2022.

As of March 31, 2023, GLS and its subsidiaries have insurance related liabilities assumed through retroactive reinsurance contracts of $31.7 million including total reserves of $25.0 million, an underwriting-related derivative liability of $4.0 million, net deferred gains on retroactive reinsurance of $2.3 million and reinsurance losses payable of $0.4 million.

The Company's wholly owned subsidiary, Maiden Holdings North America, Ltd., holds net operating loss carryforwards ("NOLs") which were $296.8 million as of March 31, 2023. These NOLs, in combination with additional net deferred tax assets primarily related to our insurance liabilities, result in a net U.S. deferred tax asset (before valuation allowance) of $120.3 million or $1.18 per common share as of March 31, 2023. The 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 or quarterly reports, 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.

Quarterly Dividends

The Company's Board of Directors did not authorize any quarterly dividends on its common shares during the three months ended March 31, 2023 and 2022.

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 to those companies' operations, working with clients to develop and implement finality solutions including acquiring entire companies that enable our clients to meet their capital and risk management objectives.

(1)(2)(4)(5)(9) Please refer to the Non-GAAP Financial Measures tables 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, 2022. COVID-19 triggered a period of increased volatility with respect to global economic conditions. During the year ended December 31, 2022, inflation became unusually high in many parts of the world, and central banks in the U.S. and other countries aggressively raised interest rates to counter inflation by slowing economic activity. Monetary policy tightening actions are ongoing at December 31, 2022, and their long-term impact on financial markets and the real economy is currently uncertain. Please also see additional risks described in "*Part I, Item 1A, Risk Factors"* of our Annual Report on Form 10-K for the year ended December 31, 2022.

The Company cautions that the list of important risk factors in its Annual Report on Form 10-K for the year ended December 31, 2022 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.

Any discrepancies between the amounts included in the results of operations discussion and the consolidated financial statement tables are due to rounding.

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

	March 31, 2023	December 31, 2022
ASSETS		
Investments:		
Fixed maturities, available-for-sale, at fair value (amortized cost 2023 - $327,339; 2022 - $330,439)	$ 313,363	$ 314,527
Equity securities, at fair value	45,266	43,621
Equity method investments	71,896	80,159
Other investments	146,323	148,753
Total investments	576,848	587,060
Cash and cash equivalents	24,194	30,986
Restricted cash and cash equivalents	17,167	15,638
Accrued investment income	5,433	4,122
Reinsurance balances receivable, net	10,406	10,707
Reinsurance recoverable on unpaid losses	552,513	556,116
Loan to related party	167,975	167,975
Deferred commission and other acquisition expenses, net	21,989	24,976
Funds withheld receivable	371,416	441,412
Other assets	8,140	7,874
Total assets	$ 1,756,081	$ 1,846,866
LIABILITIES		
Reserve for loss and loss adjustment expenses	$ 1,071,623	$ 1,131,408
Unearned premiums	58,789	67,081
Deferred gain on retroactive reinsurance	49,281	47,708
Accrued expenses and other liabilities	50,975	60,518
Senior notes - principal amount	262,500	262,500
Less: unamortized debt issuance costs	7,881	6,928
Senior notes, net	254,619	255,572
Total liabilities	1,485,287	1,562,287
Commitments and Contingencies		
EQUITY		
Common shares	1,496	1,492
Additional paid-in capital	885,125	884,259
Accumulated other comprehensive loss	(38,760)	(41,234)
Accumulated deficit	(459,704)	(442,863)
Treasury shares, at cost	(117,363)	(117,075)
Total Equity	270,794	284,579
Total Liabilities and Equity	$ 1,756,081	$ 1,846,866
Book value per common share[(1)]	$ 2.66	$ 2.80
Common shares outstanding	101,763,727	101,532,151

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 March 31, 2023	For the Three Months Ended March 31, 2022
Revenues:		
Gross premiums written	$ 836	$ (10,170)
Net premiums written	$ 760	$ (10,323)
Change in unearned premiums	8,242	11,445
Net premiums earned	9,002	1,122
Other insurance (expense) revenue, net	(59)	51
Net investment income	9,545	6,567
Net realized and unrealized investment gains	1,005	2,309
Total revenues	19,493	10,049
Expenses:		
Net loss and loss adjustment expenses	9,815	(2,283)
Commission and other acquisition expenses	4,235	2,528
General and administrative expenses	10,108	10,886
Total expenses	24,158	11,131
Other expenses		
Interest and amortization expenses	3,824	4,832
Foreign exchange and other losses (gains)	2,816	(3,949)
Total other expenses	6,640	883
Loss before income taxes	**(11,305)**	**(1,965)**
Less: Income tax (benefit) expense	(28)	1,255
Interest in (loss) income of equity method investments	(51)	1,271
Net loss	**(11,328)**	**(1,949)**
Gain from repurchase of preference shares	—	3,543
Net (loss) income (attributable) available to Maiden common shareholders	**$ (11,328)**	**$ 1,594**
Basic and diluted (loss) earnings per share (attributable) available to Maiden common shareholders	**$ (0.11)**	**$ 0.02**
Annualized return on average common equity	**(16.5)%**	**2.9 %**
Weighted average number of common shares - basic	101,552,364	86,547,173
Adjusted weighted average number of common shares and assumed conversions - diluted	101,552,364	86,550,815

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

For the Three Months Ended March 31, 2023	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	$ 6,849	$ (6,013)	$ 836
Net premiums written	$ 6,773	$ (6,013)	$ 760
Net premiums earned	$ 7,471	$ 1,531	$ 9,002
Other insurance expense, net	(59)	—	(59)
Net loss and loss adjustment expenses ("loss and LAE")	(3,156)	(6,659)	(9,815)
Commission and other acquisition expenses	(3,656)	(579)	(4,235)
General and administrative expenses(3)	(2,589)	(557)	(3,146)
Underwriting loss (4)	$ (1,989)	$ (6,264)	(8,253)
Reconciliation to net loss			
Net investment income and net realized and unrealized investment gains			10,550
Interest and amortization expenses			(3,824)
Foreign exchange and other losses, net			(2,816)
Other general and administrative expenses(3)			(6,962)
Income tax benefit			28
Interest in loss of equity method investments			(51)
Net loss			$ (11,328)

For the Three Months Ended March 31, 2022	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	$ 4,736	$ (14,906)	$ (10,170)
Net premiums written	$ 4,583	$ (14,906)	$ (10,323)
Net premiums earned	$ 5,955	$ (4,833)	$ 1,122
Other insurance revenue	51	—	51
Net loss and LAE	1,360	923	2,283
Commission and other acquisition expenses	(3,771)	1,243	(2,528)
General and administrative expenses(3)	(2,098)	(485)	(2,583)
Underwriting income (loss)(4)	$ 1,497	$ (3,152)	(1,655)
Reconciliation to net loss			
Net investment income and net realized and unrealized investment gains			8,876
Interest and amortization expenses			(4,832)
Foreign exchange and other gains, net			3,949
Other general and administrative expenses(3)			(8,303)
Income tax expense			(1,255)
Interest in income of equity method investments			1,271
Net loss			$ (1,949)

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 March 31,	
	2023	2022
Non-GAAP operating loss[5]	$ (7,893)	$ (6,935)
Non-GAAP basic and diluted operating loss per common share attributable to Maiden common shareholders[5]	$ (0.08)	$ (0.08)
Annualized non-GAAP operating return on average adjusted common equity[6]	(9.9)%	(10.5)%
Reconciliation of net (loss) income (attributable) available to Maiden common shareholders to non-GAAP operating loss:		
Net (loss) income (attributable) available to Maiden common shareholders	$ (11,328)	$ 1,594
Add (subtract):		
Net realized and unrealized investment gains	(1,005)	(2,309)
Foreign exchange and other losses (gains)	2,816	(3,949)
Interest in loss (income) of equity method investments	51	(1,271)
Change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	1,573	(1,000)
Non-GAAP operating loss [5]	$ (7,893)	$ (6,935)
Weighted average number of common shares - basic and diluted	101,552,364	86,547,173
Reconciliation of diluted (loss) earnings per share (attributable) available to Maiden common shareholders to non-GAAP diluted operating loss per share available to Maiden common shareholders:		
Diluted (loss) earnings per share (attributable) available to common shareholders	$ (0.11)	$ 0.02
Add (subtract):		
Net realized and unrealized investment gains	(0.01)	(0.03)
Foreign exchange and other losses (gains)	0.03	(0.05)
Interest in loss (income) of equity method investments	—	(0.01)
Change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	0.01	(0.01)
Non-GAAP diluted operating loss per share attributable to common shareholders	$ (0.08)	$ (0.08)
Non-GAAP Underwriting Results and Non-GAAP Net Loss and LAE		
Gross premiums written	$ 836	$ (10,170)
Net premiums written	$ 760	$ (10,323)
Net premiums earned	$ 9,002	$ 1,122
Other insurance (expense) revenue, net	(59)	51
Non-GAAP net loss and LAE[9]	(8,242)	1,283
Commission and other acquisition expenses	(4,235)	(2,528)
General and administrative expenses[3]	(3,146)	(2,583)
Non-GAAP underwriting loss[9]	$ (6,680)	$ (2,655)
Net loss and LAE	$ 9,815	$ (2,283)
Less: change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	1,573	(1,000)
Non-GAAP net loss and LAE[9]	$ 8,242	$ (1,283)

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

	March 31, 2023	December 31, 2022
Investable assets:		
Total investments	$ 576,848	$ 587,060
Cash and cash equivalents	24,194	30,986
Restricted cash and cash equivalents	17,167	15,638
Loan to related party	167,975	167,975
Funds withheld receivable	371,416	441,412
Total investable assets(7)	$ 1,157,600	$ 1,243,071
Capital:		
Total shareholders' equity	$ 270,794	$ 284,579
2016 Senior Notes	110,000	110,000
2013 Senior Notes	152,500	152,500
Total capital resources(8)	$ 533,294	$ 547,079
Reconciliation of total shareholders' equity to adjusted shareholders' equity:		
Total Shareholders’ Equity	$ 270,794	$ 284,579
Unamortized deferred gain on LPT/ADC Agreement	46,981	45,408
Adjusted shareholders' equity(2)	$ 317,775	$ 329,987
Reconciliation of book value per common share to adjusted book value per common share:		
Book value per common share	$ 2.66	$ 2.80
Unamortized deferred gain on LPT/ADC Agreement	0.46	0.45
Adjusted book value per common share(2)	$ 3.12	$ 3.25

(1) Book value per common share is calculated using shareholders' equity 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 unamortized deferred gain on retroactive reinsurance arising from the LPT/ADC Agreement. 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. We believe reflecting this economic benefit is helpful to understand future trends in our operations, which will improve the Company's shareholders' equity over the settlement period.

(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 income (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 (loss) and non-GAAP basic and diluted operating earnings (loss) per common share are non-GAAP financial measure defined by the Company as net income (loss) excluding realized investment gains and losses, foreign exchange and other gains and losses, interest in income (loss) 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 (loss). The Company's management believes that the use of non-GAAP operating earnings (loss) and non-GAAP diluted operating earnings (loss) 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 shareholders' equity is a non-GAAP financial measure. Management uses non-GAAP operating return on average adjusted 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 shareholders' equity adjusted for the deferred gain on LPT/ADC Agreement.

(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.