

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 001-34042

MAIDEN HOLDINGS, LTD.

(Exact name of registrant as specified in its charter)

Bermuda

(State or other jurisdiction of
incorporation or organization)

48 Par-la-Ville Road

Hamilton

Bermuda

(Address of principal executive offices)

98-0570192

(IRS Employer
Identification No.)

HM11

(Zip Code)

(441) 298-4900

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading symbol(s)	Name of Each Exchange on Which Registered
Common Shares, par value \$0.01 per share	MHLD	NASDAQ Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act).

Yes ☐ No ☒

As of May 5, 2025, 99,682,710 common shares were outstanding. 144,433,388 common shares, par value \$0.01 per share, were outstanding when the ownership by our affiliate Maiden Reinsurance Ltd. of 44,750,678 common shares were included. These affiliated shares are treated as treasury shares and are not included in the computation of consolidated book value and earnings per common share.

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PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

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

	March 31, 2025	December 31, 2024
	(Unaudited)	(Audited)
ASSETS		
<i>Investments:</i>		
Fixed maturities, available-for-sale, at fair value (<i>Amortized cost: 2025 - \$205,909; 2024 - \$236,788</i>)	\$ 202,460	\$ 232,613
Equity securities, at fair value (<i>Cost: 2025 - \$13,436; 2024 - \$13,436</i>)	11,850	13,147
Equity method investments	78,841	81,287
Other investments (<i>Allowance for expected credit losses: 2025 - \$1,023; 2024 - \$1,023</i>)	163,558	157,016
Total investments	456,709	484,063
Cash and cash equivalents	28,706	25,651
Restricted cash and cash equivalents	15,562	9,084
Accrued investment income	3,741	3,346
Reinsurance balances receivable, net (includes \$6,494 and \$5,171 from related parties in 2025 and 2024, respectively. <i>Allowance for expected credit losses: 2025 - \$203; 2024 - \$169</i>)	9,103	8,159
Reinsurance recoverable on unpaid losses (<i>Allowance for expected credit losses: 2025 - \$849; 2024 - \$2,963</i>)	549,350	571,331
Net loan receivable from related party	128,118	167,975
Deferred commission and other acquisition expenses (includes \$4,948 and \$7,553 from related parties in 2025 and 2024, respectively)	5,524	8,102
Funds withheld receivable (<i>Allowance for expected credit losses: 2025 - \$8; 2024 - \$8</i>)	12,606	12,650
Other assets	5,527	4,830
Assets held for sale	19,638	20,815
Total assets	\$ 1,234,584	\$ 1,316,006
LIABILITIES		
Reserve for loss and loss adjustment expenses (includes \$656,022 and \$687,274 from related parties in 2025 and 2024, respectively)	\$ 757,286	\$ 793,679
Unearned premiums (includes \$25,578 and \$29,204 from related parties in 2025 and 2024, respectively)	26,196	29,793
Deferred gain on retroactive reinsurance	106,268	107,255
Liability for securities purchased	—	6,480
Accrued expenses and other liabilities (includes \$31,647 and \$59,096 from related parties in 2025 and 2024, respectively)	51,818	77,966
Senior notes - principal amount	262,361	262,361
Less: unamortized debt issuance costs	7,563	7,604
Senior notes, net	254,798	254,757
Liabilities held for sale	645	883
Total liabilities	1,197,011	1,270,813
Commitments and Contingencies		
EQUITY		
Common shares (\$0.01 par value; 2025: 151,310,133 and 2024: 150,298,798 shares issued; 2025: 99,682,710 and 2024: 99,039,253 shares outstanding)	1,513	1,503
Additional paid-in capital	888,575	888,067
Accumulated other comprehensive loss	(31,930)	(32,733)
Accumulated deficit	(696,559)	(687,914)
Treasury shares, at cost (2025: 51,627,423 shares and 2024: 51,259,545 shares)	(124,026)	(123,730)
Total shareholders' equity	37,573	45,193
Total liabilities and equity	\$ 1,234,584	\$ 1,316,006

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

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

	For the Three Months Ended March 31,	
	2025	2024
Revenues		
Gross premiums written	\$ 4,074	\$ 8,323
Net premiums written	\$ 4,049	\$ 8,314
Change in unearned premiums	3,635	4,094
Net premiums earned	7,684	12,408
Other insurance revenue, net	—	46
Net investment income	3,034	7,700
Net realized and unrealized investment gains	3,331	8,750
Total revenues	14,049	28,904
Expenses		
Net loss and loss adjustment expenses	(7,623)	11,625
Commission and other acquisition expenses	4,558	5,593
General and administrative expenses	10,773	8,060
Interest and amortization expenses	4,818	4,815
Foreign exchange and other losses (gains)	7,434	(2,053)
Total expenses	19,960	28,040
Net (loss) income before income taxes and interest in (loss) income of equity method investments	(5,911)	864
Less: income tax expense	12	11
Interest in (loss) income of equity method investments	(2,722)	606
Net (loss) income	\$ (8,645)	\$ 1,459
Basic and diluted (loss) earnings per share attributable to common shareholders	\$ (0.09)	\$ 0.01
Weighted average number of common shares - basic and diluted	99,120,644	100,457,125

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(in thousands of U.S. dollars)

	For the Three Months Ended March 31,	
	2025	2024
Net (loss) income	\$ (8,645)	\$ 1,459
Other comprehensive income (loss)		
Net unrealized holdings gains on AFS fixed maturity investments	729	1,018
Net unrealized gains on held for sale AFS fixed maturity investments	23	—
Adjustment for reclassification of net realized gains recognized in net (loss) income	(3)	—
Foreign currency translation adjustment	54	(1,736)
Other comprehensive income (loss), before tax	803	(718)
Income tax expense related to components of other comprehensive income	—	(4)
Other comprehensive income (loss), after tax	803	(722)
Comprehensive (loss) income	<u>\$ (7,842)</u>	<u>\$ 737</u>

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
(in thousands of U.S. dollars)

	For the Three Months Ended March 31,	
	2025	2024
Common shares		
Beginning balance	\$ 1,503	\$ 1,497
Issuance of common shares from vesting of stock based compensation	10	4
Ending balance	1,513	1,501
Additional paid-in capital		
Beginning balance	888,067	886,072
Issuance of common shares from vesting of stock based compensation	(10)	(4)
Share-based compensation expense	518	364
Ending balance	888,575	886,432
Accumulated other comprehensive loss		
Beginning balance	(32,733)	(31,469)
Change in net unrealized investment gains	749	1,014
Foreign currency translation adjustment	54	(1,736)
Ending balance	(31,930)	(32,191)
Accumulated deficit		
Beginning balance	(687,914)	(486,945)
Net (loss) income	(8,645)	1,459
Ending balance	(696,559)	(485,486)
Treasury shares		
Beginning balance	(123,730)	(119,995)
Shares repurchased	(296)	(901)
Ending balance	(124,026)	(120,896)
Total shareholders' equity	<u>\$ 37,573</u>	<u>\$ 249,360</u>

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(in thousands of U.S. dollars)

For the Three Months Ended March 31,	2025	2024
Cash flows from operating activities		
Net (loss) income	\$ (8,645)	\$ 1,459
Adjustments to reconcile net (loss) income to net cash flows from operating activities:		
Other non-cash expenses including depreciation, amortization and share-based compensation	(6,065)	(479)
Interest in loss (income) of equity method investments	2,722	(606)
Net realized and unrealized investment gains	(3,331)	(8,750)
Change in allowance for expected credit losses	(2,086)	(842)
Foreign exchange and other losses (gains)	7,434	(2,053)
<i>Changes in assets – (increase) decrease:</i>		
Reinsurance balances receivable, net	(779)	673
Reinsurance recoverable on unpaid losses	3,266	692
Accrued investment income	(282)	573
Deferred commission and other acquisition expenses	2,588	1,539
Funds withheld receivable	44	14,325
Other assets	(729)	(707)
<i>Changes in liabilities – increase (decrease):</i>		
Reserve for loss and loss adjustment expenses	(8,301)	4,131
Unearned premiums	(3,622)	(4,088)
Accrued expenses and other liabilities	(3,340)	2,182
Net cash (used in) provided by operating activities	(21,126)	8,049
Cash flows from investing activities:		
Purchases of fixed maturities	(119,473)	(165,478)
Purchases of other investments	(3,845)	(8,204)
Purchases of equity method investments	(737)	(2,849)
Proceeds from sales of fixed maturities	1,788	23,835
Proceeds from maturities, paydowns and calls of fixed maturities	149,463	130,876
Proceeds from sale and redemption of other investments	1,933	466
Proceeds from sale and redemption of equity method investments	369	1,740
Others, net	(21)	(122)
Net cash provided by (used in) investing activities	29,477	(19,736)
Cash flows from financing activities:		
Repurchase of common shares	—	(673)
Net cash used in financing activities	—	(673)
Effect of exchange rate changes on foreign currency cash, restricted cash and cash equivalents	809	(148)
Net increase (decrease) in cash, restricted cash and cash equivalents	9,160	(12,508)
Cash, restricted cash and cash equivalents, beginning of period	34,735	42,678
Cash, restricted cash and cash equivalents, end of period	43,895	30,170
Less: change in cash and cash equivalents held for sale	(373)	—
Cash, restricted cash and cash equivalents, end of period, excluding held-for-sale	\$ 44,268	\$ 30,170
<i>Reconciliation of cash and restricted cash reported within Condensed Consolidated Balance Sheets:</i>		
Cash and cash equivalents, end of period	\$ 28,706	\$ 20,721
Restricted cash and cash equivalents, end of period	15,562	9,449
Total cash, restricted cash and cash equivalents, end of period	\$ 44,268	\$ 30,170

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

1. Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Maiden Holdings, Ltd. ("Parent Company" or "Maiden Holdings") and its subsidiaries (the "Company" or "Maiden"). They have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the U.S. Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. All significant intercompany transactions and accounts have been eliminated.

These interim unaudited Condensed Consolidated Financial Statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the interim period and all such adjustments are of a normal recurring nature. The results of operations for the interim period are not necessarily indicative, if annualized, of those to be expected for the full year. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

These unaudited Condensed Consolidated Financial Statements, including these notes, should be read in conjunction with the Company's audited Consolidated Financial Statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. Certain prior year comparatives have been reclassified to conform to the current period presentation. The effect of these reclassifications had no impact on previously reported shareholders' equity or net income.

Maiden creates shareholder value by actively managing and allocating our assets and capital, including through ownership and management of businesses and assets primarily in the insurance and related financial services industries where we can leverage our deep knowledge of those markets.

As of March 31, 2025, Maiden Reinsurance Ltd. ("Maiden Reinsurance") owns approximately 31.0% of the Company's total outstanding common shares, which is eliminated for accounting and financial reporting purposes on the Company's consolidated financial statements. The voting power of Maiden Reinsurance, with respect to its common shares, was capped at 9.5% pursuant to the Company's bye-laws. However, on April 29, 2025, Maiden shareholders approved the proposal to remove the 9.5% voting limitation at the Company's special general meeting of its shareholders (the "Special Meeting"). The ownership of the common shares by Maiden Reinsurance was made in compliance with Maiden Reinsurance's investment policy and approved by the Vermont Department of Financial Regulation ("Vermont DFR").

Current Operations

The Company does not presently underwrite prospective reinsurance risks.

Short-term income protection business is written on a primary basis by our wholly owned subsidiaries Maiden Life Försäkrings AB ("Maiden LF") and Maiden General Försäkrings AB ("Maiden GF") in the Scandinavian and Northern European markets. Our wholly owned subsidiary, Maiden Global Holdings Ltd. ("Maiden Global") is a licensed intermediary in the United Kingdom. Maiden Global had previously operated internationally by providing branded auto and credit life insurance products through insurer partners, particularly those in Europe and other global markets ("IIS business"). These products also produced reinsurance programs which were underwritten by our wholly owned subsidiary Maiden Reinsurance.

The Company also has various historic reinsurance programs underwritten by Maiden Reinsurance which are in run-off, including the liabilities associated with AmTrust Financial Services, Inc. ("AmTrust") reinsurance agreements which were terminated in 2019 as discussed in *Note 10. Related Party Transactions*. In addition, the Company has a retroactive reinsurance agreement and a commutation agreement that further reduces its exposure and limits the potential volatility related to AmTrust liabilities, which are discussed in *Note 8. Reinsurance*. Please also see the Company's audited Consolidated Financial Statements, and related notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for further details.

The Company is also running off certain business related to its Genesis Legacy Solutions ("GLS") platform. In November 2020, the Company formed its indirect wholly owned subsidiary GLS, which specialized in providing a full range of legacy services to small insurance entities, 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. The Company believed the formation of GLS was highly complementary to its overall longer-term strategy. However, a combination of factors, including market conditions in the sector GLS focuses on, resulted in an inability for GLS to gain sufficient scale to achieve its objectives or earn a profit, and GLS results did not reach the objectives the Company expected it to over time. Having completed the capital commitment made to GLS in November 2020, the Company has determined to not commit any additional capital to new opportunities and to run-off the existing accounts underwritten by GLS.

During the three months ended March 31, 2025, the Company has agreed to commute one of the accounts underwritten by GLS for \$7,500. Approval of this transaction by the Vermont DFR is presently pending. The commutation will be fully reflected in the second quarter 2025 financial statements at such time as the transaction is approved by the Vermont DFR and the related reserves are transferred to the purchasing party.

During 2024, the Company entered into a series of strategic transactions that, upon completion, will substantially transform its business plan and operations, which are fully described in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 that was filed on March 10, 2025.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

1. Basis of Presentation (continued)

Divestiture of IIS Business and Swedish Subsidiaries

During 2024, we conducted and completed a strategic review of our IIS Business. The purpose of that review was to evaluate the strategic value of this business, including the operations of Maiden LF and Maiden GF in relation to their ongoing growth and profitability prospects, regulatory capital requirements and ability to create shareholder value in excess of the Company's target return on capital levels.

As a result of that review, we concluded that divesting this business was in the best interests of shareholders and subsequently entered into the following transactions to accomplish that objective: 1) two Renewal Rights and Asset Purchase Agreement with AmTrust Nordic AB ("AmTrust Renewal Rights Agreements"); and 2) a Stock Purchase Agreement to sell Maiden LF and Maiden GF ("Swedish Subsidiaries Sale").

On November 29, 2024, the Company entered into an agreement to sell its Swedish subsidiaries, Maiden LF and Maiden GF to an expanding group of international insurance and reinsurance companies headquartered in the United Kingdom. Such transaction is subject to customary regulatory approvals. The sale will be an all-cash transaction and pursuant to the terms of the agreement, all existing staff of both Maiden LF and Maiden GF will transition to the new ownership group.

As part of these transactions, Maiden LF and Maiden GF are no longer writing new business and their non-underwriting related assets and liabilities are represented as held-for-sale in our consolidated financial statements. Please see *Note 10. Related Party Transactions* for details regarding the AmTrust Renewal Rights Agreement and *Note 14. Assets Held for Sale* for further information on the Swedish Subsidiaries Sale.

Combination Agreement with Kestrel Group

On December 29, 2024, the Company entered into a combination agreement (as amended, "Combination Agreement") with Kestrel Group LLC ("Kestrel"), all of the equityholders of Kestrel, Ranger U.S. Newco LLC, Ranger Bermuda Merger Sub Ltd., Ranger Bermuda Topco Ltd. ("Bermuda NewCo") and Ranger Merger Sub 2 LLC to combine and form a new, publicly listed specialty program group ("transaction"). AmTrust is a significant shareholder of Kestrel. Please see *Note 10. Related Party Transactions* for further information regarding the Company's relationship with AmTrust. Pursuant to the terms of the Combination Agreement, at the closing of the transaction, each issued and outstanding common share of Maiden, par value \$0.01 per share, will be automatically canceled and converted into the right to receive one-twentieth (0.05) of a common share in Bermuda NewCo, a newly formed Bermuda company that will acquire both Maiden and Kestrel (the "combined company").

The equityholders of Kestrel at the closing will receive an aggregate of \$40.0 million in upfront cash and 2,750,000 common shares of the combined company. In addition, the equityholders of Kestrel are entitled to receive contingent consideration up to the lesser of (x) \$45.0 million payable in common shares of Bermuda NewCo upon the achievement of certain financial milestones, and (y) \$2.75 million common shares of Bermuda NewCo.

At the closing of the transaction, the combined company will be rebranded as Kestrel Group and its common shares will be listed on the NASDAQ Capital Market ("Nasdaq") under the symbol "KG," subject to official notice of issuance.

Following closing of the transaction, Kestrel will continue to write business through its use of A.M. Best A- FSC XV insurance carriers including Sierra Specialty Insurance Company, Rochdale Insurance Company, Park National Insurance Company, and Republic Fire and Casualty Insurance Company (collectively, the "Insurers"), all subsidiaries of AmTrust. In connection with the transaction, the combined company will have the option to acquire the Insurers from AmTrust.

Following completion of the transaction, the board of directors of the combined company will consist of seven directors, made up of four directors selected by an affiliate of Kestrel Intermediate Ledbetter Holdings LLC, two of whom will be independent under applicable securities laws and stock exchange rules, and three directors selected by AmTrust, two of whom will be independent under applicable securities laws and stock exchange rules.

On April 29, 2025, at a Special Meeting of shareholders, all proposals related to Maiden's proposed business combination with Kestrel were approved by Maiden's shareholders. The transaction remains subject to customary closing conditions, the approval of listing of the shares of the combined company on the Nasdaq (subject to official notice of issuance) and receiving the final regulatory approvals. Closing is currently expected to occur during the second quarter of 2025.

2. Significant Accounting Policies

There have been no material changes to the significant accounting policies as described in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

3. Segment Information

The Company currently has two reportable segments: Diversified Reinsurance and AmTrust Reinsurance. Our Diversified Reinsurance segment consists of a portfolio of predominantly property and casualty reinsurance business focusing on regional and specialty property and casualty insurance companies located primarily in Europe. This segment also includes transactions entered into by GLS as described in *Note 1. Basis of Presentation*. Our AmTrust Reinsurance segment includes all business ceded to Maiden Reinsurance by AmTrust, primarily the quota share reinsurance agreement ("AmTrust Quota Share") between Maiden Reinsurance and AmTrust's wholly owned subsidiary, AmTrust International Insurance, Ltd. ("AIIT") and the European hospital liability quota share reinsurance contract ("European Hospital Liability Quota Share") with AmTrust's wholly owned subsidiaries, AmTrust Europe Limited ("AEL") and AmTrust International Underwriters DAC ("AIU DAC"), which are both in run-off effective January 1, 2019. Please refer to *Note 10. Related Party Transactions* for additional information regarding the AmTrust Reinsurance segment.

The Company evaluates segment performance based on segment profit separately from the results of our investment portfolio. Underwriting income or loss is calculated as net premiums earned plus other insurance revenue less net loss and LAE, commission and other acquisition expenses. General and administrative expenses are allocated to the segments on an actual basis except salaries and benefits where management's judgment is applied; however, general corporate expenses are not allocated to the segments. In determining total assets by reportable segment, the Company identifies those assets that are attributable to a particular segment such as reinsurance balances receivable, reinsurance recoverable on unpaid losses, deferred commission and other acquisition expenses, funds withheld receivable, loan to related party and restricted cash and investments. All remaining assets are allocated to Corporate.

The CODM for both the Diversified Reinsurance and the AmTrust Reinsurance segments is the Company's Chief Executive Officer and Chief Financial Officer who has served in that position since May 2023. The significant segment expenses as reported in the computation of underwriting results in the tables below are used by the Company's CODM in assessing segment performance on a quarterly basis and deciding how to allocate resources within the Company.

The following tables summarize the underwriting results of our reportable segments and the reconciliation of our reportable segments' underwriting results to consolidated net loss for the three months ended March 31, 2025 and 2024, respectively:

For the Three Months Ended March 31, 2025	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	\$ 5,016	\$ (942)	\$ 4,074
Net premiums written	\$ 4,991	\$ (942)	\$ 4,049
Net premiums earned	\$ 5,000	\$ 2,684	\$ 7,684
Net loss and LAE	2,234	5,389	7,623
Commission and other acquisition expenses	(2,291)	(2,267)	(4,558)
General and administrative expenses	(2,689)	(606)	(3,295)
Underwriting income	\$ 2,254	\$ 5,200	7,454
Reconciliation to net loss			
Net investment income and net realized and unrealized investment gains			6,365
Interest and amortization expenses			(4,818)
Foreign exchange and other losses, net			(7,434)
Other general and administrative expenses			(7,478)
Income tax expense			(12)
Interest in loss of equity method investments			(2,722)
Net loss			\$ (8,645)

Underwriting income for the AmTrust Reinsurance segment above included the following items for the three months ended March 31, 2025 that were specifically considered by the CODM in assessing segment performance:

- Commission and other acquisition expenses included accelerated amortization of deferred acquisition costs upon the recognition of a premium deficiency of \$1,255 in the AmTrust Quota Share for the three months ended March 31, 2025.
- Net loss and LAE was offset by amortization of the deferred gain liability of \$5,888 on the LPT/ADC Agreement for the three months ended March 31, 2025 since cumulative paid losses exceed the minimum risk retention under the LPT/ADC Agreement.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

For the Three Months Ended March 31, 2024	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	\$ 8,828	\$ (505)	\$ 8,323
Net premiums written	\$ 8,819	\$ (505)	\$ 8,314
Net premiums earned	\$ 8,991	\$ 3,417	\$ 12,408
Other insurance revenue	46	—	46
Net loss and LAE	(2,924)	(8,701)	(11,625)
Commission and other acquisition expenses	(4,295)	(1,298)	(5,593)
General and administrative expenses	(2,090)	(670)	(2,760)
Underwriting loss	\$ (272)	\$ (7,252)	(7,524)
Reconciliation to net income			
Net investment income and net realized and unrealized investment gains			16,450
Interest and amortization expenses			(4,815)
Foreign exchange and other gains, net			2,053
Other general and administrative expenses			(5,300)
Income tax expense			(11)
Interest in income from equity method investments			606
Net income			\$ 1,459

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

3. Segment Information (continued)

The following tables summarize the financial position of the Company's reportable segments including a reconciliation to the Company's consolidated total assets at March 31, 2025 and December 31, 2024:

March 31, 2025	Diversified Reinsurance	AmTrust Reinsurance	Total
Reinsurance balances receivable, net	\$ 2,566	\$ 6,494	\$ 9,060
Reinsurance recoverable on unpaid losses	2,890	509,938	512,828
Deferred commission and other acquisition expenses	577	4,948	5,525
Loan to related party	—	128,118	128,118
Restricted cash and cash equivalents and investments	68,008	136,121	204,129
Funds withheld receivable	12,606	—	12,606
Other assets	333	—	333
Total assets - reportable segments	86,980	785,619	872,599
Corporate assets	—	—	342,347
Assets held for sale	—	—	19,638
Total Assets	\$ 86,980	\$ 785,619	\$ 1,234,584

December 31, 2024	Diversified Reinsurance	AmTrust Reinsurance	Total
Reinsurance balances receivable, net	\$ 2,945	\$ 5,171	\$ 8,116
Reinsurance recoverable on unpaid losses	3,064	532,910	535,974
Deferred commission and other acquisition expenses	549	7,553	8,102
Loan to related party	—	167,975	167,975
Restricted cash and cash equivalents and investments	63,456	128,826	192,282
Funds withheld receivable	12,650	—	12,650
Other assets	603	—	603
Total assets - reportable segments	83,267	842,435	925,702
Corporate assets	—	—	369,489
Assets held for sale	—	—	20,815
Total Assets	\$ 83,267	\$ 842,435	\$ 1,316,006

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
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3. Segment Information (continued)

The financial information relating to net premiums written by major line of business and reportable segment for the three months ended March 31, 2025 and 2024 are detailed below:

For the Three Months Ended March 31,	2025	2024
<i>Net premiums written</i>	Total	Total
Diversified Reinsurance		
International	\$ 4,991	\$ 8,819
Total Diversified Reinsurance	4,991	8,819
AmTrust Reinsurance		
Small Commercial Business	(259)	(492)
Specialty Program	—	(15)
Specialty Risk and Extended Warranty	(683)	2
Total AmTrust Reinsurance	(942)	(505)
Total Net Premiums Written	\$ 4,049	\$ 8,314

The financial information for net premiums earned by major line of business and reportable segment for the three months ended March 31, 2025 and 2024 are detailed below:

For the Three Months Ended March 31,	2025	2024
<i>Net premiums earned</i>	Total	Total
Diversified Reinsurance		
International	\$ 5,000	\$ 8,991
Total Diversified Reinsurance	5,000	8,991
AmTrust Reinsurance		
Small Commercial Business	(259)	(492)
Specialty Program	—	(15)
Specialty Risk and Extended Warranty	2,943	3,924
Total AmTrust Reinsurance	2,684	3,417
Total Net Premiums Earned	\$ 7,684	\$ 12,408

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
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4. Investments

The Company holds: (i) available-for-sale ("AFS") portfolios of fixed maturity and equity securities, carried at fair value; (ii) other investments, of which certain investments are carried at fair value and investments in direct lending entities are carried at cost less impairment; (iii) equity method investments; and (iv) funds held - directly managed.

a) Fixed Maturities

The amortized cost, gross unrealized gains and losses, and fair value of fixed maturities at March 31, 2025 and December 31, 2024 are as follows:

March 31, 2025	Original or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. treasury bonds	\$ 52,748	\$ —	\$ (1)	\$ 52,747
U.S. agency bonds – mortgage-backed	26,045	—	(2,937)	23,108
Non-U.S. government bonds	45,779	38	(1)	45,816
Collateralized loan obligations	63,111	40	(48)	63,103
Corporate bonds	18,226	—	(540)	17,686
Total fixed maturity investments	\$ 205,909	\$ 78	\$ (3,527)	\$ 202,460

December 31, 2024	Original or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. treasury bonds	\$ 84,033	\$ 25	\$ —	\$ 84,058
U.S. agency bonds – mortgage-backed	26,841	—	(3,485)	23,356
Non-U.S. government bonds	38,496	39	(3)	38,532
Collateralized loan obligations	60,829	4	(130)	60,703
Corporate bonds	26,589	—	(625)	25,964
Total fixed maturity investments	\$ 236,788	\$ 68	\$ (4,243)	\$ 232,613

The Company separately presents the accrued interest receivable balance on its AFS fixed maturity investments on the Condensed Consolidated Balance Sheets under accrued investment income. The amount of accrued interest receivable on AFS securities was \$661 at March 31, 2025 (December 31, 2024: \$1,088). The Company has elected the practical expedient to exclude accrued interest from both the fair value and the amortized cost basis of the AFS fixed maturity securities for the purposes of identifying and measuring any impairments under the allowance for expected credit losses standard adopted on January 1, 2023. Write-offs of accrued interest receivable balances are recognized in net investment gains and losses in the period in which they are deemed uncollectible. There was no write-off recognized on the accrued interest receivable during the three months ended March 31, 2025 and 2024.

The contractual maturities of our fixed maturities are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

March 31, 2025	Amortized cost	Fair value
Due in one year or less	\$ 100,085	\$ 100,039
Due after one year through five years	16,125	15,752
Due after five years through ten years	543	458
	116,753	116,249
U.S. agency bonds – mortgage-backed	26,045	23,108
Collateralized loan obligations	63,111	63,103
Total fixed maturity investments	\$ 205,909	\$ 202,460

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
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4. Investments (continued)

The following tables summarize fixed maturities in an unrealized loss position and the aggregate fair value and gross unrealized loss by length of time the security has continuously been in an unrealized loss position:

	Less than 12 Months		12 Months or More		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
March 31, 2025						
U.S. treasury bonds	\$ 52,747	\$ (1)	\$ —	\$ —	\$ 52,747	\$ (1)
U.S. agency bonds – mortgage-backed	—	—	23,108	(2,937)	23,108	(2,937)
Non-U.S. government bonds	7,858	(1)	—	—	7,858	(1)
Collateralized loan obligations	—	—	23,531	(48)	23,531	(48)
Corporate bonds	—	—	17,686	(540)	17,686	(540)
Total temporarily impaired fixed maturities	\$ 60,605	\$ (2)	\$ 64,325	\$ (3,525)	\$ 124,930	\$ (3,527)

At March 31, 2025, there were 30 securities in an unrealized loss position with a fair value of \$124,930 and unrealized losses of \$3,527. Of these securities in an unrealized loss position, there were 24 securities in our portfolio that have been in an unrealized loss position for twelve months or greater with a fair value of \$64,325 and unrealized losses of \$3,525.

	Less than 12 Months		12 Months or More		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
December 31, 2024						
U.S. agency bonds – mortgage-backed	\$ —	\$ —	\$ 23,356	\$ (3,485)	\$ 23,356	\$ (3,485)
Non-U.S. government bonds	7,389	(3)	—	—	7,389	(3)
Collateralized loan obligations	—	—	56,242	(130)	56,242	(130)
Corporate bonds	—	—	25,964	(625)	25,964	(625)
Total temporarily impaired fixed maturities	\$ 7,389	\$ (3)	\$ 105,562	\$ (4,240)	\$ 112,951	\$ (4,243)

At December 31, 2024, there were 36 securities in an unrealized loss position with a fair value of \$112,951 and unrealized losses of \$4,243. Of these securities in an unrealized loss position, there were 35 securities in our portfolio that have been in an unrealized loss position for twelve months or greater with a fair value of \$105,562 and unrealized losses of \$4,240.

Allowance for Expected Credit Losses & Non-Credit Related Impairment Costs

The Company evaluates AFS securities for impairment when fair value is below amortized cost on a quarterly basis. If the Company intends to sell or will be required to sell the security before its anticipated recovery, the full amount of the impairment loss is charged to net income (loss) and included in net investment gains (losses). If the Company does not intend to sell or will not be required to sell the security before its anticipated recovery, an allowance for expected credit losses is established and the portion of the loss relating to credit factors is recorded in net income (loss). The non-credit impairment amount of the loss (which could be related to interest rates and/or market conditions) is recognized in other comprehensive income.

To estimate the allowance for expected credit losses for most of the AFS securities, the Company analyzes projected cash flows which are primarily driven by assumptions regarding loss severity, probability of default and projected recovery rates. The Company's determination of default and loss severity rates are based on credit rating, credit analysis and macroeconomic forecasts. Unrealized losses on securities issued or backed, either explicitly or implicitly by the U.S. government are not analyzed for credit losses. The Company has concluded that any possibility of a credit loss on these securities is highly unlikely due to the explicit U.S. government guarantee related to certain securities (e.g., Government National Mortgage Association issuances) and the implicit guarantee related to other securities that has been validated by past actions (e.g., U.S. government bailout of Federal National Mortgage Association and Federal Home Loan Mortgage Corporation during the 2008 credit crisis). Although these securities are not analyzed for credit losses, they are evaluated for impairment based on the Company's intention to sell and likely requirement to sell.

Based on the Company's analysis at March 31, 2025 and 2024, respectively, the unrealized losses on the Company's AFS fixed maturity securities were due to non-credit factors and were expected to be recovered as the related securities approach maturity. At March 31, 2025, the Company did not intend to sell the securities in an unrealized loss position and it is not more likely than not that the Company will be required to sell these securities before the anticipated recovery of their amortized costs. Therefore, there was no allowance recorded for expected credit losses on AFS securities for the three months ended March 31, 2025 and 2024.

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4. Investments (continued)

The following tables summarize the credit ratings of our fixed maturities as at March 31, 2025 and December 31, 2024:

March 31, 2025	Amortized cost	Fair value	% of Total fair value
U.S. treasury bonds	\$ 52,748	\$ 52,747	26.1 %
U.S. agency bonds – mortgage-backed	26,045	23,108	11.4 %
AAA	77,838	77,848	38.4 %
AA+, AA, AA-	31,052	31,071	15.3 %
A+, A, A-	9,852	9,447	4.7 %
BBB+, BBB, BBB-	8,374	8,239	4.1 %
Total fixed maturities ⁽¹⁾	\$ 205,909	\$ 202,460	100.0 %

December 31, 2024	Amortized cost	Fair value	% of Total fair value
U.S. treasury bonds	\$ 84,033	\$ 84,058	36.1 %
U.S. agency bonds – mortgage-backed	26,841	23,356	10.0 %
AAA	70,943	70,827	30.5 %
AA+, AA, AA-	29,981	29,998	12.9 %
A+, A, A-	12,837	12,404	5.3 %
BBB+, BBB, BBB-	12,153	11,970	5.2 %
BB+ or lower	—	—	— %
Total fixed maturities⁽¹⁾	\$ 236,788	\$ 232,613	100.0 %

(1) Ratings above are based on Standard & Poor's ("S&P"), or equivalent, ratings.

b) Other Investments, Equity Securities and Equity Method Investments

Certain of the Company's other investments and equity method investments are subject to restrictions on redemptions and sales that are determined by the governing documents, which could limit our ability to liquidate those investments. These restrictions may include lock-ups, redemption gates, restricted share classes, restrictions on the frequency of redemption and notice periods. A gate is the ability to deny or delay a redemption request. Certain other investments and equity method investments may not have any restrictions governing their sale, but there is no active market and no guarantee that we will be able to execute a sale in a timely manner. In addition, even if certain other investments and equity method investments are not eligible for redemption or sales are restricted, the Company may still receive income distributions from those investments.

Other investments

The table shows the composition of the Company's other investments as of March 31, 2025 and December 31, 2024:

	March 31, 2025		December 31, 2024	
	Carrying value	% of Total	Carrying value	% of Total
Privately held equity investments	\$ 48,677	29.8 %	\$ 46,301	29.5 %
Private equity funds	27,098	16.6 %	25,123	16.0 %
Private credit investments	1,808	1.1 %	1,909	1.2 %
Investments in direct lending entities (at cost)	85,975	52.5 %	83,683	53.3 %
Total other investments	\$ 163,558	100.0 %	\$ 157,016	100.0 %

The collateralized investments in direct lending entities of \$85,975 at March 31, 2025 (December 31, 2024: \$83,683) are carried at cost less an allowance for expected credit losses, with any indication of credit loss recognized in net income when determined. An allowance for expected credit losses of \$1,023 was reported on the investments in direct lending entities as at March 31, 2025 and December 31, 2024. Please see *Note 5(d). Fair Value Measurements* for additional information regarding this investment.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
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4. Investments (continued)

Equity Securities

Equity securities currently include privately held equity investments in common and preferred stocks. The Company's privately held equity investments in common and preferred stocks are direct investments in companies that the Company believes offer attractive risk adjusted returns or offer other strategic advantages. Each investment may have its own unique terms and conditions and there may be restrictions on disposals. There is no active market for these investments.

The following table provides the cost and fair values of the equity securities held at March 31, 2025 and December 31, 2024:

	March 31, 2025		December 31, 2024	
	Cost	Fair Value	Cost	Fair Value
Privately held common stocks	\$ 8,186	\$ 5,768	\$ 8,186	\$ 6,778
Privately held preferred stocks	5,250	6,082	5,250	6,369
Total equity securities	\$ 13,436	\$ 11,850	\$ 13,436	\$ 13,147

All of the privately held securities held at March 31, 2025 are subject to contractual sale restrictions. Each of these investments are subject to agreements that restrict the transfer, sale, and indemnification of these privately held investments indefinitely. The Company must hold these shares indefinitely unless the investee's shares are registered with the SEC and qualified by state authorities, or until an exemption from such registration and qualification requirements may become available.

	Fair Value	Remaining duration of restrictions	Nature of contractual sale restrictions	Circumstances that could cause a lapse in restrictions
Privately held common stocks	\$ 5,768	Indefinite	The Purchaser must hold the restricted shares indefinitely	Registration of securities with the SEC or if exemption is available
Privately held preferred stocks	6,082	Indefinite	The Purchaser must hold the restricted shares indefinitely	Registration of securities with the SEC or if exemption is available
Total equity securities subject to contractual sale restrictions	\$ 11,850			

Equity Method Investments

The equity method investments currently include real estate investments and other investments. The table below shows the carrying value of the Company's equity method investments as of March 31, 2025 and December 31, 2024:

	March 31, 2025		December 31, 2024	
	Carrying Value	% of Total	Carrying Value	% of Total
Real estate investments	\$ 58,140	73.7 %	\$ 57,541	70.8 %
Other investments	20,701	26.3 %	23,746	29.2 %
Total equity method investments	\$ 78,841	100.0 %	\$ 81,287	100.0 %

The equity method investments above include limited partnerships which are variable interests issued by variable interest entities ("VIEs"). The Company does not have the power to direct the activities that are most significant to the economic performance of these VIEs, therefore, the Company is not the primary beneficiary of these VIEs. The Company is deemed to have limited influence over the operating and financial policies of the investee and accordingly, these investments are reported under the equity method of accounting. In applying the equity method of accounting, the investments are initially recorded at cost and are subsequently adjusted based on the Company's proportionate share of the investee's net income or loss. Generally, the maximum exposure to loss on these interests is limited to the amount of commitment made by the Company as more fully described in *Note 11 - Commitments, Contingencies and Guarantees* in these condensed consolidated financial statements.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
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4. Investments (continued)

The table below shows the carrying value and beneficial ownership percentage of the Company's equity method investments as of March 31, 2025, the summarized financial data of each equity method investment for the year ended December 31, 2024, and the Company's interest in income (loss) of equity method investments for the three months ended March 31, 2025:

	March 31, 2025		For the Year Ended December 31, 2024		For the Three Months Ended March 31, 2025
	Carrying Value	Beneficial Ownership	Investee Revenue ⁽¹⁾	Investee net income (loss) ⁽¹⁾	Equity in income (loss) of investee
USQ Risk ⁽²⁾	\$ 4,667	18.9 %	\$ 21,867	\$ 11,208	\$ 427
Silverstone Venture 1	4,892	90.0 %	5,931	(5,130)	(3,309)
Silverstone Venture 2	2,268	86.8 %	281	252	71
Silverstone Venture 3	8,874	70.2 %	—	(33)	135
Extell Hudson Waterfront Holdings	27,500	25.0 %	10,159	10,058	—
Seiden LP & Seiden MGMT LP	30,640	99.9 %	612	(113)	(46)
Total equity method investments	\$ 78,841				\$ (2,722)

⁽¹⁾ The Company has included summarized financial data of its equity method investees for the year ended December 31, 2024 as this period represents the most recent audited financial statements available at the time of filing the Company's Form 10-Q for the three months ended March 31, 2025.

⁽²⁾ Please refer to *Note 15. Subsequent Events* for details regarding the recent sale of USQ Risk subsequent to March 31, 2025.

c) Net Investment Income

Net investment income was derived from the following sources for the three months ended March 31, 2025 and 2024:

	For the Three Months Ended March 31,	
	2025	2024
Fixed maturities	\$ 1,803	\$ 2,440
Income on funds withheld	76	901
Interest income from net loan receivable from related party	598	3,070
Other investments	216	1,207
Cash and cash equivalents	363	174
	3,056	7,792
Investment expenses	(22)	(92)
Net investment income	\$ 3,034	\$ 7,700

d) Net Realized and Unrealized Investment Gains (Losses)

Realized gains or losses on the sale of investments are determined on the basis of the first in first out cost method. The following tables show the net realized and unrealized investment gains (losses) included in the Condensed Consolidated Statements of Income for the three months ended March 31, 2025 and 2024:

For the Three Months Ended March 31, 2025	Gross gains	Gross losses	Net
Fixed maturities	\$ —	\$ (1)	\$ (1)
Equity securities	—	(1,297)	(1,297)
Other investments	5,019	(390)	4,629
Net realized and unrealized investment gains (losses)	\$ 5,019	\$ (1,688)	\$ 3,331
For the Three Months Ended March 31, 2024	Gross gains	Gross losses	Net
Fixed maturities	\$ —	\$ (218)	\$ (218)
Equity securities	146	(1,017)	(871)
Other investments	11,324	(1,485)	9,839
Net realized and unrealized investment gains (losses)	\$ 11,470	\$ (2,720)	\$ 8,750

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4. Investments (continued)

Realized and unrealized gains and losses from equity securities detailed above include both sales and distributions of equity securities and unrealized gains and losses coming from fair value changes.

Net unrealized losses recognized for equity securities still held at the reporting date for the three months ended March 31, 2025 and 2024, respectively, included:

	For the Three Months Ended March 31,	
	2025	2024
Net losses recognized for equity securities	\$ (1,297)	\$ (871)
Net gains recognized for equity securities divested	—	—
Net unrealized losses recognized for equity securities still held at the reporting date	\$ (1,297)	\$ (871)

Proceeds from sales of fixed maturity investments were \$1,788 for the three months ended March 31, 2025 (2024: \$23,835).

Net unrealized losses included in accumulated other comprehensive income ("AOCI") were as follows at March 31, 2025 and December 31, 2024, respectively:

	March 31, 2025	December 31, 2024
Net unrealized losses on fixed maturity investments	\$ (3,449)	\$ (4,175)
Net unrealized losses on held for sale AFS investments	(430)	(453)
Total net unrealized losses	(3,879)	(4,628)
Net unrealized losses, net of deferred income tax	\$ (3,879)	\$ (4,628)
Change, net of deferred income tax	\$ 749	\$ 3,156

e) Restricted Cash and Cash Equivalents and Investments

The Company is required to provide collateral for its reinsurance liabilities under various reinsurance agreements and utilizes trust accounts to collateralize business with reinsurance counterparties. The assets in trust as collateral are primarily cash and highly rated fixed maturities. The fair values of restricted assets at March 31, 2025 and December 31, 2024 are:

	March 31, 2025	December 31, 2024
Restricted cash – third party agreements	\$ 10,553	\$ 7,678
Restricted cash – related party agreements	5,009	1,406
Total restricted cash	15,562	9,084
Restricted investments – in trust for third party agreements at fair value (amortized cost: 2025 – \$59,721; 2024 – \$58,365)	57,526	55,848
Restricted investments – in trust for related party agreements at fair value (amortized cost: 2025 – \$131,991; 2024 – \$128,584)	131,112	127,420
Total restricted investments	188,638	183,268
Total restricted cash and investments	\$ 204,200	\$ 192,352

5. Fair Value of Financial Instruments

(a) Fair Values of Financial Instruments

Fair Value Measurements — Accounting Standards Codification Topic 820, "*Fair Value Measurements and Disclosures*" ("ASC 820") defines fair value as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between open market participants at the measurement date. Additionally, ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs:

- *Level 1* — Valuations based on unadjusted quoted market prices for identical assets or liabilities that we have the ability to access. Because valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Examples of assets and liabilities utilizing Level 1 inputs include: U.S. Treasury bonds; and publicly traded equity securities;
- *Level 2* — Valuations based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, prepayment speeds, default rates, loss severity, etc.) or can be corroborated by observable market data. Examples of assets and liabilities utilizing Level 2 inputs include: U.S. government-sponsored agency securities; non-U.S. government and supranational obligations; commercial mortgage-backed securities ("CMBS"); collateralized loan obligations ("CLO"); corporate and municipal bonds; and
- *Level 3* — Valuations based on models where significant inputs are not observable. The unobservable inputs reflect our own assumptions about assumptions that market participants would use developed on the basis of the best information available in the particular circumstances. Examples of assets and liabilities utilizing Level 3 inputs include: an investment in preference shares of a start-up insurance producer.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of financial instrument, whether the financial instrument is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires significantly more judgment. Accordingly, the degree of judgment exercised by management in determining fair value is greatest for instruments categorized in the Level 3 hierarchy.

The Company uses prices and inputs that are current as at the measurement date. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified between hierarchy levels.

For investments that have quoted market prices in active markets, the Company uses the quoted market prices as fair value and includes these in the Level 1 hierarchy. The Company receives the quoted market prices from a third party nationally recognized provider ("the Pricing Service"). When quoted market prices are unavailable, the Company utilizes the Pricing Service to determine an estimate of fair value. The fair value estimates are included in the Level 2 hierarchy. The Company will challenge any prices for its investments which are considered not to be representative of fair value.

If quoted market prices and an estimate from the Pricing Service are unavailable, the Company produces an estimate of fair value based on dealer quotations for recent activity in positions with the same or similar characteristics to that being valued. The Company determines whether the fair value estimate is in the Level 2 or Level 3 hierarchy depending on the level of observable inputs available when estimating the fair value. The Company bases its estimates of fair values for assets on the bid price as it represents what a third party market participant would be willing to pay in an orderly transaction.

ASC 825, "*Disclosure About Fair Value of Financial Instruments*", requires all entities to disclose the fair value of their financial instruments for assets and liabilities recognized and not recognized in the balance sheet, for which it is practicable to estimate fair value. The following describes the valuation techniques used by the Company to determine the fair value of financial instruments that are measured at fair value on a recurring basis held at March 31, 2025 and December 31, 2024.

U.S. government and U.S. agency bonds — Bonds issued by the U.S. Treasury, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal National Mortgage Association and the Federal Farm Credit Banks Funding Corporation. The fair values of U.S. treasury bonds are based on quoted market prices in active markets, and are included in the Level 1 fair value hierarchy. We believe the market for U.S. treasury bonds is an actively traded market given the high level of daily trading volume. The fair values of U.S. agency bonds are determined using the spread above the risk-free yield curve. As the yields for the risk-free yield curve and the spreads for these securities are observable market inputs, the fair values of U.S. agency bonds are included in the Level 2 fair value hierarchy.

Non-U.S. government bonds — These securities are generally priced by independent pricing services. The Pricing Service may use current market trades for securities with similar quality, maturity and coupon. If no such trades are available, the Pricing Service typically uses analytical models which may incorporate spreads, interest rate data and market/sector news. As the significant inputs used to price non-U.S. government bonds are observable market inputs, the fair values of non-U.S. government bonds are included in the Level 2 fair value hierarchy.

5. Fair Value of Financial Instruments (continued)

Collateralized loan obligations ("CLO") - These asset backed securities are originated by a variety of financial institutions that on acquisition are rated BBB-/Baa3 or higher. These securities are priced by independent pricing services and brokers. The pricing provider applies dealer quotes and other available trade information, prepayment speeds, yield curves and credit spreads to the valuation. As the significant inputs used to price the CLO are observable market inputs, the fair values are included in the Level 2 fair value hierarchy.

Commercial mortgage-backed securities ("CMBS") - These asset backed securities are originated by a variety of financial institutions that on acquisition are rated BBB-/Baa3 or higher. These securities are priced by independent pricing services and brokers. The pricing provider applies dealer quotes and other available trade information, prepayment speeds, yield curves and credit spreads to the valuation. As the significant inputs used to price the CMBS are observable market inputs, the fair values are included in the Level 2 fair value hierarchy.

Corporate and municipal bonds — Bonds issued by corporations, U.S. state and municipality entities or agencies that on acquisition are rated BBB-/Baa3 or higher. These securities are generally priced by independent pricing services. The credit spreads are sourced from broker/dealers, trade prices and new issue market. Where pricing is unavailable from pricing services, custodian pricing or non-binding quotes are obtained from broker-dealers to estimate fair values. As significant inputs used to price corporate and municipal bonds are observable market inputs, fair values are included in the Level 2 fair value hierarchy.

Equity securities - Equity securities can include both publicly traded and privately held common and preferred stocks. The fair value of publicly traded common and preferred stocks is primarily priced by pricing services, reflecting the closing price quoted for the final trading day of the period. These investments are carried at fair value using observable market pricing data and is included in the Level 1 fair value hierarchy. Any unrealized gains or losses on the investment is recorded in net income in the reporting period in which it occurs. The privately held common and preferred stocks are valued using significant inputs that are unobservable where there is little or no market activity. Unadjusted third party pricing sources or management's assumptions and internal valuation models may be used to determine the fair values, therefore, these investments are classified as Level 3 in the fair value hierarchy. For investments without a readily determinable fair value, the measurement alternative can be elected to report the qualifying investment at cost, less impairment if any, plus or minus observable price changes in orderly transactions for an identical or similar investment of the same issuer.

Other investments — Includes unquoted investments comprised of the following types of investments:

- Privately held equity investments: These are direct equity investments in common and preferred stock of privately held entities. The fair values are estimated using quarterly financial statements and/or recent private market transactions and thus are included under Level 3 of the fair value hierarchy due to unobservable market data used for valuation.
- Private credit investments: These are privately held equity investments in common stock of entities that lend money valued using the most recently available or quarterly net asset value ("NAV") statements as provided by the external fund manager or third-party administrator and therefore measured using the NAV as a practical expedient.
- Private equity funds: These are comprised of private equity funds, private equity co-investments with sponsoring entities and investments in real estate limited partnerships and joint ventures. The fair value is estimated based on the most recently available NAV as advised by the external fund manager or third-party administrator. The fair values are therefore measured using the NAV as a practical expedient.
- Due to a lag in the valuations of certain funds reported by the investment managers, the Company may record changes in valuation with up to a three-month lag. The Company regularly reviews and discusses fund performance with the investment managers or sponsors to corroborate the reasonableness of the reported NAV and to assess whether any events have occurred within the lag period that would affect the valuation of the investments.

Derivative Instruments - The Company entered into a reinsurance contract that is accounted for as a derivative. This reinsurance contract provides indemnification to an insured or cedant as a result of a change in a variable as opposed to an identifiable insurable event. The Company considers this contract to be part of its underwriting operations. This derivative is initially valued at cost which approximates fair value. In subsequent measurement periods, the fair value of this derivative is determined using internally developed discounted cash flow models using appropriate discount rates. The selection of an appropriate discount rate is judgmental and is the most significant unobservable input used in the valuation of this derivative. The fair value changes in underwriting-related derivative instruments is included within other insurance revenue (expense), net.

The derivative liability on retroactive reinsurance is presented as part of accrued expenses and other liabilities. A significant increase (decrease) in this input in isolation may result in a significantly lower (higher) fair value measurement for the derivative contract. As the significant inputs used to price these derivatives are unobservable, the fair values of this contract is classified as Level 3 in the fair value hierarchy.

(b) Fair Value Hierarchy

The Company's estimates of fair value for financial assets and financial liabilities are based on the framework established in ASC 820. The framework is based on the inputs used in valuation and gives the highest priority to quoted prices in active markets and requires that observable inputs be used in the valuation methodology whenever available. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active trading markets and the lowest priority to unobservable inputs that reflect significant market assumptions.

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5. Fair Value of Financial Instruments (continued)

At March 31, 2025 and December 31, 2024, the Company classified its financial instruments measured at fair value on a recurring basis in the following valuation hierarchy:

March 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value Based on NAV Practical Expedient	Total Fair Value
Fixed maturities					
U.S. treasury bonds	\$ 52,747	\$ —	\$ —	\$ —	\$ 52,747
U.S. agency bonds – mortgage-backed	—	23,108	—	—	23,108
Non-U.S. government bonds	—	45,816	—	—	45,816
Collateralized loan obligations	—	63,103	—	—	63,103
Corporate bonds	—	17,686	—	—	17,686
Equity securities	—	—	9,600	—	9,600
Other investments	—	—	39,540	34,492	74,032
Total investments	<u>\$ 52,747</u>	<u>\$ 149,713</u>	<u>\$ 49,140</u>	<u>\$ 34,492</u>	<u>\$ 286,092</u>
As a percentage of total assets	4.3%	12.1%	4.0%	2.8%	23.2%
Underwriting-related derivative liability	\$ —	\$ —	\$ 3,984	\$ —	\$ 3,984
December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value Based on NAV Practical Expedient	Total Fair Value
Fixed maturities					
U.S. treasury bonds	\$ 84,058	\$ —	\$ —	\$ —	\$ 84,058
U.S. agency bonds – mortgage-backed	—	23,356	—	—	23,356
Non-U.S. government bonds	—	38,532	—	—	38,532
Collateralized loan obligations	—	60,703	—	—	60,703
Corporate bonds	—	25,964	—	—	25,964
Equity securities	—	—	10,897	—	10,897
Other investments	—	—	37,104	32,678	69,782
Total investments	<u>\$ 84,058</u>	<u>\$ 148,555</u>	<u>\$ 48,001</u>	<u>\$ 32,678</u>	<u>\$ 313,292</u>
As a percentage of total assets	6.4%	11.3%	3.6%	2.5%	23.8%
Underwriting-related derivative liability	\$ —	\$ —	\$ 3,984	\$ —	\$ 3,984

The Company utilizes the Pricing Service to assist in determining the fair value of its investments; however, management is ultimately responsible for all fair values presented in the Company's consolidated financial statements. This includes responsibility for monitoring the fair value process, ensuring objective and reliable valuation practices, and pricing of assets and liabilities and use of pricing sources. The Company analyzes and reviews the information and prices received from the Pricing Service to ensure that the prices provided represent a reasonable estimate of fair value.

The Pricing Service was utilized to estimate fair value measurements for 100.0% of our fixed maturities at March 31, 2025 and December 31, 2024, respectively. The Pricing Service utilizes market quotations for fixed maturity securities that have quoted market prices in active markets. Since fixed maturities other than U.S. treasury bonds generally do not trade actively on a daily basis, the Pricing Service prepares estimates of fair value measurements using relevant market data, benchmark curves, sector groupings and matrix pricing and these have been classified as Level 2 within the fair value hierarchy.

At March 31, 2025 and December 31, 2024, respectively, approximately 0.0% of our fixed maturities were valued using the market approach. At March 31, 2025 and December 31, 2024, no securities in our fixed maturity investment portfolio were priced using a binding quotation from a broker and/or custodian as opposed to the Pricing Service. At March 31, 2025 and December 31, 2024, the Company did not adjust any pricing provided to it based on the review performed by its investment managers. There were no transfers to or from Level 3 during the three months ended March 31, 2025 and March 31, 2024.

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5. Fair Value of Financial Instruments (continued)

(c) Level 3 Financial Instruments

At March 31, 2025, the Company holds Level 3 financial instruments which currently consist of privately held investments of \$49,140 (December 31, 2024: \$48,001) and an underwriting-related derivative liability of \$3,984 (December 31, 2024: \$3,984) on a reinsurance contract written by GLS which is included in accrued expenses and other liabilities.

The fair value of privately held equity securities are estimated using quarterly unaudited capital or financial statements provided by the investee or recent private market transactions, where applicable. Any changes to the financial information provided by the investee could result in a significantly higher or lower valuation at the reporting date. The fair value of underwriting-related derivative instruments is determined using a discounted cash flow model in which the Company examines current market conditions, historical results as well as contract specific information that may impact future cash flows in order to assess the reasonableness of inputs used in the valuation model. Due to significant unobservable inputs in these valuations, the Company classifies the fair values as Level 3 within the fair value hierarchy.

The following table provides a summary of quantitative information regarding the significant unobservable inputs used in determining the fair value of other investments measured at fair value on a recurring basis under the Level 3 classification at March 31, 2025:

	Fair Value	Valuation Technique	Unobservable Inputs	Range
Privately held equity investments - common shares	\$ 44,020	Quarterly financial statements	Price/book ratios of comparable public companies	
Privately held equity investments - preferred shares	5,120	Quarterly financial statements	Privately calculated enterprise valuations	
Total Level 3 investments	\$ 49,140			
Underwriting-related derivative liability	\$ 3,984	Discounted cash flows	Duration matched discount rates	5.0% to 6.0%

The following table shows the reconciliation of beginning and ending balances for investments measured at fair value on a recurring basis using Level 3 inputs for the three months ended March 31, 2025 and 2024, respectively. The Company includes any related interest and dividend income in net investment income and are excluded from the reconciliation in the table below:

	For the Three Months Ended March 31,	
	2025	2024
Balance - beginning of period	\$ 48,001	\$ 46,656
Net realized and unrealized gains recognized in the statement of income	1,139	5,511
Total Level 3 investments - end of period	\$ 49,140	\$ 52,167

(d) Financial Instruments Disclosed, But Not Carried, at Fair Value

The fair value of financial instruments accounting guidance also applies to financial instruments disclosed, but not carried, at fair value, except for certain financial instruments related to insurance contracts.

At March 31, 2025, the carrying values of cash equivalents (including restricted amounts), accrued investment income, reinsurance balances receivable and certain other assets and liabilities approximate fair values due to their inherent short duration. As these financial instruments are not actively traded, the fair values of these financial instruments are classified as Level 2 in the fair value hierarchy.

At March 31, 2025, the carrying value of the loan to related party approximated fair value. The fair value of this loan is primarily determined by estimating expected future cash flows and discounting them using current interest rates for similar loans with similar credit risk. As the loan to related party is not actively traded, its fair value is classified as Level 3 in the fair value hierarchy.

The investments made by direct lending entities are carried at cost less an allowance for expected credit losses, with any indication of credit loss recognized in net income when determined. The net carrying value of these investments approximates their fair value at the reporting date. The fair value estimates of these investments are not based on observable market data and therefore are classified as Level 3 in the fair value hierarchy.

For equity securities and other investments without a readily determinable fair value, the measurement alternative was elected to report the qualifying investment at cost, less impairment if any, plus or minus observable price changes in orderly transactions for an identical or similar investment of the same issuer.

The fair values of the Company's outstanding Senior Notes (as defined in *Note 7. Long-Term Debt*) are based on indicative market pricing obtained from a third-party pricing service which uses observable market inputs, and therefore the fair values of these liabilities are classified as Level 2 in the fair value hierarchy.

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5. Fair Value of Financial Instruments (continued)

The following table presents the respective carrying value and fair value for the Senior Notes as at March 31, 2025 and December 31, 2024:

	March 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Senior Notes - MHLA – 6.625%	\$ 110,000	\$ 59,048	\$ 110,000	\$ 67,980
Senior Notes - MHNC – 7.75%	152,361	102,874	152,361	109,030
Total Senior Notes	\$ 262,361	\$ 161,922	\$ 262,361	\$ 177,010

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6. Shareholders' Equity

a) Common Shares

On May 3, 2023 at its Annual General Meeting of Shareholders, the Company's common shareholders approved the increase in the authorized share capital of the Company from \$1,500 divided into 150,000,000 shares of par value \$0.01 each, to \$2,000 divided into 200,000,000 shares of par value \$0.01 each.

At March 31, 2025, the aggregate authorized share capital of the Company is 200,000,000 shares from which 151,310,133 common shares were issued, of which 99,682,710 common shares are outstanding, and 51,627,423 shares are treasury shares (please see *Note 6. (b) Treasury Shares* below for additional information).

The remaining 48,689,867 shares are undesignated at March 31, 2025. At March 31, 2025, 1,024,299 common shares will be issued and outstanding upon vesting of restricted shares, and 1,291,729 common shares remaining are reserved for issuance under the 2019 Omnibus Incentive Plan.

b) Treasury Shares

On February 21, 2017, the Company's Board of Directors approved the repurchase of up to \$100,000 of the Company's common shares from time to time at market prices. During the three months ended March 31, 2025, Maiden Reinsurance did not repurchase any common shares under the Company's share repurchase plan (March 31, 2024: 352,111 common shares at an average price of \$1.91 per share). The Company's remaining authorization is \$68,107 for common share repurchases at March 31, 2025 (December 31, 2024: \$68,107).

During the three months ended March 31, 2025, the Company repurchased 367,878 common shares (2024: 127,555) at an average price per share of \$0.80 (2024: \$1.79) from employees, which represent tax withholding in respect of tax obligations on the vesting of non-performance-based restricted shares.

Treasury shares include 44,750,678 common shares owned by Maiden Reinsurance consisting of 41,439,348 shares issued as part of the exchange for preference shares held ("Exchange") and 3,311,330 shares directly purchased on the open market by Maiden Reinsurance which are not treated as outstanding common shares on the Condensed Consolidated Balance Sheet at March 31, 2025. Please see further information on the Exchange in the Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 10, 2025.

The table below includes the total number of treasury shares outstanding at March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Number of shares held by Maiden Reinsurance treated as treasury shares	44,750,678	44,750,678
Number of treasury shares due to common share repurchases by Maiden Holdings	6,876,745	6,508,867
Total number of treasury shares at the end of the reporting period	<u>51,627,423</u>	<u>51,259,545</u>

c) AOCI

The following tables set forth financial information regarding the changes in the balances of each component of AOCI:

For the Three Months Ended March 31, 2025	Change in net unrealized gains on investment	Foreign currency translation	Total
Beginning balance	\$ (4,628)	\$ (28,105)	\$ (32,733)
Net current period other comprehensive income	749	54	803
Ending balance, Maiden shareholders	<u>\$ (3,879)</u>	<u>\$ (28,051)</u>	<u>\$ (31,930)</u>

For the Three Months Ended March 31, 2024	Change in net unrealized gains on investment	Foreign currency translation	Total
Beginning balance	\$ (7,784)	\$ (23,685)	\$ (31,469)
Net current period other comprehensive income (loss)	1,014	(1,736)	(722)
Ending balance, Maiden shareholders	<u>\$ (6,770)</u>	<u>\$ (25,421)</u>	<u>\$ (32,191)</u>

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7. Long-Term Debt

Senior Notes

At March 31, 2025 and December 31, 2024, Maiden Holdings had outstanding publicly-traded senior notes which were issued in 2016 ("2016 Senior Notes") and its wholly owned subsidiary, Maiden Holdings North America, Ltd. ("Maiden NA") had outstanding publicly-traded senior notes which were issued in 2013 ("2013 Senior Notes") (collectively "Senior Notes"). The 2013 Senior Notes issued by Maiden NA are fully and unconditionally guaranteed by Maiden Holdings. The Senior Notes are unsecured and unsubordinated obligations of the Company.

The following tables detail the issuances of Senior Notes outstanding at March 31, 2025 and December 31, 2024:

March 31, 2025	2016 Senior Notes	2013 Senior Notes	Total
Principal amount	\$ 110,000	\$ 152,361	\$ 262,361
Less: unamortized issuance costs	3,263	4,300	7,563
Carrying value	<u>\$ 106,737</u>	<u>\$ 148,061</u>	<u>\$ 254,798</u>

December 31, 2024	2016 Senior Notes	2013 Senior Notes	Total
Principal amount	\$ 110,000	\$ 152,361	\$ 262,361
Less: unamortized issuance costs	3,280	4,324	7,604
Carrying value	<u>\$ 106,720</u>	<u>\$ 148,037</u>	<u>\$ 254,757</u>

Other details:

Original debt issuance costs pertaining to remaining outstanding principal amount	\$ 3,715	\$ 5,049
Maturity date	June 14, 2046	December 1, 2043
Earliest redeemable date (for cash)	June 14, 2021	December 1, 2018
Coupon rate	6.625 %	7.75 %
Effective interest rate	7.07 %	8.04 %

Total interest and amortization expense incurred on the Senior Notes for the three months ended March 31, 2025 was \$4,818 (2024: \$4,815), of which \$1,342 was accrued as interest payable at both March 31, 2025 and December 31, 2024, respectively. The issuance costs related to the Senior Notes were capitalized and are amortized over the effective life of the Senior Notes using the effective interest method of amortization.

Under the terms of the 2013 Senior Notes, the 2013 Senior Notes can be redeemed, in whole or in part, at Maiden NA's option at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. Maiden NA is required to give at least thirty days and not more than sixty days notice prior to the redemption date. Please refer to *Note 11. Commitments, Contingencies and Guarantees* for recent litigation regarding the 2013 Senior Notes.

Under the terms of the 2016 Senior Notes, the 2016 Senior Notes can be redeemed, in whole or in part, at Maiden Holdings' option at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. Maiden Holdings is required to give at least thirty days and not more than sixty days notice prior to the redemption date.

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 \$100,000 of the Company's Senior Notes from time to time at market prices in open market purchases or as may be privately negotiated. The Company has a remaining authorization of \$99,905 for Senior Notes repurchases at March 31, 2025. No repurchases were made during the three months ended March 31, 2025 and 2024.

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8. Reinsurance

The Company uses reinsurance and retrocessional agreements ("ceded reinsurance") to mitigate volatility, reduce its exposure to certain risks and provide capital support. Ceded reinsurance provides for the recovery of a portion of loss and LAE under certain circumstances without relieving the Company of its obligations to the policyholders. The Company remains liable to the extent that any of its reinsurers or retrocessionaires fails to meet their obligations. Loss and LAE incurred and premiums earned are reported after deduction for ceded reinsurance. In the event that one or more of our reinsurers or retrocessionaires are unable to meet their obligations under these agreements, the Company would not realize the full value of the reinsurance recoverable balances.

The effect of ceded reinsurance on net premiums written and earned and on net loss and LAE for the three months ended March 31, 2025 and 2024 was as follows:

For the Three Months Ended March 31,	2025	2024
Premiums written		
Direct	\$ 5,017	\$ 8,831
Assumed	(943)	(508)
Ceded	(25)	(9)
Net	\$ 4,049	\$ 8,314
Premiums earned		
Direct	\$ 4,991	\$ 8,546
Assumed	2,706	3,865
Ceded	(13)	(3)
Net	\$ 7,684	\$ 12,408
Loss and LAE		
Gross loss and LAE	\$ 385	\$ 12,375
Loss and LAE ceded	(8,008)	(750)
Net	\$ (7,623)	\$ 11,625

The Company's reinsurance recoverable on unpaid losses balance as at March 31, 2025 was \$549,350 (December 31, 2024: \$571,331) presented in the Condensed Consolidated Balance Sheets. As of March 31, 2025, the total allowance for expected credit losses on the Company's reinsurance recoverable balance was \$849 (December 31, 2024: \$2,963).

The following table provides a reconciliation of the beginning and ending balances of the allowance for expected credit losses on reinsurance recoverable for the three months ended March 31, 2025 and 2024:

	For the Three Months Ended March 31,	
	2025	2024
Allowance for expected credit losses on reinsurance recoverable, beginning of period	\$ 2,963	\$ 3,240
Decrease in allowance for expected credit losses on reinsurance recoverable where credit losses were previously recognized	(2,114)	(802)
Allowance for expected credit losses on reinsurance recoverable, end of period	\$ 849	\$ 2,438

On December 27, 2018, Cavello Bay Reinsurance Limited ("Cavello") and Maiden Reinsurance entered into a retrocession agreement pursuant to which certain assets and liabilities associated with the U.S. treaty reinsurance business held by Maiden Reinsurance were 100.0% retroceded to Cavello in exchange for a ceding commission. The reinsurance recoverable on unpaid losses due from Cavello under this retrocession agreement was \$36,522 at March 31, 2025 (December 31, 2024: \$35,357). The recoverable due from Cavello is net of an allowance for expected credit losses of \$762 as at March 31, 2025 (December 31, 2024: \$2,633).

On July 31, 2019, Maiden Reinsurance and Cavello entered into a Loss Portfolio Transfer and Adverse Development Cover Agreement ("LPT/ADC Agreement") pursuant to which Cavello assumed the loss reserves as of December 31, 2018 associated with the AmTrust Quota Share in excess of a \$2,178,535 retention up to \$600,000, in exchange for a retrocession premium of \$445,000. The \$2,178,535 retention is subject to adjustment for paid losses subsequent to December 31, 2018. The LPT/ADC Agreement provides Maiden Reinsurance with \$155,000 in adverse development cover over its carried AmTrust Quota Share loss reserves at December 31, 2018. The LPT/ADC Agreement meets the criteria for risk transfer and is thus accounted for as retroactive reinsurance. Cumulative ceded losses exceeding \$445,000 are recognized as a deferred gain liability and amortized into income over the settlement period of the ceded reserves in proportion to cumulative losses collected over the estimated ultimate reinsurance recoverable. The amount of the deferral is recalculated each period based on loss payments and updated estimates.

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8. Reinsurance (continued)

As of March 31, 2025, the reinsurance recoverable on unpaid losses under the LPT/ADC Agreement was \$509,938 while the deferred gain liability under the LPT/ADC Agreement was \$103,968 (December 31, 2024: \$532,910 and \$104,955, respectively). The recoverable due under the LPT/ADC Agreement is net of an allowance for expected credit losses of \$30 as at March 31, 2025 (December 31, 2024: \$319). Amortization of the deferred gain was \$5,888 for the three months ended March 31, 2025 since cumulative paid losses exceed the minimum risk retention under the LPT/ADC Agreement (year ended December 31, 2024: \$4,099). At March 31, 2025, \$41,045 was remaining in available coverage under the LPT/ADC Agreement (December 31, 2024: \$45,946).

During the three months ended March 31, 2025, the Company received \$28,162 in loss recoveries from Cavello under the LPT/ADC Agreement (year ended December 31, 2024: \$20,825). The favorable loss development on Workers Compensation business previously commuted back to AmTrust which are contractually covered by the LPT/ADC Agreement reduced the reinsurance recoverable by \$— for the three months ended March 31, 2025 (year ended December 31, 2024: \$26,200).

The table below shows the components of the decrease in the reinsurance recoverable on unpaid losses under the LPT/ADC Agreement for the three months ended March 31, 2025 and the year ended December 31, 2024:

	2025	2024
Opening Balance	\$ 532,910	\$ 515,461
Adverse PPD covered under the LPT/ADC Agreement ⁽¹⁾	4,901	64,331
Favorable PPD on commuted Workers Compensation business	—	(26,200)
Recoveries received under the LPT/ADC Agreement	(28,162)	(20,825)
Change in credit loss allowance on reinsurance recoverable under LPT/ADC Agreement	289	13,411
Reinsurance recoverable on unpaid losses under the LPT/ADC Agreement	\$ 509,938	\$ 532,910

(1) Adverse PPD covered under the LPT/ADC Agreement for the three months ended March 31, 2025 is due to foreign currency translation adjustments on the re-measurement of net loss reserves and insurance related liabilities denominated in British pound and euro.

The table below shows the components of the decrease in the deferred gain for the LPT/ADC Agreement for the three months ended March 31, 2025 and the year ended December 31, 2024:

	2025	2024
Opening Balance	\$ 104,955	\$ 70,911
Adverse PPD covered under the LPT/ADC Agreement ⁽¹⁾	4,901	64,331
Favorable PPD on commuted Workers Compensation business	—	(26,200)
Amortization of deferred gain for the LPT/ADC Agreement	(5,888)	(4,099)
Deferred gain liability for the LPT/ADC Agreement	\$ 103,968	\$ 104,955

(1) Adverse PPD covered under the LPT/ADC Agreement for the three months ended March 31, 2025 is due to foreign currency translation adjustments on the re-measurement of net loss reserves and insurance related liabilities denominated in British pound and euro.

Cavello provided collateral in the form of a letter of credit in the amount of \$445,000 to AmTrust under the LPT/ADC Agreement. Cavello is subject to additional collateral funding requirements as explained in *Note 10. Related Party Transactions*. As of March 31, 2025, the amount of collateral required was \$455,396 (December 31, 2024 - \$484,721). Under the terms of the LPT/ADC Agreement, the covered losses associated with the Commutation and Release Agreement with AmTrust are eligible to be covered but recoverable only when such losses are paid or settled by AII or its affiliates, provided such losses and other related amounts shall not exceed \$312,786. Cavello's parent company, Enstar Group Limited, has credit ratings of BBB+ from both Standard & Poor's and Fitch Ratings at March 31, 2025.

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9. Reserve for Loss and Loss Adjustment Expenses

The Company uses both historical experience and industry-wide loss development factors to provide a reasonable basis for estimating future losses. In the future, certain events may be beyond the control of management, such as changes in law, judicial interpretations of law, and rates of inflation, which may favorably or unfavorably impact the ultimate settlement of the Company's loss and LAE reserves.

The anticipated effect of inflation is implicitly considered when estimating liabilities for loss and LAE. While anticipated changes in claim costs due to inflation are considered in estimating the ultimate claim costs, changes in the average severity of claims are caused by a number of factors that vary with the individual type of policy written. Ultimate losses are projected based on historical trends adjusted for implemented changes in underwriting standards, claims handling, policy provisions, and general economic trends. Those anticipated trends are monitored based on actual development and are modified if necessary.

The reserving process begins with the collection and analysis of paid losses and incurred claims data for each of the Company's contracts. While reserves are mostly reviewed on a contract by contract basis, paid loss and incurred claims data is also aggregated into reserving segments. The segmental data is disaggregated by reserving class and further disaggregated by either accident year (i.e. the year in which the loss event occurred) or by underwriting year (i.e. the year in which the contract generating the premium and losses inception). In cases where the Company uses underwriting year information, reserves are subsequently allocated to the respective accident year. The reserve for loss and LAE consists of:

	March 31, 2025	December 31, 2024
Reserve for reported loss and LAE	\$ 364,021	\$ 383,087
Reserve for losses incurred but not reported ("IBNR")	393,265	410,592
Reserve for loss and LAE	<u>\$ 757,286</u>	<u>\$ 793,679</u>

The following table represents a reconciliation of our beginning and ending gross and net loss and LAE reserves:

For the Three Months Ended March 31,	2025	2024
Gross loss and LAE reserves, January 1	\$ 793,679	\$ 867,433
Less: reinsurance recoverable on unpaid losses, January 1	571,331	564,331
Net loss and LAE reserves, January 1	<u>222,348</u>	<u>303,102</u>
Net incurred losses related to:		
Current year	4,738	5,062
Prior years	(12,361)	6,563
	<u>(7,623)</u>	<u>11,625</u>
Net paid losses related to:		
Current year	(2,152)	(125)
Prior years	(19,231)	(59,590)
	<u>(21,383)</u>	<u>(59,715)</u>
Change in deferred gain on retroactive reinsurance	987	(4,982)
GLS run-off business acquired or assumed	(473)	—
Effect of foreign exchange rate movements	14,080	(5,497)
Net loss and LAE reserves, March 31	<u>207,936</u>	<u>244,533</u>
Reinsurance recoverable on unpaid losses, March 31	549,350	569,346
Gross loss and LAE reserves, March 31	<u>\$ 757,286</u>	<u>\$ 813,879</u>

Prior period loss development ("PPD") arises from changes to loss estimates recognized in the current year that relate to loss reserves established in previous calendar years. The favorable or unfavorable development reflects changes in management's best estimate of the ultimate losses under the relevant reinsurance policies after considerable review of changes in actuarial assessments.

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9. Reserve for Loss and Loss Adjustment Expenses (continued)

The following table summarizes the (favorable) adverse prior period development experienced in each of our reportable segments for the three months ended March 31, 2025 and 2024:

	For the Three Months Ended March 31,	
	2025	2024
Prior Year Loss Development (favorable) adverse		
Diversified Reinsurance	\$ (4,557)	\$ (655)
AmTrust Reinsurance	(7,804)	7,218
Total Prior Year Development	\$ (12,361)	\$ 6,563

Diversified Reinsurance Segment

In the Diversified Reinsurance segment, there was favorable PPD of \$4,557 for the three months ended March 31, 2025 (2024: favorable \$655). The favorable PPD for the three months ended March 31, 2025 was primarily driven by favorable development in GLS business lines, and other runoff business. Prior year development for the three months ended March 31, 2024 was driven by favorable development in GLS and other runoff business lines partly offset by adverse development in International business.

AmTrust Reinsurance Segment

The table below shows prior year loss development for the AmTrust Reinsurance segment for the three months ended March 31, 2025 and 2024:

	For the Three Months Ended March 31,	
	2025	2024
Prior Year Loss Development (favorable) adverse		
AmTrust Quota Share	\$ (1,655)	\$ 5,000
LPT/ADC Agreement	(6,176)	(317)
European Hospital Liability Quota Share	27	2,535
Total AmTrust Reinsurance PPD	\$ (7,804)	\$ 7,218

In the AmTrust Reinsurance segment, net favorable PPD was \$7,804 during the three months ended March 31, 2025 (2024: adverse \$7,218) as detailed in the table above. Net favorable PPD for the three months ended March 31, 2025 was primarily from amortization of the deferred gain liability on the LPT/ADC Agreement of \$5,888 which reduced net losses incurred in the current period; in addition there was a reduction of \$289 in the credit loss allowance for reinsurance recoverable under the LPT/ADC Agreement for the three months ended March 31, 2025.

Net adverse PPD for the three months ended March 31, 2024 was primarily from the AmTrust Quota Share and European Hospital Liability. In the AmTrust Quota Share, U.S. Program business experienced additional adverse development from construction defect coverage for accident years 2015 to 2018 as new claims emergence was significantly greater than expected; this was partly offset by continued favorable development within Workers Compensation business for accident years 2014 to 2017. Net adverse loss development on European Hospital Liability Quota Share was primarily driven by emergence of loss data from adverse claim verdicts on older claims, resulting in strengthening of loss development tail on underwriting years 2011 to 2014.

Change in Recoverable for LPT/ADC Agreement

The reconciliation of the beginning and ending gross and net loss and LAE reserves included a net decrease in the deferred gain on retroactive reinsurance of \$987 for the three months ended March 31, 2025 (2024: \$4,982 increase) due to a decrease in the deferred gain and related reinsurance recoverable on unpaid losses under the LPT/ADC Agreement with Cavello of \$987 for the three months ended March 31, 2025 (2024: \$5,000 increase).

The decrease in the deferred gain on retroactive reinsurance of \$987 for the three months ended March 31, 2025 included amortization of the deferred gain on the LPT/ADC Agreement of \$5,888 partly offset by adverse PPD of \$4,901 that was the result of foreign currency translation adjustments on the re-measurement of net loss liabilities denominated in British pound and euro on loss reserves covered under the LPT/ADC Agreement.

Please refer to *Note 8. Reinsurance* for tables that show the components of the decrease in the reinsurance recoverable on unpaid losses under the LPT/ADC Agreement and the related deferred gain for the three months ended March 31, 2025 and the year ended December 31, 2024.

10. Related Party Transactions

The Founding Shareholders of the Company were Michael Karfunkel, George Karfunkel and Barry Zyskind. Based on each individual's most recent public filing, Leah Karfunkel (wife of the late Michael Karfunkel), George Karfunkel and Barry Zyskind (the Company's non-executive chairman) each own or control less than 5.0% of the Company's outstanding common shares. Leah Karfunkel and George Karfunkel are directors of AmTrust, and Barry Zyskind is the chief executive officer and chairman of AmTrust. Leah Karfunkel, George Karfunkel and Barry Zyskind own or control approximately 55.2% of the ownership interests of Evergreen Parent, L.P., the ultimate parent of AmTrust. The following describes transactions that have transpired between the Company and AmTrust:

AmTrust Quota Share

Effective July 1, 2007, the Company and AmTrust entered into a master agreement, as amended ("Master Agreement"), by which they caused Maiden Reinsurance and AII to enter into the AmTrust Quota Share by which AII retroceded to Maiden Reinsurance an amount equal to 40% of the premium written by subsidiaries of AmTrust, net of the cost of unaffiliated inuring reinsurance and 40% of losses. The Master Agreement further provided that AII receive a ceding commission of 31% of ceded written premiums. On June 11, 2008, Maiden Reinsurance and AII amended the AmTrust Quota Share to add Retail Commercial Package Business to the Covered Business (as defined in the AmTrust Quota Share). AII receives a ceding commission of 34.375% on Retail Commercial Package Business. On July 1, 2016, the agreement was renewed through June 30, 2019. Effective July 1, 2018, the amount AEL ceded to Maiden Reinsurance was reduced to 20%.

Effective July 1, 2013, for the Specialty Program portion of Covered Business only, AII was responsible for ultimate net loss otherwise recoverable from Maiden Reinsurance to the extent that the loss ratio to Maiden Reinsurance, which shall be determined on an inception to date basis from July 1, 2007 through the date of calculation, is between 81.5% and 95% ("Loss Corridor"). Above and below the Loss Corridor, Maiden Reinsurance continued to reinsure losses at its proportional 40% share of the AmTrust Quota Share. Effective July 31, 2019, the Loss Corridor was amended such that the maximum amount covered is \$40,500, the amount calculated by Maiden Reinsurance for the Loss Corridor coverage as of March 31, 2019. Any development above this maximum amount will be subject to the coverage of the LPT/ADC Agreement.

Effective January 1, 2019, Maiden Reinsurance and AII entered into a partial termination amendment ("Partial Termination Amendment") which amended the AmTrust Quota Share. The Partial Termination Amendment provided for the cut-off of the ongoing and unearned premium of AmTrust's Small Commercial Business and U.S. Specialty Risk and Extended Warranty ("Terminated Business") as of December 31, 2018. Under the Partial Termination Amendment, the ceding commission payable by Maiden Reinsurance for its remaining in-force business immediately prior to January 1, 2019 increased by five percentage points with respect to in-force remaining business (excluding Terminated Business) and related unearned premium as of January 1, 2019. Subsequently, on January 30, 2019, Maiden Reinsurance and AII agreed to terminate the remaining business subject to the AmTrust Quota Share on a run-off basis effective as of January 1, 2019.

Effective July 31, 2019, Maiden Reinsurance and AII entered into a Commutation and Release Agreement which provided for AII to assume all reserves ceded by AII to Maiden Reinsurance with respect to its proportional 40% share of the ultimate net loss under the AmTrust Quota Share related to the commuted business including: (a) all losses incurred in Accident Year 2017 and Accident Year 2018 under California workers' compensation policies and as defined in the AmTrust Quota Share ("Commuted California Business"); and (b) all losses incurred in Accident Year 2018 under New York workers' compensation policies ("Commuted New York Business"), and together with the Commuted California Business ("Commuted Business") in exchange for the release and full discharge of Maiden Reinsurance's obligations to AII with respect to the Commuted Business. The Commuted Business excludes any business classified by AII as Specialty Program or Specialty Risk business.

AII and Maiden Reinsurance also agreed that as of July 31, 2019, the AmTrust Quota Share was deemed amended as applicable so that the Commuted Business is no longer included as part of Covered Business under the AmTrust Quota Share.

On January 30, 2019, in connection with the termination of the reinsurance agreement described above, the Company and AmTrust entered into a second amendment to the Master Agreement between the parties, originally entered into on July 3, 2007, to remove the provisions requiring AmTrust to reinsure business with the Company. Please refer to *Note 10. Related Party Transactions* in the Annual Report on Form 10-K for the year ended December 31, 2024 for further details.

European Hospital Liability Quota Share

Effective April 1, 2011, Maiden Reinsurance entered into the European Hospital Liability Quota Share with AEL and AIU DAC. Pursuant to the terms of the European Hospital Liability Quota Share, Maiden Reinsurance assumed 40% of the premiums and losses related to policies classified as European Hospital Liability, including associated liability coverages and policies covering physician defense costs, written or renewed on or after April 1, 2011. The European Hospital Liability Quota Share also covers policies written or renewed on or before March 31, 2011, but only with respect to losses that occur, accrue or arise on or after April 1, 2011. The maximum limit of liability attaching shall be €5,000 (€10,000 effective January 1, 2012) or currency equivalent (on a 100% basis) per original claim for any one original policy. Maiden Reinsurance paid a ceding commission of 5% on contracts assumed under the European Hospital Liability Quota Share.

Effective July 1, 2016, the European Hospital Liability Quota Share was amended such that Maiden Reinsurance assumes from AEL 32.5% of the premiums and losses of all policies written or renewed on or after July 1, 2016 until June 30, 2017 and 20% of all policies written or renewed on or after July 1, 2017. Thereafter, on January 30, 2019, Maiden Reinsurance, AEL and AIU DAC agreed to terminate the European Hospital Liability Quota Share on a run-off basis effective as of January 1, 2019.

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10. Related Party Transactions (continued)

Effective July 1, 2022, Maiden Reinsurance and AIU DAC entered into an agreement ("Commutation Agreement") which provided for AIU DAC to assume all reserves ceded by AIU DAC to Maiden Reinsurance with respect to AIU DAC's French Medical Malpractice exposures for underwriting years 2012 through 2018 reinsured by Maiden Reinsurance under the European Hospital Liability Quota Share. In accordance with the Commutation Agreement, Maiden Reinsurance paid \$31,291 (€29,401) to AIU DAC, which is the sum of net ceded reserves of \$27,625 (€25,956) and an agreed exit cost of \$3,666 (€3,444). As a result of the Commutation Agreement, Maiden Reinsurance reduced its exposure to AmTrust's Hospital Liability business, but still has exposure to Italian medical malpractice liabilities under the European Hospital Liability Quota Share.

The table below shows the effect of both of these quota share arrangements with AmTrust on the Company's Condensed Consolidated Income Statements for the three months ended March 31, 2025 and 2024, respectively:

For the Three Months Ended March 31,	2025	2024
Gross and net premiums written	\$ (942)	\$ (505)
Net premiums earned	2,684	3,417
Net loss and LAE	(787)	(9,018)
Commission and other acquisition expenses	(2,267)	(1,298)

Collateral provided to AmTrust

Pursuant to the terms of the LPT/ADC Agreement, Maiden Reinsurance, Cavello and AmTrust and certain of its affiliated companies entered into a Master Collateral Agreement ("MCA") to define and enable the operation of collateral provided under the AmTrust Quota Share. Under the MCA, Cavello provided letters of credit on behalf of Maiden Reinsurance to AmTrust in an amount representing Cavello's obligations under the LPT/ADC Agreement. Because these letters of credit replaced other collateral previously provided directly by Maiden Reinsurance to AmTrust, the MCA coordinates the collateral protection that will be provided to AmTrust to ensure that no gaps in collateral funding occur by operation of the LPT/ADC Agreement and related MCA.

As a result of entering into both the LPT/ADC Agreement and the MCA, certain post-termination endorsements ("PTEs") to the AmTrust Quota Share between AII and Maiden Reinsurance were required. Effective July 31, 2019, the PTEs: i) enable the operation of both the LPT/ADC Agreement and MCA by making provision for certain forms of collateral, including letters of credit provided by Cavello on Maiden Reinsurance's behalf, and further defines the permitted use and return of collateral; and ii) increase the required funding percentage for Maiden Reinsurance under the collateral arrangements between the parties to 105% of its obligations, subject to a minimum excess funding requirement of \$54,000, as may be mutually amended by the parties from time to time. Under certain defined conditions, Maiden Reinsurance may be required to increase this funding percentage to 110%.

Effective March 16, 2020, Maiden Reinsurance discontinued as a Bermuda company and completed its re-domestication to the State of Vermont. Bermuda is a Solvency II equivalent jurisdiction and the State of Vermont is not such a jurisdiction; therefore, the collateral provided under the respective agreements with AmTrust subsidiaries was strengthened to reflect the impact of the re-domestication concurrent with the date of Maiden Reinsurance's re-domestication to Vermont. Maiden Reinsurance and AmTrust agreed to: 1) amend the AmTrust Quota Share pursuant to Post Termination Endorsement No. 2 effective March 16, 2020; and 2) amend the European Hospital Liability Quota Share pursuant to Post Termination Endorsement No. 1 effective March 16, 2020.

Pursuant to the terms of Post Termination Endorsement No. 2 to the AmTrust Quota Share, Maiden Reinsurance strengthened the collateral protection provided by Maiden Reinsurance to AII by increasing the required funding percentage for Maiden Reinsurance under the collateral arrangements between the parties to 110% of its obligations, subject to a minimum excess funding requirement of \$54,000, as may be mutually amended by the parties from time to time. Post Termination Endorsement No. 2 also sets forth conditions by which the funding percentage will be reduced and the sequence of how collateral will be utilized as obligations, as defined under the AmTrust Quota Share, are satisfied. Pursuant to the terms of Post Termination Endorsement No. 2, the funding percentage was reduced to 107.5% during the first quarter of 2023.

Pursuant to the terms of Post Termination Endorsement No. 3 to the AmTrust Quota Share, AmTrust has agreed to eliminate the minimum excess funding requirement of \$54,000 in the AmTrust Quota Share between AII and Maiden. Collateral on the AmTrust Quota Share will now solely be tied to a contractually agreed percentage and is expected to be reduced from a current level of 107.5% to 105% during the second or third quarter of 2025 when its obligations are expected to decline below the \$500,000 threshold. The terms of Post Termination Endorsement No. 3 was effective upon the execution and delivery of the AR Loan Agreement and the Premium Repayment Loan Agreement approved by the Vermont DFR on February 7, 2025.

Pursuant to the terms of Post Termination Endorsement No. 1 to the European Hospital Liability Quota Share, Maiden Reinsurance strengthened the collateral protection provided by Maiden Reinsurance to AEL and AIU DAC by increasing the required funding percentage for Maiden Reinsurance under the collateral arrangements between the parties to the greater of 120% of the Exposure (as defined therein) and the amount of security required to offset the increase in the Solvency Capital Requirement ("SCR") that results from the changes in the SCR which arise out of Maiden Reinsurance's re-domestication as compared to the SCR calculation if Maiden Reinsurance had remained domesticated in a Solvency II equivalent jurisdiction with a solvency ratio above 100% and provided collateral equivalent to 100% of the Exposure.

10. Related Party Transactions (continued)

Pursuant to the terms of Post Termination Endorsement No. 2 to the European Hospital Liability Quota Share, AmTrust has also agreed to reduce the collateral funding percentage on the European Hospital Liability Quota Share from 120% to 105%, on the effective date of this endorsement, which was approved by the Vermont DFR on February 19, 2025.

On December 31, 2024, Maiden Reinsurance and AmTrust entered into a Loan Agreement (the "Premium Repayment Loan Agreement") by which Maiden Reinsurance will repay AII the principal amount of \$24,259 representing settlement of a dispute over cessions of uncollectible ceded premiums written made by AII to Maiden Reinsurance, payable by Maiden Reinsurance in quarterly installments through the maturity date of December 31, 2032. This settlement was recognized on the Consolidated Balance Sheets as reinsurance losses payable within accrued expenses and other liabilities at December 31, 2024. AmTrust may offset any amount payable against any amount due and unpaid by Maiden Reinsurance, under any agreement between AmTrust or its affiliate and Maiden Reinsurance or its affiliate, including without limitation, the European Hospital Liability Quota Share, dated April 1, 2011, as amended. Interest is payable at a rate equivalent to the Fed Funds rate plus 150 basis points per annum under the terms of Premium Repayment Loan Agreement.

a) AmTrust Quota Share

To provide AmTrust's U.S. insurance subsidiaries with credit for reinsurance on their statutory financial statements, AII, as the direct reinsurer of AmTrust's insurance subsidiaries, established trust accounts ("Trust Accounts") for their benefit. Maiden Reinsurance has provided appropriate collateral to secure its proportional share under the AmTrust Quota Share of AII's obligations to the AmTrust subsidiaries to whom AII is required to provide collateral which can include: (a) assets loaned by Maiden Reinsurance to AII for deposit into the Trust Accounts, pursuant to a loan agreement between those parties; (b) assets transferred by Maiden Reinsurance for deposit into the Trust Accounts; or (c) a letter of credit obtained by Maiden Reinsurance and delivered to an AmTrust subsidiary on AII's behalf. Maiden Reinsurance may provide any or a combination of these forms of collateral, provided that the aggregate value thereof equals Maiden Reinsurance's proportionate share of its obligations under the AmTrust Quota Share. The collateral requirements under the AmTrust Quota Share with AII are presently satisfied as follows:

- On January 1, 2025, Maiden Reinsurance and AmTrust amended the terms of the loan agreement provided by Maiden Reinsurance to AII. Under the revised terms, an Amended and Restated Loan Agreement was entered into effective January 1, 2025 (the "AR Loan Agreement"), by which the principal amount of the collateral loan will be repaid (subject to funding of collateral requirements) on or before the revised maturity date of January 1, 2033 pursuant to a repayment schedule set forth in the AR Loan Agreement. The principal amount shall equal (a) \$152,377 minus (b) the amount of payments and any prepayments made by or on behalf of AmTrust from time to time. Interest will be payable at a rate equivalent to the Fed Funds rate plus 150 basis points per annum under the terms of the AR Loan Agreement.
- AmTrust may offset any amount payable against any amount due and unpaid by Maiden Reinsurance, under any agreement between AmTrust or its affiliate and Maiden Reinsurance or its affiliate, including without limitation, the AmTrust Quota Share and European Hospital Liability Quota Share dated April 1, 2011, as amended, between Maiden Reinsurance and AmTrust, any other reinsurance agreements between AmTrust or its affiliates and Maiden Reinsurance or its affiliates and the Premium Repayment Loan Agreement dated December 31, 2024 with respect to the settlement of certain ceded premium balances of \$24,259 entered into between AII and Maiden Reinsurance.
- Commencing on January 1, 2025, the outstanding balances under the AR Loan Agreement and Premium Repayment Loan Agreement are presented on the Company's balance sheet on a net basis. The outstanding net loan receivable was \$128,118 at March 31, 2025 (December 31, 2024: \$167,975). There was no allowance for expected credit losses recognized on the loan at March 31, 2025 and December 31, 2024. Interest is payable at a rate equivalent to the Federal Funds Effective Rate ("Fed Funds") plus 150 basis points per annum (December 31, 2024 - 200 basis points per annum on the original loan prior to the AR Loan agreement).
- Net interest income on the net loan receivable was \$598 in the three months ended March 31, 2025 (2024: \$3,070 earned on the original Loan Agreement) with an effective yield of 1.9% (2024: 7.3% on the original Loan Agreement). Net interest income earned on the net loan receivable for the three months ended March 31, 2025 was offset by a non-recurring adjustment of \$1,240 due to contractual reductions regarding the timing of paid loss settlements in 2024. The Company expects net interest income to be lower going forward as interest income on the AR Loan Agreement is now offset by interest payable on the Premium Repayment Loan Agreement from January 1, 2025.

b) European Hospital Liability Quota Share

Collateral has been provided to both AEL and AIU DAC under the European Hospital Liability Quota Share. For AEL, the amount of the collateral held in reinsurance trust accounts at March 31, 2025 was \$130,845 (December 31, 2024: \$123,681) and the accrued interest was \$593 (December 31, 2024: \$1,008).

Asset Management Agreement

Effective July 1, 2007, the Company entered into an asset management agreement with AII Insurance Management Limited ("AIIM"), a wholly owned subsidiary of AmTrust, pursuant to which AIIM agreed to provide investment management services to the Company. Effective January 1, 2018, AIIM provides investment management services for a quarterly fee of 0.02125% of the average value of the account. The agreement may be terminated upon 30 days written notice by either party. The Company recorded \$54 of investment management fees for the three months ended March 31, 2025 (2024: \$57) under this agreement.

10. Related Party Transactions (continued)

On September 9, 2020, Maiden Reinsurance, AmTrust and AIIM entered into a novation agreement, effective July 1, 2020, which provided for the novation of the asset management agreement, dated January 1, 2018 between Maiden Reinsurance and AIIM, and the release by Maiden Reinsurance of AIIM's obligations under the asset management agreement. The novation mandates that AmTrust is to be bound by the terms of the asset management agreement in place of AIIM and AmTrust agrees to perform any and all past, present and future obligations of AIIM under the asset management agreement.

On November 13, 2020, Maiden LF, Maiden GF, AmTrust and AIIM entered into a novation agreement, effective July 1, 2020, which provided for the novation of the asset management agreement, dated January 1, 2018 between Maiden LF, Maiden GF and AIIM, and the release by Maiden LF and Maiden GF of AIIM's obligations under the asset management agreement. The novation mandates that AmTrust is to be bound by the terms of the asset management agreement in place of AIIM and AmTrust agrees to perform any and all past, present and future obligations of AIIM under the asset management agreement.

Renewal Rights Agreement - IIS Business

On May 3, 2024, Maiden LF and Maiden GF entered into a Renewal Rights and Asset Purchase Agreement with AmTrust Nordic AB, a Swedish unit of AmTrust, which is expected to cover certain programs of Maiden LF and Maiden GF's primary business written in Sweden, Norway and other Nordic countries.

On June 20, 2024, Maiden LF and Maiden GF entered into a Renewal Rights and Asset Purchase Agreement with AEL and AIU DAC, both wholly owned subsidiaries of AmTrust, which is expected to cover certain programs of Maiden LF and Maiden GF's primary business written in the United Kingdom and Ireland.

These two Renewal Rights and Asset Purchase Agreements as described above are collectively referred to as the AmTrust Renewal Rights Agreements ("AmTrust Renewal Rights Agreements").

Under these agreements, those AmTrust subsidiaries in collaboration with existing Maiden LF and Maiden GF distribution partners, will offer renewals to select policyholders in exchange for a fee at standard market terms for business successfully renewed. All programs written by Maiden LF and GF, including those covered by the AmTrust Renewal Rights Agreements, are in the process of being cancelled in accordance with the requirements of the AmTrust Renewal Rights Agreements, or their contractual terms. As at March 31, 2025, Maiden LF and Maiden GF substantially completed all the main contractual obligations as per the AmTrust Renewal Rights Agreements.

Combination Agreement with Kestrel Group

On December 29, 2024, the Company entered into a combination agreement with Kestrel to combine and form a new, publicly listed specialty program group as discussed in *Note 1. Basis of Presentation*. AmTrust is a significant shareholder of Kestrel. Following closing of the transaction, Kestrel will continue to write business through its use of A.M. Best A- FSC XV insurance carriers, including Sierra Specialty Insurance Company, Rochdale Insurance Company, Park National Insurance Company, and Republic Fire and Casualty Insurance Company, all subsidiaries of AmTrust. In connection with the transaction, the combined company will have the option to acquire the Insurers from AmTrust for a period of up to three years after closing.

Following completion of the transaction, the board of directors of the combined company will consist of seven directors, made up of four directors selected by an affiliate of Kestrel Intermediate Ledbetter Holdings LLC, two of whom will be independent under applicable securities laws and stock exchange rules, and three directors selected by AmTrust, two of whom will be independent under applicable securities laws and stock exchange rules.

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11. Commitments, Contingencies and Guarantees

There are no material changes from the commitments, contingencies and concentrations previously disclosed in the Company's Form 10-K for the year ended December 31, 2024.

a) Concentrations of Credit Risk

At March 31, 2025 and December 31, 2024, the Company's assets where significant concentrations of credit risk may exist include investments, cash and cash equivalents, loan to related party (presented on a net basis from January 1, 2025), reinsurance balances receivable, reinsurance recoverable on paid and unpaid losses and funds withheld receivable. Please refer to "Note 8. Reinsurance" for additional information regarding the Company's credit risk exposure on its reinsurance counterparties including the impact of the LPT/ADC Agreement effective January 1, 2019. The Company requires its reinsurers to have adequate financial strength.

The Company evaluates the financial condition of its reinsurers and monitors its concentration of credit risk on an ongoing basis. Provisions are made for amounts that are considered potentially uncollectible. Reinsurance receivable and recoverable balances, loan to related party, and the funds withheld receivable are reviewed for expected credit losses on a quarterly basis and are presented net of an allowance for expected credit losses. Letters of credit are provided by its reinsurers for material amounts recoverable as discussed in "Note 8. Reinsurance".

The Company manages the concentration of credit risk in its investment portfolio through issuer and sector exposure limitations. The Company believes it bears minimal credit risk in its cash on deposit. The Company also monitors the credit risk related to the loan to related party, reinsurance balances receivable and funds withheld receivable, within which the largest balances are due from AmTrust. AmTrust has a financial strength/credit rating of A- (Excellent) from A.M. Best at March 31, 2025. To mitigate credit risk, the Company generally has a contractual right of offset thereby allowing claims to be settled net of any premiums or loan receivable. The Company believes these balances as at March 31, 2025 will be fully collectible.

b) Investment Commitments and Related Financial Guarantees

The Company's total unfunded commitments on alternative investments was \$41,248 at March 31, 2025 (December 31, 2024: \$43,966) which included commitments for other investments and equity method investments. The table below shows the total unfunded commitments by type of investment as at March 31, 2025 and December 31, 2024:

	March 31, 2025		December 31, 2024	
	Fair Value	% of Total	Fair Value	% of Total
Private equity funds	\$ 23,802	57.7 %	\$ 28,258	64.3 %
Investments in direct lending entities	2,475	6.0 %	—	— %
Total unfunded commitments on other investments	\$ 26,277	63.7 %	\$ 28,258	64.3 %
Total unfunded commitments on equity method investments	\$ 14,971	36.3 %	\$ 15,708	35.7 %
Total unfunded commitments on alternative investments	\$ 41,248	100.0 %	\$ 43,966	100.0 %

Certain of the Company's investments in limited partnerships are related to real estate joint ventures with interests in multi-property projects with varying strategies ranging from the development of properties to the ownership of income-producing properties. In certain of these joint ventures, the Company has provided certain indemnities, guarantees and commitments to certain parties such that it may be required to make payments now or in the future.

Any loss for which the Company could be liable would be contingent on the default of a loan by the real estate joint venture entity for which the Company provided a financial guarantee to a lender. While the Company has committed to aggregate limits as to the amount of guarantees it will provide as part of its limited partnerships, guarantees are only provided on an individual transaction basis and are subject to the terms and conditions of each transaction mutually agreed by the parties involved. The Company is not bound to such guarantees without its express authorization.

As discussed above, at March 31, 2025, guarantees of \$67,710 (December 31, 2024: \$67,740) were provided to lenders by the Company on behalf of real estate joint ventures, however, the likelihood of the Company incurring any losses pertaining to project level financing guarantees was determined to be remote. Therefore, no liability has been accrued under ASC 450-20.

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11. Commitments, Contingencies and Guarantees (continued)

c) Operating Lease Commitments

The Company leases office spaces and equipment under various operating leases expiring in various years through 2034. The Company's leases are currently classified as operating leases and none of them have non-lease components. For operating leases that have a lease term of more than twelve months, and whose lease payments are above a certain threshold, the Company recognizes a lease liability and a right-of-use asset in the Condensed Consolidated Balance Sheets at the present value of the remaining lease payments until expiration.

The Company has contracted to lease office space in a building in New York City that commenced in April 2024, which created a significant right-of-use asset and a lease liability upon completion of certain leasehold improvements for the ten-year operating lease. The Company has occupied this space and capitalized the leased asset in the second quarter of 2024.

As the lease contracts generally do not provide an implicit discount rate, the Company used the weighted-average discount rate of 8.5%, representing its secured incremental borrowing rate, in calculating the present value of the lease liability. At March 31, 2025, the Company's future lease obligations of \$1,880 (December 31, 2024: \$1,909) were calculated based on the present value of future annual rental commitments excluding taxes, insurance and other operating costs for non-cancellable operating leases discounted using its secured incremental borrowing rate. This amount has been recognized on the Condensed Consolidated Balance Sheet as a lease liability within accrued expenses and other liabilities with an initial equivalent amount for the right-of-use asset presented as part of other assets. At March 31, 2025, the Company's right-of-use lease asset of \$1,336 reflected certain lease incentives that were accepted which reduced the right-of-use asset and were separately capitalized under leasehold improvements to be depreciated over the effective term of the related lease agreements (December 31, 2024: \$1,354).

The Company has made an accounting policy election not to include renewal, termination, or purchase options that are not reasonably certain of exercise when determining the term of the borrowing. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company's weighted-average remaining lease term is approximately 9.5 years at March 31, 2025.

Under *Topic 842, Leases*, the Company continues to recognize the related leasing expense on a straight-line basis over the lease term on the Condensed Consolidated Statements of Income. The Company's total lease expense was \$99 for three months ended March 31, 2025 (2024: \$146) recognized within general and administrative expenses consistent with the prior accounting treatment under *Topic 840*.

At March 31, 2025, the scheduled maturity of the Company's operating lease liabilities are expected to be as follows:

	March 31, 2025
2025	\$ 208
2026	277
2027	277
2028	278
2029	284
Thereafter	1,449
Discount for present value	(893)
Total discounted operating lease liabilities	\$ 1,880

d) Legal Proceedings

Except as noted below, the Company is not a party to any material legal proceedings. From time to time, the Company is subject to routine legal proceedings, including arbitration, arising in the ordinary course of business. These legal proceedings generally relate to claims asserted by or against the Company in the ordinary course of insurance or reinsurance operations. Based on the Company's opinion, the eventual outcome of these legal proceedings is not expected to have a material adverse effect on its financial condition or results of operations.

A putative class action complaint was filed against Maiden Holdings, Arturo M. Raschbaum, Karen L. Schmitt, and John M. Marshaleck in the United States District Court for the District of New Jersey on February 11, 2019. On February 19, 2020, the Court appointed lead plaintiffs, and on May 1, 2020, lead plaintiffs filed an amended class action complaint (the "Amended Complaint"). The Amended Complaint asserts violations of Section 10(b) of the Exchange Act and Rule 10b-5 (and Section 20(a) for control person liability) arising in large part from allegations that Maiden failed to take adequate loss reserves in connection with reinsurance provided to AmTrust. Plaintiffs further claim that certain of Maiden Holdings' representations concerning its business, underwriting and financial statements were rendered false by the allegedly inadequate loss reserves, that these misrepresentations inflated the price of Maiden Holdings' common stock, and that when the truth about the misrepresentations was revealed, the Company's stock price fell, causing Plaintiffs to incur losses. On September 11, 2020, a motion to dismiss was filed on behalf of all Defendants. On August 6, 2021, the Court issued an order denying, in part, Defendants' motion to dismiss, ordering Plaintiffs to file a shorter amended complaint no later than August 20, 2021, and permitting discovery to proceed on a limited basis.

11. Commitments, Contingencies and Guarantees (continued)

On February 7, 2023, the District Court denied Plaintiffs' motion for reconsideration of the District Court's decision denying Plaintiffs' objection to the Magistrate Judge's December 2021 ruling on discovery. On May 26, 2023, the Company filed a Renewed Motion to Dismiss the Second Amended Complaint or, in the Alternative, for Summary Judgment, which has been fully briefed. On December 19, 2023, the U.S. District Court for the District of New Jersey granted summary judgment on plaintiffs' claim for securities fraud under Section 10(b) of the Securities Exchange Act to Maiden Holdings, Ltd. and individual defendants Arturo Raschbaum, Karen Schmitt, and John Marshaleck. The Court held that the factual record failed to support, as a matter of law, plaintiffs' allegations that the defendants had made false statements regarding the Company's loss reserves. The Court also dismissed plaintiffs' claims that the individual defendants were liable as control persons under Section 20(a) of the Securities Exchange Act for any such alleged false statements. Plaintiffs have appealed to the United States Court of Appeals for the Third Circuit.

On December 26, 2024, WUSO Holding Corporation and 683 Capital Partners filed a lawsuit against Maiden Holdings North America, Ltd. and Maiden Holdings in the Supreme Court of the State of New York, County of New York, captioned WUSO Holding Corporation and 683 Capital Partners, LP v. Maiden Holdings North America, Ltd. and Maiden Holdings, Ltd., Index No. 659861/2024. The complaint alleges that Maiden's sale of Maiden Reinsurance North America, Inc., which closed approximately six years ago from the date of the complaint, breached a sole provision of Maiden's indenture governing its 2013 Senior Notes. Plaintiffs allege that principal and interest payable under the 2013 Senior Notes are due currently, rather than upon the stated maturity date of the 2013 Senior Notes. Maiden believes it has substantial procedural and substantive defenses to the asserted claims, and it intends to vigorously defend against these claims.

As discussed in *Note 1. Basis of Presentation*, on December 29, 2024, the Company entered into a Combination Agreement with Kestrel. In connection with the Combination Agreement, (i) Bermuda NewCo filed a registration statement on Form S-4, dated March 24, 2025, with the SEC and a related prospectus, dated March 26, 2025, with respect to the Bermuda NewCo common shares to be issued to Company shareholders pursuant to the transaction; and (ii) the Company filed a definitive proxy statement on Schedule 14A, dated March 26, 2025 (collectively, the "proxy statement/prospectus"), in respect of the Special Meeting. On April 29, 2025, the Company's shareholders approved all proposals related to the transaction at the Special Meeting.

As previously disclosed in the Company's Form 8-K filed on April 21, 2025, since the filing of the proxy statement/prospectus, seven purported shareholders of the Company have sent demand letters generally alleging that the proxy statement/prospectus is misleading and/or fails to disclose material information concerning, among other things: (i) certain financial projections; (ii) certain data and inputs underlying the financial analyses that support the fairness opinion provided by Insurance Advisory Partners LLC ("IAP"); and (iii) potential conflicts of interest of IAP.

In addition, on April 9, 2025 and April 10, 2025, respectively, two separate complaints were filed by purported shareholders in the Supreme Court of the State of New York, County of New York against Maiden and its directors under the captions (i) Nathan Turner v. Maiden Holdings, Ltd. et al., Case No. 652257/2025 (the "Turner Complaint"); and (ii) Mark Thomas v. Maiden Holdings, Ltd. et al., Case No. 154730/2025 (together with the Turner Complaint, the "Complaints"). The Complaints allege that the proxy statement/prospectus is misleading and/or fails to disclose material information concerning, among other things (i) certain financial projections; (ii) certain data and inputs underlying the financial analyses that support the fairness opinion provided by IAP; and (iii) potential conflicts of interest of IAP, and bring claims for negligence and negligent misrepresentation and concealment under New York law. The Complaints seek, among other things, injunctions barring consummation of the transaction or, in the event that the transactions are consummated, damages resulting from the alleged violations.

The Company denies the allegations in the Complaints and the demand letters, denies that any violation of law has occurred and believes that the claims asserted in the Complaints and demand letters are wholly without merit.

We believe all of the above claims are without merit and we intend to vigorously defend ourselves. It is possible that additional lawsuits will be filed against the Company, its subsidiaries and its respective officers due to the diminution in value of our securities as a result of our operating results and financial condition. It is currently uncertain as to the effect of such litigation on our business, operating results and financial condition.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

12. Earnings per Common Share

The following shows a summary of the elements used in calculating basic and diluted earnings per common share for the three months ended March 31, 2025 and 2024, respectively:

For the Three Months Ended March 31,	2025	2024
Numerator:		
Net (loss) income	\$ (8,645)	\$ 1,459
Amount allocated to participating common shareholders ⁽¹⁾	—	(17)
Net loss (income) allocated to common shareholders	\$ (8,645)	\$ 1,442
Denominator:		
Weighted average number of common shares – basic and diluted⁽¹⁾	99,120,644	100,457,125
Basic and diluted (loss) earnings per share attributable to common shareholders	\$ (0.09)	\$ 0.01

- (1) Please refer to "Note 6. Shareholders' Equity" and "Note 14. Share Compensation and Pension Plans" in the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for the terms and conditions of securities that could potentially be dilutive in the future. There were no potentially dilutive securities for the three months ended March 31, 2025 (2024: 0).

13. Income Taxes

The Company recognized income tax expense of \$12 for the three months ended March 31, 2025, compared to an income tax expense of \$11 for the same respective period in 2024. The effective tax rate on the Company's net (loss) income differs from the statutory rate of zero percent under Bermuda law due to tax on foreign operations, primarily the U.S. and Sweden.

A valuation allowance has been established against the net U.S. and International deferred tax assets which is primarily attributable to net operating losses and capital losses in the respective regions. At this time, the Company believes it is necessary to establish a valuation allowance against the U.S. and International net deferred tax assets as more evidence is needed regarding the utilization of these losses.

At March 31, 2025, the Company has available net operating loss carry-forwards of \$460,849 (December 31, 2024: \$459,604) for income tax purposes. Approximately \$379,855 (December 31, 2024: \$379,855) of net operating loss ("NOL") carryforwards expire in various years beginning in 2029. As of March 31, 2025, approximately \$80,994 or 17.6% of the Company's NOL carryforwards have no expiry date under the relevant U.S. tax law (December 31, 2024 - \$79,749 or 17.4%). At March 31, 2025, the Company has remaining capital loss carry-forwards of \$1,669 (December 31, 2024: \$1,542) which will expire beginning in 2027.

MAIDEN HOLDINGS, LTD.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(in thousands of U.S. dollars, except share and per share data)

14. Assets Held for Sale

Sale of Swedish Subsidiaries and Related IIS Operations

On November 29, 2024, the Company entered into an agreement to sell its Swedish subsidiaries, Maiden LF and Maiden GF to an expanding group of international insurance and reinsurance companies headquartered in the United Kingdom (“Swedish Subsidiaries Sale”). Such transaction is subject to customary regulatory approvals. The sale will be an all-cash transaction and pursuant to the terms of the agreement, all existing staff and independent directors of both Maiden LF and Maiden GF will transition to the new ownership group.

This sale is part of the Company's broader plan to divest its IIS businesses, which was the conclusion of a strategic review of the IIS business platform. The purpose of that review was to evaluate the strategic value of Maiden LF and Maiden GF in relation to their ongoing growth and profitability prospects, regulatory capital requirements and ability to create shareholder value in excess of the Company's target return on capital levels. As part of these transactions, Maiden LF and Maiden GF are no longer writing new business and their non-underwriting related assets and liabilities are represented as held-for-sale in our consolidated financial statements.

Please see *Note 10 — Related Party Transactions* for details regarding the AmTrust Renewal Rights Agreements. None of the held-for-sale assets and liabilities in the table below include any underwriting related balances, including those related to the AmTrust Renewal Rights Agreement.

Although Maiden LF and Maiden GF currently comprise a substantial portion of the Diversified Reinsurance segment, the Company has concluded that the sale does not constitute discontinued operations as it does not represent a strategic shift that will have a major effect on its ongoing operations and financial results. Pursuant to the terms of the Swedish Subsidiaries Sale agreement, any remaining historic business upon closing will be fully retroceded to the Company thus there will be continuing involvement regarding the historical reinsurance operations.

However, pursuant to the terms of the Swedish Subsidiaries Sale, this transaction met the relevant held for sale criteria at December 31, 2024 and accordingly, any non-underwriting related assets and liabilities related to the sale consideration are classified as held-for-sale in the Condensed Consolidated Balance Sheets as at March 31, 2025 and December 31, 2024. All underwriting related balances are excluded from the held-for-sale assets and liabilities which amounted to net insurance liabilities of \$5,839 as at March 31, 2025 (December 31, 2024 - \$6,500).

The Company estimated the fair value of the net assets held-for-sale to be based on the estimated selling price less costs to sell and these assets are classified as Level 2 within the fair value hierarchy as of March 31, 2025.

The assets and liabilities classified as held for sale on the Company's Consolidated Balance Sheets as at March 31, 2025 and December 31, 2024 include the following:

	March 31, 2025	December 31, 2024
ASSETS		
Fixed maturities, available-for-sale, at fair value	\$ 5,902	\$ 6,656
Cash and cash equivalents	12,976	13,349
Accrued investment income	60	125
Other assets	700	685
Total assets held for sale	\$ 19,638	\$ 20,815
LIABILITIES		
Accrued expenses and other liabilities	\$ 645	\$ 883
Total liabilities held for sale	\$ 645	\$ 883

15. Subsequent Events

Asset Sales

Subsequent to March 31, 2025, USQ Risk, a private equity investment held by the Company in the insurance distribution industry ("USQ") that is accounted for as an equity method investment completed an asset purchase agreement ("APA") with a third-party acquirer. The Company had previously provided seed capital to USQ via preference shares and had also received a common equity position in USQ which at the transaction date represented an 18.9% holding in USQ. Pursuant to the terms of the agreement, the Company will receive a series of distributions commencing at closing. In addition to the distribution of \$4,335 received on May 2, 2025, the Company presently estimates it could receive up to \$13,580 in additional distributions from the USQ transaction. The Company currently estimates that the net present value of these potential distributions is approximately \$14,188.

NASDAQ Listing Qualifications

On April 2, 2025, the Company received a letter from the listing qualifications department staff of Nasdaq that Maiden's common shares failed to maintain a minimum bid price of \$1.00 over the previous 30 consecutive business days as required by the Listing Rules of Nasdaq. Since then, Nasdaq has determined that for the last 12 consecutive business days, from April 21, 2025 to May 7, 2025, the closing bid price of the Company's common shares has been at \$1.00 per share or greater. Accordingly, the Company has regained compliance with Listing Rule 5550(a)(2), and this matter is now closed.

Combination with Kestrel - Regulatory Approval Update

On May 6, 2025, Maiden Reinsurance received approval from the Vermont DFR for the change of control related to the Combination Agreement with Kestrel along with approval for the extraordinary dividend required to complete the transaction. Other Maiden entities are still waiting for approvals regarding the change in control. As part of the approval granted by the Vermont DFR, Maiden Reinsurance will no longer be permitted to include the intercompany loan receivable from Maiden Holdings (and related accrued interest) as an admitted asset for statutory capital and reporting purposes. As a result, this will reduce Maiden Reinsurance's ratio of risk-based capital to total adjusted capital, which remains sufficient to support both the dividends related to the Combination Agreement with Kestrel and recurring annual dividends, and which require approval by the Vermont DFR. In addition, Maiden Reinsurance has agreed to not purchase any additional affiliated securities of the Company and its subsidiaries.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited Condensed Consolidated Financial Statements and related notes included elsewhere in this Quarterly Report on Form 10-Q (this "Form 10-Q" or this "Report"). References in this Form 10-Q to the terms "we", "us", "our", "the Company", "Maiden" or other similar terms mean the consolidated operations of Maiden Holdings, Ltd. and its subsidiaries, unless the context requires otherwise. References in this Form 10-Q to the term "Maiden Holdings" means Maiden Holdings, Ltd. only. Certain reclassifications have been made for 2024 to conform to the 2025 presentation and have no impact on consolidated net income and total equity previously reported.

Note on Forward-Looking Statements

This Quarterly Report on Form 10-Q includes the consummation of the business combination with Kestrel (as defined herein), including the expected time period to consummate the business combination, and the anticipated benefits of the business combination, projections concerning financial information and statements concerning future economic performance and events, plans and objectives relating to management, operations, products and services, and assumptions underlying these projections and statements. These projections and statements are forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 and are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control. These projections and statements may address, among other things, our strategy for growth, product development, financial results and reserves. Our actual results and financial condition may differ, possibly materially, from these projections and statements and therefore you should not place undue reliance on them.

Factors that could cause our actual results and financial condition to differ, possibly materially, from those in the specific projections and statements are discussed throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations and in "Risk Factors" in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2024 that was filed with the U.S. Securities and Exchange Commission ("SEC") on March 10, 2025, however, these factors should not be construed as exhaustive. Forward-looking statements speak only as of the date they are made and we undertake no obligation to update or revise any forward-looking statement that may be made from time to time, whether as a result of new information, future developments or otherwise, except as required by law.

Overview

Maiden Holdings is a Bermuda-based holding company. 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.

As of March 31, 2025, Maiden Reinsurance owns approximately 31.0% of the Company's total outstanding common shares which is eliminated for accounting and financial reporting purposes on the Company's condensed consolidated financial statements. The voting power of Maiden Reinsurance, with respect to its common shares ownership, was capped at 9.5% pursuant to the bye-laws of the Company. However, on April 29, 2025, Maiden shareholders approved the proposal to remove the 9.5% voting limitation at the Company's special general meeting of its shareholders (the "Special Meeting"). The ownership of the common shares by Maiden Reinsurance was made in compliance with Maiden Reinsurance's investment policy and approved by the Vermont DFR.

Current Operations

The Company does not presently underwrite prospective reinsurance risks. During 2024, Maiden entered into a series of strategic transactions that, upon completion, will substantially transform our business plan and operations, which are fully described in our Annual Report on Form 10-K for the year ended December 31, 2024 that was filed on March 10, 2025.

Short-term income protection business is written on a primary basis by our wholly owned subsidiaries Maiden Life Försäkrings AB ("Maiden LF") and Maiden General Försäkrings AB ("Maiden GF") in the Scandinavian and Northern European markets. Our wholly owned subsidiary, Maiden Global Holdings Ltd. ("Maiden Global") is a licensed intermediary in the United Kingdom. Maiden Global had previously operated internationally by providing branded auto and credit life insurance products through insurer partners, particularly those in Europe and other global markets ("IIS business"). These products also produced reinsurance programs which were underwritten by our wholly owned subsidiary Maiden Reinsurance Ltd. ("Maiden Reinsurance").

During 2024, we conducted and completed a strategic review of our IIS Business. The purpose of that review was to evaluate the strategic value of this business, including the operations of Maiden LF and Maiden GF in relation to their ongoing growth and profitability prospects, regulatory capital requirements and ability to create shareholder value in excess of the Company's target return on capital levels. As a result of that review, we concluded that divesting this business was in the best interests of shareholders and therefore we entered into the following transactions to accomplish that objective: 1) two Renewal Rights and Asset Purchase Agreement with AmTrust Nordic AB ("AmTrust Renewal Rights Agreements"); and 2) a Stock Purchase Agreement to sell Maiden LF and Maiden GF ("Swedish Subsidiaries Sale"). For further information on these transactions, please see *Note 14. Assets Held for Sale* in the Notes to Condensed Consolidated Financial Statements included in Part I Item 1. "Financial Information".

The Company also has various historic reinsurance programs underwritten by Maiden Reinsurance which are in run-off, including the liabilities associated with AmTrust Financial Services, Inc. ("AmTrust") reinsurance agreements which were terminated in 2019 as discussed in *Note 10. Related Party Transactions* of the Notes to Condensed Consolidated Financial Statements included in Part I Item 1. "Financial Information". In addition, the Company has a retroactive reinsurance agreement and a commutation agreement that further reduces its exposure and limits the potential volatility related to AmTrust liabilities, which are discussed in *Note 8. Reinsurance* of the Notes to Condensed Consolidated Financial Statements included in Part I Item 1. "Financial Information".

The Company is also running off certain business related to its Genesis Legacy Solutions ("GLS") platform. In November 2020, the Company formed its indirect wholly owned subsidiary GLS, which specialized in providing a full range of legacy services to small insurance entities, 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. The Company believed the formation of GLS was highly complementary to its overall longer-term strategy. However, a combination of factors, including market conditions in the sector GLS focuses on, resulted in an inability for GLS to gain sufficient scale to achieve its objectives or earn a profit, and GLS results did not reach the objectives the Company expected it to over time. Having completed the capital commitment made to GLS in November 2020, the Company determined during 2023 to not commit any additional capital to new opportunities and to run-off the existing accounts underwritten by GLS.

Our business currently consists of two reportable segments: Diversified Reinsurance and AmTrust Reinsurance. Our Diversified Reinsurance segment consists of a portfolio of predominantly property and casualty reinsurance business focusing on regional and specialty property and casualty insurance companies located primarily in Europe. This segment also includes transactions entered into by GLS since November 2020. Our AmTrust Reinsurance segment includes all business ceded to Maiden Reinsurance by AmTrust, primarily the quota share reinsurance agreement ("AmTrust Quota Share") between Maiden Reinsurance and AmTrust's wholly owned subsidiary, AmTrust International Insurance, Ltd. ("AII") and the European hospital liability quota share reinsurance contract ("European Hospital Liability Quota Share") with AmTrust's wholly owned subsidiaries, AEL and AIU DAC, both of which are in run-off effective as of January 1, 2019.

Please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024 that was filed on March 10, 2025 for further information on recent developments within the Company.

Business Strategy

In addition to restoring operating profitability, our strategic focus centers on creating the greatest risk-adjusted shareholder returns in order to increase book value for our common shareholders, both near and long-term. In that respect, management's focus is to increase non-GAAP book value, which fully reflects the steps we have taken to protect our balance sheet, primarily through our LPT/ADC Agreement with Cavello, as this represents the ultimate economic value of Maiden.

In recent years we pursued a revised operating strategy which leveraged the significant assets and capital we retain. As noted, we also formed GLS to focus on smaller accounts in the legacy (re)insurance marketplace, which we believed was complimentary to this strategy. Our assessment had been that these areas of strategic focus would enhance our profitability through increased returns, which would also increase the likelihood of fully utilizing the significant net operating loss ("NOL") carryforwards, as described further below, which would increase both GAAP and non-GAAP book value and create additional common shareholder value. The recognition of the deferred tax asset on our balance sheet remains a leading priority for the Company to increase its GAAP and non-GAAP book value.

This strategy has recently had two principal areas of focus:

- Asset management - investing in assets and asset classes in a prudent but expansive manner in order to maximize investment returns and is principally enabled by limiting the amount of insurance risk we assume in relation to the assets we hold and maintaining required regulatory capital at very strong levels to manage our aggregate risk profile; and
- Capital management - effectively managing the capital we hold on our balance sheet and when appropriate, repurchasing securities or returning capital to enhance common shareholder returns.

The returns expected to be produced by each pillar of our strategy are primarily evaluated in relation to our cost of debt capital, which carries a weighted average effective interest rate of 7.6%. To the extent our experience or belief indicates we cannot exceed the cost of debt capital, we expect to refrain from activities in those areas, as evidenced in our decisions regarding legacy management. Our ability to execute our asset and capital management initiatives are dependent on maintaining adequate levels of unrestricted liquidity and cash flows. Please refer to the *"Liquidity and Capital Resources"* section for further information.

Asset Management

As of March 31, 2025, we have invested \$254.2 million into alternative investments which include equity securities, other investments and equity method investments in a wide variety of asset classes, and we believe these activities will exceed that benchmark cost of capital with adjustments as necessary if those returns do not emerge. Please refer to the *"Liquidity and Capital Resources"* section on *"Other Investments, Equity Investments and Equity Method Investments"* for further information on our alternative asset classes and a detailed discussion of their investment returns.

Recent development and trends in financial markets, particularly the recent volatility in interest rates and the associated economic uncertainty as a result of those changes, indicate that it may take longer than expected to achieve those returns and we expect that to factor into future capital allocation decisions.

Capital Management

Our capital management strategy is significantly informed by the required capital needed to operate our business in a prudent manner and our ongoing analysis of our loss development trends. While our recorded ultimate losses for our insurance liabilities have experienced significant adverse loss development in recent years, as our insurance liabilities further mature we remain confident that we can continue the prudent and disciplined repurchase of our common shares and senior notes, both of which are authorized for repurchase, which we believe provided the greatest risk-adjusted returns to our common shareholders.

Please refer to *"Notes to Consolidated Financial Statements - Note 6 — Shareholders' Equity"* under Item 8 *"Financial Statements and Supplementary Data"* of the Annual Report on Form 10-K for the year ended December 31, 2024 for further information on the common shares repurchases made by Maiden Reinsurance in 2024 and 2023. In connection with the combination agreement (as amended, "Combination Agreement") entered into with Kestrel Group LLC ("Kestrel"), Maiden has suspended its common share repurchase program.

Legacy Underwriting

At March 31, 2025, GLS and its subsidiaries have total insurance related liabilities of \$24.5 million which consisted of total loss reserves of \$18.2 million, an underwriting-related derivative liability of \$4.0 million, and net deferred gains on retroactive reinsurance of \$2.3 million.

Re-Assessment of Business Strategy

As part of ongoing efforts to continually improve our performance, we regularly evaluate our business plans and strategies, which have resulted in material changes to those plans. In recent years, losses reported in our AmTrust Reinsurance segment have produced significant levels of adverse prior period loss development, including amounts increasingly not covered by the LPT/ADC Agreement. Please refer to the *"Underwriting Results by Reportable Segment"* section on *"AmTrust Reinsurance Segment"* for further information.

As the run-off of our insurance liabilities has been more volatile than expected and our asset management strategies develop along timelines longer than initially anticipated, the need to allocate capital to other activities that produce more consistent levels of revenue and profit as we seek to create longer-term shareholder value has increased. As we have re-evaluated our longer-term strategy, we also engaged in an ongoing strategic evaluation of both the insurance and reinsurance marketplace and the ability of both the fee-based, distribution and the reinsurance markets to increase current income and improve our ability to utilize and recognize our deferred tax assets.

As a result, we determined that the near-term expansion of those strategies is appropriate and during 2024 we took steps to: 1) further de-emphasize our prior strategies; and 2) actively explore fee-based and distribution opportunities which are non-risk bearing and capital efficient while potentially being complemented by limited and selective deployment of reinsurance capacity to supplement those activities and enhance returns to shareholders.

These steps resulted in the announcement of our Combination Agreement with Kestrel on December 29, 2024. On April 29, 2025, the Company's shareholders approved all proposals related to the combination agreement at the Special Meeting. The transaction remains subject to customary closing conditions, the approval of listing of the shares of the combined company on the Nasdaq (subject to official notice of issuance) and the receipt of certain other regulatory approvals. Closing is currently expected to occur during the second quarter of 2025.

See *Note 1. Basis of Presentation* in the Notes to Condensed Consolidated Financial Statements included in Part I Item 1. "*Financial Information*" for further information. We believe the upcoming combination with Kestrel represents a transformative milestone for Maiden, and believe that Kestrel's balance sheet light, fee revenue model will enable us to realize our vision of delivering a strong fee-based insurance platform while selectively deploying underwriting capacity to optimize returns for shareholders.

In light of the revisions to our strategy, during 2024 we took steps to begin to reduce the asset management pillar of our strategy which are discussed below. Our alternative investments portfolio increased by 1.1% during the three months ended March 31, 2025 primarily due to net purchases of private equity funds in the first quarter of 2025. However we expect this portfolio to be reduced further in future periods as we continue to refine our capital and asset management strategy consistent with our revised business strategy. The alternative portfolio produced a lower positive net return of 0.3% during the three months ended March 31, 2025 compared to 3.4% for the same respective period in 2024. While we remain confident that our asset management strategy will achieve the returns we have set out to achieve, we currently believe it is more critical to reposition our balance sheet and increase our liquidity in support of the current initiatives being pursued.

While we have revised our strategy and believe that our upcoming combination with Kestrel will increase the likelihood of achieving our stated objectives, there can be no assurance that our insurance liabilities will run-off at levels that will permit further capital management activities, which we continually review as part of our strategy.

As a result, we continue to pursue finality solutions to resolve the AmTrust liabilities not covered by the LPT/ADC Agreement, including through third-parties. There can be no guarantee that we will execute such finality solutions and these solutions could involve significant charges to execute and we are actively evaluating the potential costs and benefits of such solutions, to the extent they are available to the Company.

2025 Developments

The run-off of our historic reinsurance programs produced underwriting income of \$7.5 million for the three months ended March 31, 2025 which was driven by favorable prior year reserve development of \$12.4 million for three months ended March 31, 2025. During the three months ended March 31, 2025, our book value decreased by 17.4% to \$0.38 per common share at March 31, 2025, and our non-GAAP book value decreased by 6.6% to \$1.42 per common share at March 31, 2025. There were no common share repurchases made in the three months ended March 31, 2025 under the Company's authorized common share repurchase plan. Please refer to the "*Results of Operations*" section for further information on our 2025 results to date.

Maiden Holdings North America ("Maiden NA")

We believe Maiden NA's investments, including its ownership of Maiden Reinsurance and its active asset management strategy, will create opportunities to utilize NOL carryforwards of \$460.8 million at March 31, 2025. Approximately \$379.9 million of these NOL carryforwards expire in various years beginning in 2029. As of March 31, 2025, \$81.0 million or 17.6% of the Company's NOL carryforwards have no expiry date under the relevant U.S. tax law. The NOL carryforwards combined with additional net deferred tax assets ("DTA") primarily related to our insurance liabilities result in net U.S. DTA (before valuation allowance) of \$167.5 million or \$1.68 per common share at March 31, 2025.

Net U.S. DTA of \$167.5 million is not presently recognized on the Company's condensed consolidated balance sheets as a full valuation allowance is carried against it. At this time, the Company believes it is necessary to maintain a full valuation allowance against the net U.S. DTA as more evidence is needed regarding the utilization of these losses. As circumstances further develop, we will continuously evaluate the amount of the valuation allowance held against the net U.S. DTA.

For further details on the NOL carryforwards, please see "*Note 13 — Income Taxes*" included under Item 8 "*Financial Statements and Supplementary Data*" of the Annual Report on Form 10-K for the year ended December 31, 2024. Taken together, we believe these measures should generate additional income for Maiden NA in a tax-efficient manner, while sharing in the improvement in profitability anticipated in Maiden Reinsurance as a result of the measures enacted as described above.

Three Months Ended March 31, 2025 and 2024 Financial Highlights

For the Three Months Ended March 31,	2025	2024	Change
<i>Summary Consolidated Statement of Income Data (unaudited):</i>			
	(\$ in thousands except per share data)		
Net (loss) income	\$ (8,645)	\$ 1,459	\$ (10,104)
<i>Basic and diluted (loss) earnings per common share:</i>			
Net (loss) income attributable to common shareholders ⁽²⁾	(0.09)	0.01	(0.10)
Gross premiums written	4,074	8,323	(4,249)
Net premiums earned	7,684	12,408	(4,724)
Underwriting income (loss) ⁽³⁾	7,454	(7,524)	14,978
Net investment results ⁽¹³⁾	3,643	17,056	(13,413)
<i>Non-GAAP measures:</i>			
Non-GAAP operating loss ⁽¹⁾	(2,807)	(4,950)	2,143
Non-GAAP basic and diluted operating loss per common share ⁽¹⁾	(0.03)	(0.05)	0.02
Annualized non-GAAP operating return on average adjusted shareholders' equity ⁽¹⁾	(7.8)%	(6.2)%	(1.6)

	March 31, 2025	December 31, 2024	Change
<i>Consolidated Financial Condition</i>			
	(\$ in thousands except per share data)		
Total investments and cash and cash equivalents ⁽⁴⁾	\$ 500,977	\$ 518,798	\$ (17,821)
Total assets	1,234,584	1,316,006	(81,422)
Reserve for loss and LAE	757,286	793,679	(36,393)
Senior notes - principal amount	262,361	262,361	—
Shareholders' equity	37,573	45,193	(7,620)
Total capital resources ⁽⁵⁾	299,934	307,554	(7,620)
Ratio of debt to total capital resources ⁽¹⁰⁾	87.5 %	85.3 %	2.2
<i>Book Value calculations:</i>			
Book value per common share ⁽⁶⁾	\$ 0.38	\$ 0.46	\$ (0.08)
Accumulated dividends per common share ⁽¹²⁾	4.27	4.27	—
Book value per common share plus accumulated dividends	\$ 4.65	\$ 4.73	\$ (0.08)
Change in book value per common share plus accumulated dividends	(1.7)%		
Diluted book value per common share ⁽⁷⁾	\$ 0.37	\$ 0.45	\$ (0.08)

<i>Non-GAAP measures:</i>			
Adjusted book value per common share ⁽⁸⁾	\$ 1.42	\$ 1.52	\$ (0.10)
Adjusted shareholders' equity ⁽⁹⁾	141,541	150,148	(8,607)
Adjusted total capital resources ⁽⁹⁾	403,902	412,509	(8,607)
Ratio of debt to adjusted total capital resources ⁽¹¹⁾	65.0 %	63.6 %	1.4

- (1) Non-GAAP operating earnings (loss), non-GAAP operating earnings (loss) per common share, and annualized non-GAAP operating return on average common shareholders' equity are non-GAAP financial measures. See "Key Financial Measures" for additional information.
- (2) Please refer to "Notes to Condensed Consolidated Financial Statements (unaudited) Note 12. Earnings per Common Share" for the calculation of basic and diluted income (loss) per common share.
- (3) 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. See "Key Financial Measures" for additional information.
- (4) Total investments and cash and cash equivalents includes both restricted and unrestricted.
- (5) Total capital resources is the sum of the Company's principal amount of debt and shareholders' equity. See "Key Financial Measures" for additional information.

- (6) Book value per common share is calculated using shareholders' equity divided by the number of common shares outstanding. See "*Key Financial Measures*" for additional information.
- (7) Diluted book value per common share is calculated by dividing shareholders' equity, adjusted for assumed proceeds from the exercise of dilutive options, by the number of outstanding common shares plus dilutive options and restricted shares (assuming exercise of all dilutive share based awards). See "*Key Financial Measures*" for additional information.
- (8) Adjusted book value per common share is a non-GAAP measure that is calculated using shareholders' equity, adjusted by adding to shareholders' equity the unamortized deferred gain on retroactive reinsurance arising from the LPT/ADC Agreement, divided by the number of common shares outstanding. See "*Key Financial Measures*" for additional information.
- (9) Adjusted shareholders' equity and adjusted total capital resources are calculated by adding to shareholders' equity the unamortized deferred gain on retroactive reinsurance arising from the LPT/ADC Agreement with Cavello relating to losses from the AmTrust Quota Share agreement. Under U.S. GAAP, the deferred gain shall be amortized over the estimated remaining settlement period. See "*Key Financial Measures*" for additional information.
- (10) Ratio of debt to total capital resources is calculated using the total principal amount of debt divided by the sum of total capital resources.
- (11) Ratio of debt to adjusted total capital resources is calculated using the total principal amount of debt divided by the sum of adjusted total capital resources.
- (12) Accumulated dividends per common share includes the cumulative sum of dividends declared and paid in the past on the Company's issued common shares since inception.
- (13) Net investment results include the sum of net investment income, net realized and unrealized gains (losses), and interest in income (loss) of equity method investments.

Key Financial Measures

In addition to our key financial measures presented in accordance with GAAP in the Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Income and Comprehensive Income, management uses certain non-GAAP financial measures to evaluate the Company's financial performance and the overall growth in value generated for the Company's common shareholders. Management believes that these measures, which may be defined differently by other companies, explain the Company's results to investors in a manner that allows for a more complete understanding of the underlying trends in the Company's business. The non-GAAP measures should not be viewed as a substitute for those determined in accordance with U.S. GAAP. The calculation of these key financial measures including the reconciliation of non-GAAP measures to the nearest GAAP measure and relevant discussions are found within *Item 2 - "Management's Discussion and Analysis of Financial Condition and Results of Operations"*. These non-GAAP financial measures are:

Non-GAAP operating earnings (loss) and non-GAAP diluted operating earnings (loss) per common share: 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.

Non-GAAP operating earnings (loss) is an internal performance measure used by management as these measures focus on the underlying fundamentals of the Company's operations by excluding, on a recurring basis: (1) net realized investment gains (losses); (2) foreign exchange and other gains (losses); (3) the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under the LPT/ADC Agreement and related changes in amortization of the deferred gain liability; and (4) interest in income (loss) of equity method investments. We excluded net realized investment gains (losses), interest in income (loss) of equity method investments and foreign exchange and other gains (losses) as we believe these are influenced by market opportunities and other factors. We do not believe that ceded risks under the LPT/ADC Agreement are representative of our ongoing and future business which are different to retroactive reinsurance risks written by GLS that are representative of ongoing business. We believe all of these amounts are substantially independent of our business and any potential future underwriting process, therefore their inclusion would distort the analysis of underlying trends in our operations.

Underwriting income (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. A reconciliation of the Company's underwriting results can be found in the Condensed Consolidated Financial Statements in the *"Notes to Condensed Consolidated Financial Statements (unaudited) Note 3. Segment Information"* included under *Item 1. "Financial Statements"* of this Quarterly Report on Form 10-Q.

The Company no longer presents certain non-GAAP measures such as combined ratio and its related components in this Quarterly Report on Form 10-Q for the three months ended March 31, 2025, as it believes that as the run-off of our reinsurance portfolios progresses, such ratios are increasingly not meaningful and of less value to readers as they evaluate the financial results of the Company, particularly compared to historical data.

While an important metric of success, underwriting income (loss) does not reflect all components of profitability, as it does not recognize the impact of investment income earned on premiums between the time premiums are received and the time loss payments are ultimately paid to clients. Because we do not manage our cash and investments by segment, investment income and interest expense are not allocated to the reportable segments. Certain general and administrative expenses are generally allocated to segments based on actual costs incurred.

Non-GAAP Operating Return on Average Adjusted Shareholders' Equity ("Non-GAAP Operating ROACE"): 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 (loss) available to common shareholders (as defined above) divided by average adjusted shareholders' equity.

Book Value per Common Share and Diluted Book Value per Common Share: Book value per common share and diluted book value per common share are non-GAAP measures. Management uses growth in both of these metrics as a prime measure of the value we are generating for our common shareholders, because management believes that growth in each metric ultimately results in growth in the Company's common share price. These metrics are 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 fixed income investment portfolio, as well as common share repurchases.

Ratio of Debt to Total Capital Resources: Management uses this non-GAAP measure to monitor the financial leverage of the Company. This measure is calculated using the total principal amount of debt divided by the sum of total capital resources.

Non-GAAP underwriting income (loss) and Non-GAAP Net Loss and LAE: Management has further adjusted underwriting income (loss), as defined above, as well as reported net loss and LAE by excluding the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements such as the LPT/ADC Agreement. The losses are estimated to be fully recoverable from Cavello and management believes adjusting for this development shows the ultimate economic benefit of the LPT/ADC Agreement on our underwriting results.

We believe reflecting the economic benefit of this retroactive reinsurance agreement is helpful for understanding future trends in our operations.

Adjusted Total Shareholders' Equity, Adjusted Total Capital Resources, Ratio of Debt to Adjusted Total Capital Resources and Adjusted Book Value per Common Share: Management has adjusted GAAP shareholders' equity by adding to shareholders' equity the unamortized deferred gain on ceded retroactive reinsurance under the LPT/ADC Agreement to shareholders' equity. The deferred gain liability on retroactive reinsurance under the LPT/ADC Agreement represents loss reserves estimated to be fully recoverable from Cavello. The unamortized deferred gain on ceded retroactive reinsurance under the LPT/ADC Agreement includes the aggregate impact of: 1) cumulative increases to losses incurred prior to December 31, 2018 for which we have ceded the risk under the LPT/ADC Agreement; and 2) changes in estimated ultimate losses for certain workers' compensation reserves previously commuted by the Company to AmTrust which are subject to specific terms and conditions pursuant to the LPT/ADC Agreement.

As a result, by virtue of this adjustment, management has also adjusted Total Capital Resources and computed the Ratio of Debt to Adjusted Capital Resources and Adjusted Book Value per Common Share. We believe adjusting for this shows the ultimate economic benefit of the LPT/ADC Agreement and reflecting the economic benefit of this non-recurring retroactive reinsurance agreement is helpful to understand future trends in our operations, which will improve the Company's shareholders' equity over the settlement or contract periods, respectively.

Alternative investments is the total of the Company's holdings of equity securities, other investments and equity method investments as reported on the Company's Condensed Consolidated Balance Sheets.

Certain Operating Measures

Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 10, 2025, for a general discussion on "Certain Operating Measures" utilized by the Company.

Critical Accounting Policies and Estimates

The critical accounting policies and estimates should be read in conjunction with "Part I, Item 1 - Notes to Condensed Consolidated Financial Statements (unaudited) Note 2. Significant Accounting Policies" included in this Form 10-Q and "Notes to Consolidated Financial Statements Note 2. Significant Accounting Policies" included within the audited Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 10, 2025. There have been no material changes in the application of our critical accounting estimates subsequent to that report.

Results of Operations

The following table sets forth our selected unaudited Condensed Consolidated Statement of Income data for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Gross premiums written	\$ 4,074	\$ 8,323
Net premiums written	\$ 4,049	\$ 8,314
Net premiums earned	\$ 7,684	\$ 12,408
Other insurance revenue, net	—	46
Net loss and LAE	7,623	(11,625)
Commission and other acquisition expenses	(4,558)	(5,593)
General and administrative expenses ⁽¹⁾	(3,295)	(2,760)
Underwriting income (loss)⁽²⁾	7,454	(7,524)
Other general and administrative expenses ⁽¹⁾	(7,478)	(5,300)
Net investment income	3,034	7,700
Net realized and unrealized investment gains	3,331	8,750
Foreign exchange and other (losses) gains	(7,434)	2,053
Interest and amortization expenses	(4,818)	(4,815)
Income tax expense	(12)	(11)
Interest in (loss) income of equity method investments	(2,722)	606
Net (loss) income	\$ (8,645)	\$ 1,459

- (1) Underwriting related general and administrative expenses is a non-GAAP measure. Please refer to "General and Administrative Expenses" below for additional information related to these corporate expenses and the reconciliation to those presented in our unaudited Condensed Consolidated Statements of Income.
- (2) Underwriting 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.
- (3) The Company no longer presents certain non-GAAP measures such as combined ratio and its related components in its results of operation, 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.

Net (loss) income

Net loss for the three months ended March 31, 2025 was \$8.6 million compared to net income of \$1.5 million for the same respective period in 2024. The decrease in our financial results for the first quarter of 2025 compared to the first quarter of 2024 was primarily due to the following factors:

- an underwriting income of \$7.5 million for the three months ended March 31, 2025 compared to an underwriting loss of \$7.5 million in the same period in 2024 largely due to:
 - favorable prior year loss development ("PPD") of \$12.4 million in the first quarter of 2025 compared to adverse PPD of \$6.6 million during the same period in 2024, detailed as follows;
 - Our AmTrust Reinsurance segment had favorable PPD of \$7.8 million in the first quarter of 2025 compared to adverse PPD of \$7.2 million for the first quarter of 2024.
 - Our Diversified Reinsurance segment had favorable PPD of \$4.6 million in the first quarter of 2025 compared to favorable PPD of \$0.7 million for the first quarter of 2024.
 - On a current accident year basis, underwriting loss was \$4.9 million for the three months ended March 31, 2025 compared to an underwriting loss of \$1.0 million for the same period in 2024.
- lower income from investment activities which totaled \$3.6 million for the three months ended March 31, 2025 compared to \$17.1 million for the same period in 2024 primarily due to continued negative operating cash flows due to settlement of claim payments to AmTrust as we run-off existing reinsurance liabilities in the AmTrust Reinsurance segment. The change in investment activities was comprised of:
 - net investment income decreased to \$3.0 million for the three months ended March 31, 2025 compared to \$7.7 million that was earned for the same period in 2024;
 - realized and unrealized investment gains of \$3.3 million for the three months ended March 31, 2025 compared to gains of \$8.8 million for the same period in 2024; and
 - interest in loss of equity method investments of \$2.7 million for the three months ended March 31, 2025 compared to income of \$0.6 million in 2024.

- corporate general and administrative expenses increased to \$7.5 million for the three months ended March 31, 2025 compared to corporate expenses of \$5.3 million for the same period in 2024 primarily due to significantly higher expenses related to our pending business combination with Kestrel; and
- foreign exchange and other losses of \$7.4 million for the three months ended March 31, 2025, compared to foreign exchange and other gains of \$2.1 million for the same period in 2024, primarily due to significant weakening of the U.S dollar on the re-measurement of net loss reserves and insurance related liabilities denominated in the British pound and euro.

Net Premiums Written

Net premiums written by our reportable segments, reconciled to the total consolidated net premiums written for the three months ended March 31, 2025 and 2024 are detailed below:

For the Three Months Ended March 31, (\$ in thousands)	2025	2024	Change in	
	Total	Total	\$	%
Diversified Reinsurance	\$ 4,991	\$ 8,819	\$ (3,828)	(43.4)%
AmTrust Reinsurance	(942)	(505)	(437)	86.5 %
Total	\$ 4,049	\$ 8,314	\$ (4,265)	(51.3)%

Net premiums written for the three months ended March 31, 2025 decreased to \$4.0 million, compared to net premiums written of \$8.3 million for the same period in 2024:

- Premiums written in the Diversified Reinsurance segment decreased by \$3.8 million for the three months ended March 31, 2025, compared to the same respective period in 2024 due to the pending sale of Maiden LF and Maiden GF as discussed in *Note 14. Assets Held for Sale* of the Notes to Condensed Consolidated Financial Statements in Part I Item 1. "*Financial Information*". As part of these transactions, Maiden LF and Maiden GF are no longer writing new business and their non-underwriting related assets and liabilities are represented as held-for-sale in our condensed consolidated financial statements.
- Premiums written in the AmTrust Reinsurance segment decreased by \$0.4 million for the three months ended March 31, 2025, compared to the same respective period in 2024.

Please refer to the analysis below of our Diversified Reinsurance and AmTrust Reinsurance segments for further details.

Net Premiums Earned

Net premiums earned decreased by \$4.7 million for the three months ended March 31, 2025 compared to the same respective period in 2024. Net premiums earned by our reportable segments, reconciled to the total consolidated net premiums earned, for the three months ended March 31, 2025 and 2024 are detailed as follows:

For the Three Months Ended March 31, (\$ in thousands)	2025	2024	Change in	
	Total	Total	\$	%
Diversified Reinsurance	\$ 5,000	\$ 8,991	\$ (3,991)	(44.4)%
AmTrust Quota Share Reinsurance	2,684	3,417	(733)	(21.5)%
Total	\$ 7,684	\$ 12,408	\$ (4,724)	(38.1)%

Net premiums earned in the Diversified Reinsurance segment for the three months ended March 31, 2025 decreased by \$4.0 million or 44.4% compared to the same respective period in 2024 due to the pending sale of Maiden LF and Maiden GF as discussed above. Please refer to the analysis of our Diversified Reinsurance segment for further discussion.

Net premiums earned in the AmTrust Reinsurance segment for the three months ended March 31, 2025 decreased by \$0.7 million or 21.5% compared to the same respective period in 2024. Please refer to the analysis of our AmTrust Reinsurance segment for further discussion.

Other Insurance Revenue

Other Insurance Revenue has been primarily produced by our Diversified Reinsurance segment. Please refer to the analysis below of our Diversified Reinsurance segment for further discussion.

Net Investment Income

Net investment income decreased by \$4.7 million or 60.6% for the three months ended March 31, 2025, compared to the same respective period in 2024. Annualized average book yields decreased to 2.7% for the three months ended March 31, 2025, compared to 4.6% for the same respective period in 2024 due to the following factors:

- Loan to related party interest income decreased by \$2.5 million for the three months ended March 31, 2025 compared to the same period in 2024 as interest income on the loan receivable is now offset by interest payable on the premium repayment to AmTrust as discussed in *Note 10. Related Party Transactions*. Net interest income earned on the net loan was also offset by a non-recurring adjustment of \$1.2 million in the three months ended March 31, 2025 due to contractual reductions regarding the timing of paid loss settlements in 2024. Therefore, the net loan carried a lower

weighted average interest rate on a balance of \$128.1 million which decreased to 1.9% for the three months ended March 31, 2025, compared to 7.3% on a balance of \$168.0 million for the same respective period in 2024;

- Interest income on our funds withheld receivable decreased by \$0.8 million for the three months ended March 31, 2025, compared to the same period in 2024. At March 31, 2025, the funds withheld balance with AmTrust was \$0.0 million compared to \$61.0 million at March 31, 2024. Funds withheld receivable from AmTrust had earned an annual interest rate of 3.5% for much of 2024, until it was fully exhausted in the third quarter of 2024.

Average aggregate fixed income assets for the three months ended March 31, 2025 decreased by 25.9% compared to the same period in 2024 due to continued run-off of our reinsurance liabilities previously written on prospective risks. For the three months ended March 31, 2025 and 2024, we experienced negative operating cash flows due to settlement of claim payments to AmTrust as we run-off existing reinsurance liabilities in the AmTrust Reinsurance segment. Floating rate investments comprise 49.4% of our fixed income investments at March 31, 2025 compared to 51.1% at March 31, 2024.

The following table details our average aggregate fixed income assets (at cost) and annualized investment book yield for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Average aggregate fixed income assets, at cost ⁽¹⁾	\$ 428,013	\$ 577,388
Annualized investment book yield	2.7 %	4.6 %

(1) 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.

Net Realized and Unrealized Investment Gains

Net realized and unrealized investment gains of \$3.3 million were recognized for the three months ended March 31, 2025, compared to net realized and unrealized investment gains of \$8.8 million for the same respective period in 2024. The reduction in unrealized gains was attributable in part to the reduced size of the Company's alternative asset portfolio as it continues to divest these assets in conjunction with its change in business strategy. Net realized and unrealized investment gains for the three months ended March 31, 2025 and 2024 are summarized in the table below by investment category:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Net realized gains (losses):		
Fixed income assets ⁽¹⁾	\$ (1)	\$ (218)
Other investments	(133)	—
Total net realized losses	(134)	(218)
Net unrealized gains (losses):		
Other investments	4,762	9,839
Equity securities	(1,297)	(871)
Total net unrealized gains	3,465	8,968
Net realized and unrealized investment gains	<u>\$ 3,331</u>	<u>\$ 8,750</u>

(1) Fixed income assets includes AFS securities as well as cash, restricted cash, funds withheld receivable, and loan to related party.

Interest in Income of Equity Method Investments

Total interest in loss of equity method investments of \$2.7 million were recognized for the three months ended March 31, 2025 compared to an interest in the income of equity method investments of \$0.6 million for the same respective period in 2024. Equity method investments consist of real estate investments of \$58.1 million and other investments of \$20.7 million as of March 31, 2025. Interest in (loss) income of equity method investments for the three months ended March 31, 2025 and 2024 is detailed by investment category below:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Other investments	\$ (2,676)	\$ 253
Real estate investments	(46)	353
Interest in (loss) income of equity method investments	<u>\$ (2,722)</u>	<u>\$ 606</u>

Net Loss and LAE

Net loss and LAE decreased by \$19.2 million for the first quarter of 2025 compared to the same period in 2024. Net losses were impacted by net favorable PPD of \$12.4 million for the first quarter of 2025 compared to net adverse PPD of \$6.6 million for the same period in 2024. Excluding PPD, current year losses were \$4.7 million for the first quarter of 2025 compared to \$5.1 million for the first quarter of 2024.

The cessation of active reinsurance underwriting on prospective risks included the termination of the AmTrust Quota Share and European Hospital Liability Quota Share effective January 1, 2019. The segment net loss development is discussed in greater detail in the individual segment discussion and analysis and is primarily associated with run-off of unearned premium for terminated reinsurance contracts in the AmTrust Reinsurance and Diversified Reinsurance segments.

Commission and Other Acquisition Expenses

Commission and other acquisition expenses decreased by \$1.0 million or 18.5% for the three months ended March 31, 2025, compared to the same respective period in 2024 primarily due to lower earned premiums in both segments.

Total acquisition expenses increased as a percentage of net premiums earned for the three months ended March 31, 2025 driven by accelerated amortization of deferred acquisition costs upon the recognition of a premium deficiency of \$1.3 million in the AmTrust Reinsurance segment. Please see further discussion in the individual segment analysis further below.

General and Administrative Expenses

General and administrative expenses include both segment and corporate expenses segregated for analytical purposes as a component of underwriting income. Total general and administrative expenses increased by \$2.7 million or 33.7% for the three months ended March 31, 2025, compared to the same period in 2024.

Corporate expenses increased by \$2.2 million or 41.1% for the three months ended March 31, 2025, largely due to higher professional service fees related to the Company's pending combination with Kestrel. Excluding these non-recurring expenses, our adjusted operating expenses increased 3.3% to \$8.0 million for the three months ended March 31, 2025, compared to \$7.8 million for the same period in 2024. The majority of these expenses were related to higher legal fees for ongoing litigation and claims disputes partly offset by lower compensation costs. Corporate expenses also included vesting of certain stock-based awards which were \$0.5 million for the three months ended March 31, 2025 compared to \$0.4 million for the same period in 2024.

General and administrative expenses for the three months ended March 31, 2025 and 2024 were comprised of:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
General and administrative expenses – segments	\$ 3,295	\$ 2,760
General and administrative expenses – corporate	7,478	5,300
Total general and administrative expenses	\$ 10,773	\$ 8,060

Expenses related to the Company's IIS business, which is no longer writing new business and has entered into the AmTrust Renewal Rights Agreements, were 16.2% of recurring operating expenses for the three months ended March 31, 2025.

Interest and Amortization Expenses

Total interest and amortization expenses related to outstanding senior notes issued by Maiden Holdings in 2016 and Maiden NA in 2013 ("Senior Notes") were \$4.8 million for the three months ended March 31, 2025 and 2024, respectively. This included \$4.8 million of interest expense on the Senior Notes in the three months ended March 31, 2025 and 2024, respectively.

The issuance costs related to the Senior Notes were capitalized and are amortized over their effective life using the effective interest method of amortization. Amortization expenses were \$41.0 thousand for the three months ended March 31, 2025, compared to amortization expense of \$39.0 thousand for the same respective period in 2024.

Please refer to "Notes to Condensed Consolidated Financial Statements (unaudited) Note 7. Long Term Debt" for further details on the Senior Notes. The weighted average effective interest rate for the Senior Notes was 7.6% for the three months ended March 31, 2025 and 2024, respectively.

Foreign Exchange and Other (Losses) Gains

Net foreign exchange and other losses of \$7.4 million were realized for the three months ended March 31, 2025 compared to net foreign exchange and other gains of \$2.1 million for the same period in 2024. For the three months ended March 31, 2025, net foreign exchange losses of \$7.9 million were attributable to significant weakening of the U.S. dollar on the re-measurement of net loss reserves and insurance related liabilities denominated in the British pound and euro.

Net foreign exchange gains of \$2.1 million were realized for the three months ended March 31, 2024. The net foreign exchange gains of \$2.1 million in the first quarter of 2024 were driven by modest strengthening of the U.S. dollar on the re-measurement of net loss reserves and insurance related liabilities denominated in British pound and euro during the period.

Foreign currency fluctuations are primarily driven by exposures to euro, British pound and other non-USD denominated net loss reserves and insurance related liabilities in excess of foreign currency assets. Our non-USD denominated liabilities at March 31, 2025 included net loss reserves of \$344.5 million. Our foreign currency asset exposures at March 31, 2025 included \$126.6 million of fixed maturity securities managed by our investment managers who have the discretion to hold foreign

currency exposures as part of their total return strategy, \$30.6 million of equity method real estate investments denominated in Canadian dollars, as well as \$12.6 million of funds withheld receivable.

Underwriting Results by Reportable Segment

Diversified Reinsurance Segment

The underwriting results for our Diversified Reinsurance segment for the three months ended March 31, 2025 and 2024 were as follows:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Gross premiums written	\$ 5,016	\$ 8,828
Net premiums written	\$ 4,991	\$ 8,819
Net premiums earned	\$ 5,000	\$ 8,991
Other insurance revenue, net	—	46
Net loss and LAE	2,234	(2,924)
Commission and other acquisition expenses	(2,291)	(4,295)
General and administrative expenses	(2,689)	(2,090)
Underwriting income (loss)	\$ 2,254	\$ (272)

Underwriting income (loss) by business unit is detailed in the table below for the Diversified Reinsurance segment for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
International	\$ (795)	\$ (655)
GLS	1,190	(88)
Other run-off lines	1,859	471
Underwriting income (loss)	\$ 2,254	\$ (272)

Premiums — As discussed in the "Overview" section, Maiden LF and Maiden GF are no longer writing new business and have entered into the AmTrust Renewal Rights Agreements which are expected to cover certain programs of Maiden LF and Maiden GF's primary business written in Sweden, Norway, other Nordic countries, the United Kingdom and Ireland. In addition, on November 29, 2024, the Company entered into an agreement to sell its Swedish subsidiaries, Maiden LF and Maiden GF to an expanding group of international insurance and reinsurance companies headquartered in the United Kingdom. Maiden LF and Maiden GF were the principal operating subsidiaries of the Company's IIS platform; therefore we will continue to experience limited premium written for 2025 in the Diversified Segment. Please refer to *Note 14. Assets Held for Sale* of the Notes to Condensed Consolidated Financial Statements included in Part I Item 1. "Financial Information" for more details.

Gross premiums written decreased by \$3.8 million or 43.2% for the three months ended March 31, 2025 while net premiums written decreased by \$3.8 million or 43.4% for the three months ended March 31, 2025, compared to the same respective period in 2024. Net premiums earned decreased by \$4.0 million or 44.4% during the three months ended March 31, 2025, compared to the same respective period in 2024.

Other insurance revenue, net — Other insurance revenue, net includes fee related income generated from our GLS business, fair value changes in underwriting-related derivatives related to certain coverages on retroactive reinsurance contracts written by GLS, and fee income derived from our IIS business not directly associated with premium revenue assumed. Other insurance revenue, net included \$46.0 thousand of service fee income earned for the three months ended March 31, 2024, with no other insurance revenue earned in the three months ended March 31, 2025.

Net Loss and LAE — Net loss and LAE decreased by \$5.2 million for the three months ended March 31, 2025, compared to the same respective period in 2024. The net loss and LAE was impacted by net favorable PPD of \$4.6 million for the three months ended March 31, 2025 compared to favorable PPD of \$0.7 million for the same period in 2024.

The net favorable PPD for the three months ended March 31, 2025 was primarily from favorable development in GLS and other runoff business lines as shown in the table below. GLS experienced favorable PPD due to the pending commutation of a GLS contract which is awaiting approval by the Vermont DFR. The net favorable development for the three months ended March 31, 2024 was primarily from GLS and other runoff business lines.

The table below details PPD by line of business for the three months ended March 31, 2025 and 2024:

For the Three Months Ended March 31,	2025	2024
Prior Year Loss Development adverse (favorable)	(\$ in thousands)	
IIS business	\$ (151)	\$ 352
GLS	(2,535)	(522)
Other run-off lines	(1,871)	(485)
Total Diversified Reinsurance Prior Year Development	\$ (4,557)	\$ (655)

Commission and Other Acquisition Expenses — Commission and other acquisition expenses decreased by \$2.0 million or 46.7% for the three months ended March 31, 2025, compared to the same respective period in 2024 due to lower premiums written and earned by Maiden LF and GF as they are no longer writing new business having entered into the AmTrust Renewal Rights Agreements in 2024.

General and Administrative Expenses — General and administrative expenses increased by \$0.6 million or 28.7% for the three months ended March 31, 2025, compared to the same respective period in 2024.

AmTrust Reinsurance Segment

The AmTrust Reinsurance segment reported underwriting income of \$5.2 million during the three months ended March 31, 2025, compared to an underwriting loss of \$7.3 million for the same respective period in 2024.

The underwriting results for the AmTrust Reinsurance segment for the three months ended March 31, 2025 and 2024 were as follows:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Gross premiums written	\$ (942)	\$ (505)
Net premiums written	\$ (942)	\$ (505)
Net premiums earned	\$ 2,684	\$ 3,417
Net loss and LAE	5,389	(8,701)
Commission and other acquisition expenses	(2,267)	(1,298)
General and administrative expenses	(606)	(670)
Underwriting income (loss)	\$ 5,200	\$ (7,252)

Premiums — The table below shows net premiums written by category for the three months ended March 31, 2025 and 2024:

For the Three Months Ended March 31,	2025	2024	Change in
(\$ in thousands)	Total	Total	\$
Net Premiums Written			
Small Commercial Business	\$ (259)	\$ (492)	\$ 233
Specialty Program	—	(15)	15
Specialty Risk and Extended Warranty	(683)	2	(685)
Total AmTrust Reinsurance	\$ (942)	\$ (505)	\$ (437)

The negative premiums for the three months ended March 31, 2025 and March 31, 2024 reflect the termination of the AmTrust Quota Share and the European Hospital Liability Quota Share as of January 1, 2019 which has resulted in no new business written under these contracts since 2018.

Net premiums earned decreased by \$0.7 million for the three months ended March 31, 2025 compared to the same respective period in 2024. The table below provides detail on net premiums earned in the three months ended March 31, 2025 and 2024:

For the Three Months Ended March 31, (\$ in thousands)	2025	2024	Change in
	Total	Total	\$
Net Premiums Earned			
Small Commercial Business	\$ (259)	\$ (492)	\$ 233
Specialty Program	—	(15)	15
Specialty Risk and Extended Warranty	2,943	3,924	(981)
Total AmTrust Reinsurance	\$ 2,684	\$ 3,417	\$ (733)

Net Loss and LAE — Net loss and LAE decreased by \$14.1 million for the three months ended March 31, 2025, compared to the same respective period in 2024. This was driven by favorable PPD under the AmTrust Quota Share for the three months ended March 31, 2025 compared to adverse development for the same respective period in 2024. Net favorable PPD was \$7.8 million during the three months ended March 31, 2025, compared to net adverse development of \$7.2 million for the same respective period in 2024, incurred primarily within the AmTrust Quota Share and European Hospital Liability Quota Share.

The table below shows PPD for the AmTrust Reinsurance segment for the three months ended March 31, 2025 and 2024:

	For the Three Months Ended March 31,	
	2025	2024
	(\$ in thousands)	
Prior Year Loss Development adverse (favorable)		
AmTrust Quota Share	\$ (1,655)	\$ 5,000
LPT/ADC Agreement	(6,176)	(317)
European Hospital Liability Quota Share	27	2,535
Total AmTrust Prior Year Development	\$ (7,804)	\$ 7,218

Net favorable PPD for the three months ended March 31, 2025 was primarily due to the amortization of the deferred gain liability of \$5.9 million under the LPT/ADC Agreement since cumulative paid losses exceed the risk retention under the LPT/ADC Agreement. There was also a reduction of \$0.3 million in the credit loss allowance for reinsurance recoverable under the LPT/ADC Agreement for the three months ended March 31, 2025.

Net adverse development of \$7.2 million for the three months ended March 31, 2024 was primarily due to the AmTrust Quota Share contract, with European Hospital Liability also producing adverse loss development. In the AmTrust Quota Share, U.S. Program business experienced continuing adverse development from construction defect coverage for accident years 2015 to 2018 as new claims emergence reported by AmTrust was again far greater than expected; this was partly offset by continued favorable development within Workers Compensation business for accident years 2014 to 2017. Net adverse loss development on European Hospital Liability Quota Share was primarily driven by emergence of loss data from adverse claim verdicts on older claims prior to 2014, resulting in strengthening of loss development tail on underwriting years 2011 to 2014.

Commission and Other Acquisition Expenses — Commission and other acquisition expenses increased by \$1.0 million for the three months ended March 31, 2025, compared to the same respective period in 2024. Total acquisition costs increased as a percentage of net premiums earned in 2024 due to accelerated amortization of deferred acquisition costs upon the recognition of a premium deficiency of \$1.3 million for the AmTrust Quota Share for the three months ended March 31, 2025. There was no recognition of a premium deficiency for the same respective period in 2024.

General and Administrative Expenses — General and administrative expenses decreased by \$0.1 million for the three months ended March 31, 2025, compared to the same respective period in 2024.

Liquidity and Capital Resources

Liquidity

Maiden Holdings is a holding company and transacts no business of its own. We therefore rely on cash flows in the form of dividends, advances, loans and other permitted distributions from our subsidiary companies to pay expenses and make dividend payments on our common shares. The jurisdictions in which our operating subsidiaries are licensed to write business impose regulations requiring companies to maintain or meet statutory solvency and liquidity requirements and also place restrictions on the declaration and payment of dividends and other distributions.

As of March 31, 2025, the Company had investable assets of \$641.7 million compared to \$699.4 million as of December 31, 2024. Investable assets include the combined total of our investments, cash and restricted cash including cash equivalents, loan to a related party and funds withheld receivable. Our investable assets decreased by \$57.7 million during the three months ended March 31, 2025 due to continued run-off of our reinsurance portfolio liabilities as claim payments were settled primarily from sales and maturities of AFS bond securities, as well as our loan to related party which decreased by \$39.9 million in the three months ended March 31, 2025.

The regulatory and liquidity requirements of the Company's operating segments are discussed in *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024, that was filed with the SEC on March 10, 2025.

Maiden Reinsurance re-domesticated from Bermuda to Vermont on March 16, 2020. We continue to be actively engaged with the Vermont DFR regarding Maiden Reinsurance's longer term business plan, including its investment policy, changes to which require prior regulatory approval as stipulated by Vermont law or the Vermont DFR for active underwriting, capital management or other strategic initiatives, including our Combination Agreement with Kestrel. Please see *Note 15. Subsequent Events* in the Notes to Condensed Consolidated Financial Statements under Part I Item 1. *"Financial Information"* for additional information on the regulatory approval process related to the Combination Agreement with Kestrel.

Maiden Reinsurance has received all necessary approvals required to date by the Vermont DFR in respect of its business plan, including GLS activities and its investment policy, which includes: 1) the expansion of approved asset classes for investment reflecting not only Maiden Reinsurance's solvency position but the material reduction in required capital necessary to operate its business; and 2) the purchase of affiliated securities as demonstrated in prior common share repurchases. The Investment Policy, as approved and as amended, maintains our established investment management and governance practices.

In 2024 and 2025, the Vermont DFR approved an annual dividend program to be paid by Maiden Reinsurance to Maiden NA, with notification to the Vermont DFR as dividends are paid. During the three months ended March 31, 2025, Maiden Reinsurance paid dividends of \$6.3 million to Maiden NA (2024: \$6.3 million) as part of the approved dividend program. During the three months ended March 31, 2025 and 2024, Maiden NA did not pay any dividends to Maiden Holdings.

We may experience continued volatility in our results of operations which could negatively impact our financial condition and create a reduction in the amount of available distribution or dividend capacity from our regulated reinsurance subsidiaries, which would also reduce liquidity. Further, we and our insurance subsidiaries may need additional capital to maintain compliance with regulatory capital requirements and/or be required to post additional collateral under existing reinsurance arrangements, which could reduce our liquidity.

Operating, investing and financing cash flows

Our sources of funds historically have consisted of premium receipts net of commissions and brokerage, investment income, net proceeds from capital raising activities, and proceeds from sales, maturities, pay downs and redemption of investments. Cash is currently used primarily to pay loss and LAE, ceded reinsurance premium, general and administrative expenses, and interest expense, with the remainder in excess of our operating requirements made available to our investment managers for investment in accordance with our investment policy as well as for capital management such as repurchasing our shares.

Our business has undergone significant changes since 2018. As previously noted, we engaged in a series of transactions that have materially reduced our balance sheet risk and transformed our operations. As a result of these transactions, we are not presently engaged in any active underwriting of new prospective reinsurance business thus our net premiums written will continue to be materially lower and investment income will become a significantly larger portion of our total revenues. We have not written any new retroactive risks through GLS since December 30, 2022, and this will be smaller in relation to the run-off of our prior reinsurance business. During the three months ended March 31, 2025, we experienced negative operating cash flows as we run off the AmTrust Reinsurance segment reserves as shown in the cash flows table further below.

We currently expect a trend of positive investing cash flows through 2025, and will use funds from cash and investment portfolios, collected premiums on reinsurance contracts in force or being run-off, investment income and proceeds from investment sales and redemptions to meet our expected claims payments and operational expenses. Claim payments will be principally from the run-off of existing reserves for loss and LAE. A significant portion of those liabilities are collateralized and claim payments will be funded by using this collateral which should provide sufficient funding to fulfill those obligations.

The Company's management believes our current sources of liquidity are adequate to meet its cash requirements for the next twelve months as we generally expect operating cash flows to be sufficiently offset by investing cash flows. The consideration and related expenses associated with completing the Combination Agreement with Kestrel will use substantial amounts of current liquidity. While we continue to expect our cash flows to be sufficient to meet our cash requirements and to operate our business, our ability to execute our asset and capital management initiatives are dependent on maintaining adequate levels of unrestricted liquidity and cash flows. Our expanded asset management strategy can be impacted by both investment specific and broader financial market conditions and may not produce the expected liquidity and cash flows these investments are designed to achieve, or the timing thereof may also be impacted by those factors.

At March 31, 2025, unrestricted cash, cash equivalents and fixed maturity investments were \$42.5 million compared to \$75.0 million held at December 31, 2024, a decrease of \$32.5 million during the three months ended March 31, 2025. This was primarily driven by a \$30.2 million decrease in our AFS bond portfolio due to sales and maturities during the three months ended March 31, 2025, the proceeds of which were used for operating expenses and interest payments on our Senior Notes.

Please see the related discussion on investing and financing cash flows below. The table below summarizes our operating, investing and financing cash flows for the three months ended March 31, 2025 and 2024:

For the Three Months Ended March 31,	2025	2024
	(\$ in thousands)	
Operating activities	\$ (21,126)	\$ 8,049
Investing activities	29,477	(19,736)
Financing activities	—	(673)
Effect of exchange rate changes on foreign currency cash	809	(148)
Total increase (decrease) in cash, restricted cash and cash equivalents	\$ 9,160	\$ (12,508)

Cash Flows used in Operating Activities

Cash flows used in operating activities for the three months ended March 31, 2025 was \$21.1 million compared to cash flows provided by operating activities of \$8.0 million for the three months ended March 31, 2024. The increase in cash used in operating activities for the three months ended March 31, 2025 was due to claim payments for ongoing runoff of reinsurance liabilities whereas the settlement of claims was primarily through the funds withheld receivable in the three months ended March 31, 2024.

Cash Flows provided by Investing Activities

Cash flows provided by investing activities consist primarily of proceeds from sales and maturities of investments net of purchases. Net cash provided by investing activities was \$29.5 million for the three months ended March 31, 2025 compared to net cash used in investing activities of \$19.7 million for the same period in 2024.

For the three months ended March 31, 2025, the proceeds from the sales, maturities and calls exceeded the purchases of fixed maturity securities by \$31.8 million compared to net purchases of \$10.8 million for the same period in 2024. The size of the fixed income investment portfolio has diminished as claims payments are made for the runoff of existing loss reserves for the terminated AmTrust Quota Share and the European Hospital Liability Quota Share contracts.

For the three months ended March 31, 2025 and 2024, investing cash flows included purchases of alternative investments which exceeded proceeds from the sales and redemptions. There were net purchases of \$2.3 million for alternative investments during the three months ended March 31, 2025 compared to net purchases of alternative investments of \$8.8 million for the same period in 2024. These net purchases were mainly due to pre-existing commitments for private equity fund investments for the three months ended March 31, 2025.

Cash Flows used in Financing Activities

Cash flows used in financing activities were \$0.0 million for the three months ended March 31, 2025 compared to \$0.7 million for the same period in 2024.

During the three months ended March 31, 2025, the Company did not repurchase any common shares under our authorized common share repurchase plan. During the three months ended March 31, 2024, the Company repurchased 352,111 common shares at an average price of \$1.91 per share for \$0.7 million under our authorized common share repurchase plan.

No dividends on common shares were paid during the three months ended March 31, 2025 and 2024. Our Board of Directors have not declared any common share dividends since the third quarter of 2018.

Restrictions, Collateral and Specific Requirements

The Company's restrictions, collateral and specific requirements are discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included under Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024, that was filed with the SEC on March 10, 2025. Please also refer to "Part I, Item 1 - Notes to Condensed Consolidated Financial Statements (unaudited) "Note 4.(e) Restricted Cash, Cash Equivalents and Investments" included in this Form 10-Q for details of the fair values of restricted assets at March 31, 2025 and December 31, 2024.

At March 31, 2025 and December 31, 2024, restricted cash and cash equivalents and fixed maturity investments used as collateral were \$204.2 million and \$192.4 million, respectively. This collateral represents 82.8% and 71.9% of the fair value of total fixed maturity investments, cash, restricted cash and cash equivalents at March 31, 2025 and December 31, 2024, respectively.

Cash and Investments

Historically, the investment of our funds had generally been designed to ensure safety of principal while generating current income. Accordingly, our fixed income investment portfolio is invested in liquid, investment-grade fixed maturity securities which are all designated as AFS at March 31, 2025. Further, as our insurance liabilities continue to run-off and the required capital to operate our business for regulatory purposes decreases, we expanded Maiden Reinsurance's investment policy which has been approved by the Vermont DFR. Under this modified investment policy, we expanded the range of asset classes we invest in to enhance the income and total returns our investment portfolio produces. We categorize these investments as alternative investments which include "Other Investments", "Equity Securities", and "Equity Method Investments" on our Condensed Consolidated Balance Sheets.

As of March 31, 2025 and December 31, 2024, our cash and investments consisted of:

	March 31, 2025	December 31, 2024
	(\$ in thousands)	
Fixed maturities, available-for-sale, at fair value	\$ 202,460	\$ 232,613
Equity securities, at fair value	11,850	13,147
Equity method investments	78,841	81,287
Other investments	163,558	157,016
Total investments	456,709	484,063
Cash and cash equivalents	28,706	25,651
Restricted cash and cash equivalents	15,562	9,084
Total Investments and Cash and Cash Equivalents	\$ 500,977	\$ 518,798

In addition to the discussion on Cash and Cash Equivalents and Fixed Maturities that follows herein, please see the "Notes to Condensed Consolidated Financial Statements (unaudited) Note 4. Investments" included under Part I Item 1 "Financial Information" of this Form 10-Q for further discussion on our AFS fixed income securities.

Under this revised investment policy, we had increased the amount of alternative investments held and we had expected to continue to increase the amounts invested therein over time. However, as our strategic plans have evolved and now changed, particularly as regards our pending combination with Kestrel, we have modified our approach to this investment policy, and have reduced our investments and ceased new commitments to alternative investments under this policy as part of these ongoing group strategic initiatives while also strengthening overall liquidity. The net purchases of other investments for the three months ended March 31, 2025 were due to pre-existing commitments for private equity funds, and we will not be making new commitments to alternative investments in the foreseeable future.

Under our investment policy, alternative investments could include, but are not limited to, privately held investments, private equities, private credit lending funds, fixed-income funds, hedge funds, equity funds, real estate (including joint ventures and limited partnerships) and other non-fixed-income investments. For further details on our alternative investments, in addition to the discussion of the investments herein, please see "Notes to Condensed Consolidated Financial Statements (unaudited) Note 4(b). Other Investments, Equity Securities and Equity Method Investments" included under Part I Item 1 "Financial Information" of this Form 10-Q.

Our investment performance is subject to a variety of risks, including risks related to general economic conditions, market volatility, interest rate fluctuations, foreign exchange risk, liquidity risk and credit and default risk. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control. An increase in interest rates could result in significant losses, realized or unrealized, in the value of our investment portfolio. A portion of our portfolio consists of alternative investments that subject us to restrictions on redemption, which may limit our ability to withdraw funds for some period of time after the initial investment. The values of, and returns on, such investments may also be more volatile.

We believe our other investments, equity securities and equity method investments portfolio provides diversification against our fixed-income investments and an opportunity for improved risk-adjusted return, however, the returns of these investments may be more volatile and we may experience significant unrealized gains or losses in any particular quarter or year. While we believe the returns produced by these investments will exceed our cost of capital, in particular our cost of debt capital, it is too soon to determine if the actual returns will achieve this objective and it may be an extended period of time before that determination can be made.

We may utilize and pay fees to various companies to provide investment advisory and/or management services related to these investments. These fees, which would be predominantly based upon the amount of assets under management, would be included in net investment income. In addition, costs associated with evaluating, analyzing and monitoring these investments may require additional expenditures than traditional marketable securities.

The substantial majority of our current investments are held by Maiden Reinsurance, whose investment policy was approved by the Vermont DFR. Prior to the exchange of our preference shares for common shares, the Company cumulatively invested \$176.4 million in preference shares of Maiden Holdings which have since been extinguished and exchanged for 41,439,348 common shares of the Company as of December 27, 2022 ("Exchange"). Therefore, there are no preference shares outstanding.

As of March 31, 2025, Maiden Reinsurance owned approximately 31.0% of our total outstanding common shares which is eliminated for accounting and financial reporting purposes on our condensed consolidated financial statements. The voting power of Maiden Reinsurance, with respect to its common shares, was capped at 9.5% pursuant to the Company's bye-laws; however the Company's shareholders approved the proposal to remove the 9.5% voting limitation at the Special Meeting.

Treasury shares include 44,750,678 common shares owned by Maiden Reinsurance consisting of 41,439,348 shares issued as part of the Exchange on December 27, 2022 and an additional 3,311,330 common shares that were directly purchased on the open market by Maiden Reinsurance under the Company's authorized share repurchase plan. The market value of our common shares held by Maiden Reinsurance due to the Exchange and common share repurchases was \$25.5 million at March 31, 2025.

Cash & Cash Equivalents

At March 31, 2025, we consider the levels of cash and cash equivalents held to be within our targeted ranges. During periods when interest rates experience greater volatility, we have periodically maintained more cash and cash equivalents to better assess current market conditions and opportunities within our defined risk appetite, and may do so in future periods.

Fixed Maturity Investments

The average yield and average duration of our fixed maturities, by asset class, and our cash and cash equivalents (restricted and unrestricted) are as follows at March 31, 2025 and December 31, 2024:

March 31, 2025	Original or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Average yield ⁽¹⁾	Average duration ⁽²⁾
	(\$ in thousands)					
U.S. treasury bonds	\$ 52,748	\$ —	\$ (1)	\$ 52,747	4.3 %	0.1
U.S. agency bonds – mortgage-backed	26,045	—	(2,937)	23,108	4.6 %	5.8
Non-U.S. government bonds	45,779	38	(1)	45,816	2.2 %	0.6
Collateralized loan obligations	63,111	40	(48)	63,103	3.6 %	0.3
Corporate bonds	18,226	—	(540)	17,686	0.9 %	1.3
Total fixed maturities	205,909	78	(3,527)	202,460	3.3 %	1.2
Cash and cash equivalents	44,268	—	—	44,268	1.5 %	0.0
Total	\$ 250,177	\$ 78	\$ (3,527)	\$ 246,728	3.0 %	0.9
	(\$ in thousands)					
December 31, 2024	Original or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Average yield ⁽¹⁾	Average duration ⁽²⁾
U.S. treasury bonds	\$ 84,033	\$ 25	\$ —	\$ 84,058	4.5 %	0.1
U.S. agency bonds – mortgage-backed	26,841	—	(3,485)	23,356	4.6 %	6.0
Non-U.S. government bonds	38,496	39	(3)	38,532	2.7 %	0.4
Collateralized loan obligations	60,829	4	(130)	60,703	4.1 %	0.2
Corporate bonds	26,589	—	(625)	25,964	1.0 %	1.1
Total fixed maturities	236,788	68	(4,243)	232,613	3.7 %	1.0
Cash and cash equivalents	34,735	—	—	34,735	1.5 %	0.0
Total	\$ 271,523	\$ 68	\$ (4,243)	\$ 267,348	3.4 %	0.8

- (1) Average yield is calculated by dividing annualized investment income for each sub-component of fixed maturity securities and cash and cash equivalents (including amortization of premium or discount) by amortized cost.
- (2) Average duration in years.

During the three months ended March 31, 2025, the yield on the 10-year U.S. Treasury bond decreased by 35 basis points to 4.23%. The 10-year U.S. Treasury rate is the key risk-free determinant in the fair value of many of the fixed maturity securities in our portfolio. Driven by the decrease in risk-free rates during the three months ended March 31, 2025, our fixed maturity investment portfolio generated net unrealized gains of \$0.7 million which increased our book value per common share by \$0.01 during the period. Current outlooks for global monetary policy have become more uncertain in recent months, as a combination of potential significant changes in U.S. fiscal and trade policy and the attendant uncertainty on the impacts of these policies on both U.S. and global economic outlooks and inflation appear to be causing central banks to either adopt a neutral stance or apply further tightening should data dictate such actions, particularly inflation and labor market data. Our investment portfolios, in particular our fixed maturity portfolio, may be adversely impacted by unfavorable market conditions caused by these measures, which could cause continued volatility in our results of operations and negatively impact our financial condition.

Interest rate risk is the price sensitivity of a security to changes in interest rates. Credit spread risk is the price sensitivity of a security to changes in credit spreads. As noted, the fair value of our fixed maturity investments will fluctuate with changes in interest rates and credit spreads. We attempt to maintain adequate liquidity in our fixed maturity investments portfolio with a strategy designed to emphasize the preservation of our invested assets and provide sufficient liquidity for the prompt payment of claims and contract liabilities. Because we collateralize a significant portion of our insurance liabilities, unanticipated or large increases in interest rates could require us to utilize significant amounts of unrestricted cash and fixed maturity securities to provide additional collateral, which could impact our asset and capital management strategy described herein.

We also monitor the duration and structure of our investment portfolio as discussed below. As of March 31, 2025, the aggregate hypothetical change in fair value from an immediate 100 basis points increase in interest rates, assuming credit spreads remain constant, in our fixed maturity investments portfolio would decrease the fair value of that portfolio by \$3.6 million. Actual shifts in interest rates may not change by the same magnitude across the maturity spectrum or on an individual security and, as a result, the impact on the fair value of our fixed maturity securities may be materially different from the resulting change in value described above.

To limit our exposure to unexpected interest rate increases which would reduce the value of our fixed income securities and reduce our shareholders' equity, we attempt to maintain the duration of our fixed maturity investment portfolio combined with our cash and cash equivalents, both restricted and unrestricted, within a reasonable range of the duration of our loss reserves. At March 31, 2025 and December 31, 2024, these respective durations in years were as follows:

	March 31, 2025	December 31, 2024
Fixed maturities and cash and cash equivalents	0.9	0.8
Reserve for loss and LAE - gross of LPT/ADC Agreement reserves	6.4	6.4
Reserve for loss and LAE - net of LPT/ADC Agreement reserves	3.5	3.5

During the three months ended March 31, 2025, the weighted average duration of our fixed maturity investment portfolio increased by 0.1 years to 0.9 years while the duration for gross reserve for loss and LAE remained at 6.4 years. The differential in duration between these assets and liabilities may fluctuate over time and in the case of fixed maturities, historically has been affected by factors such as market conditions, changes in asset mix and prepayment speeds in the case of both our U.S. agency mortgage-backed securities ("Agency MBS") and commercial mortgage-backed securities held.

At March 31, 2025, the duration of our loss reserves net of the LPT/ADC Agreement was higher than the duration of our fixed maturity investment portfolio. To limit our exposure to unexpected interest rate increases that could reduce the value of our fixed maturity securities and reduce our shareholders' equity, the Company holds floating rate securities whose fair values are less sensitive to interest rates. At March 31, 2025 and December 31, 2024, 49.4% and 51.1%, respectively, of our fixed income investments were comprised of floating rate securities which are detailed in the table below:

(\$ in thousands)	March 31, 2025		December 31, 2024	
	Fair Value	% of Total	Fair Value	% of Total
Floating rate securities				
Collateralized loan obligations	\$ 63,103	16.3 %	\$ 60,703	13.6 %
Total floating rate AFS fixed maturities at fair value	63,103	16.3 %	60,703	13.6 %
Loan to related party	128,118	33.1 %	167,975	37.5 %
Total floating rate securities	<u>\$ 191,221</u>	<u>49.4 %</u>	<u>\$ 228,678</u>	<u>51.1 %</u>
Total fixed income investments at fair value ⁽¹⁾	<u>\$ 387,452</u>		<u>\$ 447,973</u>	

(1) Total fixed income investments at fair value include AFS fixed maturities, cash and restricted cash, funds withheld receivable, and net loan receivable from related party.

At March 31, 2025 and December 31, 2024, 100.0% of the Company's U.S. agency bond holdings are mortgage-backed. Total U.S. agency MBS comprise 11.4% of our fixed maturity investment portfolio at March 31, 2025. Given their relative size to our total investments, if faster prepayment patterns were to occur over an extended period of time, this could potentially limit the growth in our investment income in certain circumstances or reduce the total amount of investment income we earn. Additional details on our U.S. Agency MBS holdings at March 31, 2025 and December 31, 2024 were as follows:

(\$ in thousands)	March 31, 2025		December 31, 2024	
	Fair Value	% of Total	Fair Value	% of Total
FNMA – fixed rate	\$ 13,240	57.3 %	\$ 13,232	56.7 %
FHLMC – fixed rate	7,806	33.8 %	7,987	34.2 %
GNMA – variable rate	2,062	8.9 %	2,137	9.1 %
Total U.S. Agency MBS	<u>\$ 23,108</u>	<u>100.0 %</u>	<u>\$ 23,356</u>	<u>100.0 %</u>

At March 31, 2025 and December 31, 2024, 100.0% of our fixed maturity investments consisted of investment grade securities. We define a security as being below investment grade if it has an S&P credit rating of BB+ or equivalent, or less. Please see *Part I, Item 1 - Notes to Condensed Consolidated Financial Statements (unaudited) Note 4. Investments* for additional information on the credit rating of our fixed income investment portfolio.

The security holdings by sector and financial strength rating of our corporate bond holdings at March 31, 2025 and December 31, 2024 were as follows:

	Ratings ⁽¹⁾				Fair Value	% of Corporate bonds portfolio
	AAA	A+, A, A-	BBB+, BBB, BBB-	BB+ or lower		
March 31, 2025						
Corporate bonds					(\$ in thousands)	
Basic Materials	— %	— %	30.3 %	— %	\$ 5,354	30.3 %
Consumer	— %	15.2 %	13.7 %	— %	5,115	28.9 %
Financial Institutions	— %	38.2 %	2.6 %	— %	7,217	40.8 %
Total	— %	53.4 %	46.6 %	— %	\$ 17,686	100.0 %
	Ratings ⁽¹⁾				Fair Value	% of Corporate bonds portfolio
	AAA	A+, A, A-	BBB+, BBB, BBB-	BB+ or lower		
December 31, 2024						
Corporate bonds					(\$ in thousands)	
Basic Materials	— %	— %	19.6 %	— %	\$ 5,090	19.6 %
Consumer	— %	9.9 %	24.8 %	— %	9,001	34.7 %
Financial Institutions	6.1 %	37.9 %	1.7 %	— %	11,873	45.7 %
Total	6.1 %	47.8 %	46.1 %	— %	\$ 25,964	100.0 %

(1) Ratings as assigned by S&P, or equivalent

The table below includes the Company's five largest corporate holdings at fair value and as a percentage of all fixed income securities held as at March 31, 2025. The Company's five largest corporate holdings are 100.0% euro denominated, with 28.9% in the Consumer Sector and 40.8% in the Financial Institutions sector.

March 31, 2025	Fair Value	% of Holdings	Rating ⁽¹⁾
	(\$ in thousands)		
Chubb Ina Holdings Inc., 1.55%, Due 3/15/2028	\$ 6,760	3.4 %	A
PPG Industries Inc., 0.875%, Due 11/3/2025	5,354	2.6 %	BBB+
McKesson Corp., 1.5% Due 11/17/2025	2,687	1.3 %	A-
Baxter International Inc., 1.3%, Due 5/30/2025	2,428	1.2 %	BBB
American Tower Corp, 1.0%, Due 1/15/2032	457	0.2 %	BBB
Total	\$ 17,686	8.7 %	

(1) Ratings as assigned by S&P, or equivalent

At March 31, 2025 and December 31, 2024, we held the following types of non-U.S. dollar denominated securities:

(\$ in thousands)	March 31, 2025		December 31, 2024	
	Fair Value	% of Total	Fair Value	% of Total
Non-USD denominated collateralized loan obligations	\$ 63,103	49.8 %	\$ 60,283	48.9 %
Non-USD denominated corporate bonds	17,686	14.0 %	24,373	19.8 %
Non-U.S. government bonds	45,816	36.2 %	38,532	31.3 %
Total non-U.S. dollar denominated securities	\$ 126,605	100.0 %	\$ 123,188	100.0 %

At March 31, 2025 and December 31, 2024, respectively, 100.0% of non-U.S. dollar denominated securities were invested in euro denominated bonds. The net increase in non-USD denominated fixed maturities is largely due to foreign exchange appreciation of euro denominated corporate bonds relative to the U.S. dollar during the three months ended March 31, 2025.

At March 31, 2025 and December 31, 2024, the Company's non-U.S. government issuers have a rating of AA or higher by Fitch Ratings. The Company does not employ any credit default protection against any of the fixed maturities held in non-U.S. dollar denominated currencies at March 31, 2025 and December 31, 2024, respectively.

For our non-U.S. dollar denominated corporate bonds, the following table summarizes the composition of the fair value of our fixed maturity investments at the dates indicated by ratings at March 31, 2025 and December 31, 2024:

Ratings ⁽¹⁾ (\$ in thousands)	March 31, 2025		December 31, 2024	
	Fair Value	% of Total	Fair Value	% of Total
A+, A, A-	\$ 9,447	53.4 %	\$ 12,403	50.9 %
BBB+, BBB, BBB-	8,239	46.6 %	11,970	49.1 %
Total non-U.S. dollar denominated corporate bonds	\$ 17,686	100.0 %	\$ 24,373	100.0 %

(1) Ratings as assigned by S&P, or equivalent

Other Investments, Equity Securities and Equity Method Investments

Our alternative investments are categorized as other investments, equity securities, and equity method investments as reported on our condensed consolidated balance sheets. These include private equity funds, private credit funds, investments in limited partnerships, as well as investments in direct lending entities and investments in technology-oriented insurance related businesses known as insurtechs. Private equity investments consist of direct investments in privately held entities, investments in private equity funds and private equity co-investments with sponsoring entities. Private credit investments consist of loans and other debt securities of privately held entities or investment sponsors.

Our alternative investments as of March 31, 2025 and December 31, 2024 consisted of the following asset categories:

(\$ in thousands)	March 31, 2025		December 31, 2024	
	Carrying Value	% of Total	Carrying Value	% of Total
Privately held common stocks	\$ 5,768	2.3 %	\$ 6,778	2.7 %
Privately held preferred stocks	6,082	2.4 %	6,369	2.5 %
Total equity securities	\$ 11,850	4.7 %	\$ 13,147	5.2 %
Real estate investments	\$ 58,140	22.9 %	\$ 57,541	22.9 %
Other equity method investments	20,701	8.1 %	23,746	9.4 %
Total equity method investments	\$ 78,841	31.0 %	\$ 81,287	32.3 %
Private equity funds	\$ 27,098	10.7 %	\$ 25,123	10.0 %
Private credit investments	1,808	0.7 %	1,909	0.8 %
Privately held equity investments	48,677	19.1 %	46,301	18.4 %
Investments in direct lending entities (at cost)	85,975	33.8 %	83,683	33.3 %
Total other investments	\$ 163,558	64.3 %	\$ 157,016	62.5 %
Total alternative investments	\$ 254,249	100.0 %	\$ 251,450	100.0 %

Our allocation to alternative investments increased to 50.8% of our total cash and investments held as of March 31, 2025 compared to 48.5% as of December 31, 2024, the combination of additional funding of certain investments based on pre-existing commitments and increases in value in select investments. In addition to the categories described above, we also evaluate our alternative investments by the following asset classes:

(\$ in thousands)	March 31, 2025		December 31, 2024	
	Carrying Value	% of Total	Carrying Value	% of Total
Private Equity	\$ 58,922	23.2 %	\$ 58,031	23.1 %
Private Credit	1,808	0.7 %	1,909	0.7 %
Alternatives	103,597	40.7 %	104,790	41.7 %
Venture Capital	26,196	10.3 %	23,533	9.4 %
Real Estate	63,726	25.1 %	63,187	25.1 %
Total alternative investments	\$ 254,249	100.0 %	\$ 251,450	100.0 %

For further details on these alternative investments, see "Notes to Condensed Consolidated Financial Statements: Note 4(b) Other Investments, Equity Securities and Equity Method Investments" included under Part I Item 1. "Financial Information" of this Report on Form 10-Q. Within these asset classes, our portfolio broadly consists of the following types of investments:

- **Private Equity** – this asset class consists of both fund investments with leading private equity sponsors and direct equity investments in private companies, sometimes in conjunction with our private equity fund sponsors. As of March 31, 2025, \$2.5 million or 4.2% of investments in the private equity asset class consisted of investments in private equity funds and \$56.5 million or 95.8% consisted of direct equity investments in private companies.
- **Private Credit** – this asset class consists of both fund investments with leading private credit sponsors and direct credit investments in private companies, sometimes in conjunction with our private credit fund sponsors. Private credit investments in both funds and on a direct basis will typically be secured lending arrangements with non-rated entities, often with additional protective provisions to enhance the security and returns of these investments. As of March 31, 2025, \$1.8 million or 100.0% of the private credit asset class consisted of direct investments in debt securities of private companies.
- **Alternatives** – this asset class consists of structured financing arrangements which typically have incentive features to enhance the Company's returns. As part of these arrangements, the Company requires collateral or bankruptcy-remote structures to protect its investments. As of March 31, 2025, \$102.0 million or 98.5% of investments in the alternatives asset class were direct investments and \$1.6 million or 1.5% of the alternatives asset class were invested in funds. One investment in a collateralized direct lending entity of \$86.0 million represents 83.0% of this asset class and is discussed further in "Note 4 — Investments" included in Part I Item 1. "Financial Information" in this Quarterly Report on Form 10-Q for the three months ended March 31, 2025.
- **Venture Capital** – this asset class consists of both fund investments with venture capital firms focused primarily on "insurtech" or "fintech" early-stage investments as well as direct investments in start-up companies in this sector, including equity investments in individual companies made in conjunction with our venture capital fund sponsors. As of March 31, 2025, \$12.1 million or 46.4% of investments in the venture capital asset class consisted of investments in funds and \$14.0 million or 53.6% consisted of direct equity investments in start-up companies. As of March 31, 2025, \$14.7 million or 56.0% of our venture capital investments were invested in funds or companies that would be considered "insurtech" investments.
- **Real Estate** – this asset class consists of long-term equity investments in three real estate projects. Two are multi-family residential development projects near major urban centers where workforce housing demand continues to be strong. One investment is a minority stake as a limited partner with a leading property developer with a highly successful track record, where the Company will earn returns from both operating income from rentals and future sales of properties. As of March 31, 2025, the Company has \$27.5 million invested in this project and expects investment returns to commence in earnest in 2026 and beyond. The second multi-family residential investment is a majority stake with general partner rights wherein the Company is providing the capital backing to an experienced and successful developer in the subject market, while also taking minority equity stakes in individual projects. To date, this development project has secured five properties in attractive locations and is currently in the zoning and planning stages. As of March 31, 2025, the Company has \$30.6 million invested in this project and has commenced earning limited amounts of fee income from this project. As part of its investment, the Company has also provided certain loan guarantees which are discussed in more detail in *Note 11 — Commitments, Contingencies and Guarantees* included in Part I Item 1. "Financial Information". We expect fee and operating income and gains from future sales of properties to commence in earnest in 2027 and beyond. Finally, the Company has a minority equity stake in an iconic office building in a major city in the U.S., with an attractive and growing tenant roll. As of March 31, 2025, the Company has \$5.6 million invested in this project and to date has earned preferred returns and received certain distributions. In addition to preferred returns, the Company expects to receive future distributions of operating income from this investment.

Certain of the Company's investments in limited partnerships are related to real estate joint ventures with interests in multi-property projects with varying strategies ranging from the development of properties to the ownership of income-producing properties. In certain of these joint ventures, the Company has provided certain indemnities, guarantees and commitments to certain parties such that it may be required to make payments now or in the future. For further details on these financial guarantees, please see "Notes to Condensed Consolidated Financial Statements: Note 11 - Commitments, Contingencies and Guarantees" included under Part I Item 1. "Financial Information" of this Report on Form 10-Q.

Investment Results

Our investment portfolio returns included in earnings decreased to \$3.6 million during the three months ended March 31, 2025, compared to \$17.1 million for the same respective period in 2024 largely due to lower interest income on the loan to related party and the funds withheld receivable. Also, the AFS fixed income portfolio is considerably smaller compared to the prior period due to the use of proceeds from sales and maturities to pay run-off reserve liabilities in both the AmTrust and Diversified Reinsurance segments.

Our alternative investment portfolio increased by 1.1% in the first quarter of 2025 due to net purchases of private equity funds. The alternative investment portfolio produced a positive net return of 0.3% in the first quarter of 2025 compared to 3.4% for the same period in 2024. Please refer to *Note 15. Subsequent Events* of the Notes to Condensed Consolidated Financial Statements included in Part I Item 1. "Financial Information" for information regarding the recent sale of one the Company's private equity investments accounted for as an equity method investment held at March 31, 2025.

The following table summarizes our investment results for the three months ended March 31, 2025 and 2024:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Net investment income:		
Fixed income investments ⁽¹⁾	\$ 2,477	\$ 6,411
Cash and restricted cash	363	174
Other investments, including equities	216	1,207
Investment expenses	(22)	(92)
Total net investment income	3,034	7,700
Net realized losses:		
Fixed income assets ⁽¹⁾	(1)	(218)
Other investments, including equities	(133)	—
Total net realized losses	(134)	(218)
Net unrealized gains:		
Other investments, including equities	3,465	8,968
Total net unrealized gains	3,465	8,968
Interest in loss of equity method investments:		
Interest in (loss) income of equity method investments	(2,722)	606
Interest in (loss) income of equity method investments	(2,722)	606
Total investment return included in earnings (A)	\$ 3,643	\$ 17,056
Other comprehensive income:		
Unrealized gains on AFS fixed maturity securities and equity method investments excluding foreign exchange (B)	\$ 726	\$ 1,018
Total investment return = (A) + (B)	\$ 4,369	\$ 18,074
Annualized income from fixed income assets⁽²⁾	\$ 11,360	\$ 26,340
Average aggregate fixed income assets, at cost⁽²⁾	428,013	577,388
Annualized investment book yield	2.7 %	4.6 %
Average aggregate invested assets, at fair value⁽³⁾	\$ 677,050	\$ 887,969
Investment return included in net earnings	0.5 %	1.9 %
Total investment return	0.6 %	2.0 %

1. Fixed income investments include AFS securities as well as funds withheld receivable, and loan to related party.

2. Average aggregate fixed income assets include AFS portfolio, cash and restricted cash, funds withheld receivable, and loan to related party and is computed as an average of the amounts disclosed in our quarterly U.S. GAAP consolidated financial statements.

3. Average aggregate invested assets include all investments (AFS and alternative investments), cash and restricted cash, loan to related party and funds withheld receivable and is computed as an average of the amounts disclosed in our quarterly U.S. GAAP consolidated financial statements.

The following table details total investment returns for our fixed income investments for the three months ended March 31, 2025 and 2024:

Fixed Income Investments⁽¹⁾ (\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Gross investment income	\$ 2,840	\$ 6,585
Net realized losses	(1)	(218)
Change in AOCI ⁽³⁾	726	1,018
Gross investment returns	\$ 3,565	\$ 7,385
Average invested assets, at fair value ⁽⁴⁾	\$ 424,200	\$ 569,962
Gross Investment Returns	0.8 %	1.3 %
Less: Investment expenses	\$ 54	\$ (4)
Net investment returns	\$ 3,511	\$ 7,389
Net Investment Returns	0.8 %	1.3 %

Our net investment returns decreased to 0.8% for the three months ended March 31, 2025, compared to 1.3% for the respective period in 2024. This was due to floating rate investments that comprised 49.4% of our fixed income investments at March 31, 2025 which caused the portfolio to accrue lower interest income under the current rate environment.

The interest income from the net loan receivable from related party declined by \$2.5 million. Net interest income is lower than the prior period since interest income on the AR Loan Agreement is now offset by interest payable on the Premium Repayment Loan Agreement beginning on January 1, 2025. Net interest income earned on the net loan receivable was also offset by a non-recurring adjustment of \$1.2 million in the three months ended March 31, 2025 due to contractual reductions regarding the timing of paid loss settlements in 2024. Therefore, this caused a lower weighted average interest rate on an outstanding net balance of \$128.1 million at March 31, 2025 compared to \$168.0 million throughout 2024 and the average yield on the loan decreased to 1.9% for the three months ended March 31, 2025, compared to 7.3% for the same period in 2024. Excluding the non-recurring adjustment to net interest income, the average yield on the net loan receivable was 5.7% for the three months ended March 31, 2025.

Please refer to "Notes to Condensed Consolidated Financial Statements - Note 4 — Investments" included under Part I, Item 1 "Financial Information" of this Quarterly Report on Form 10-Q for further detail on investment returns from fixed income investments held by the Company at March 31, 2025 and 2024. The following table details total investment returns for our alternative investments for the three months ended March 31, 2025 and 2024, respectively:

Alternative Investments⁽²⁾ (\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Gross investment (loss) income	\$ (2,506)	\$ 1,813
Net realized losses	(133)	—
Net unrealized gains	3,465	8,968
Gross investment returns	\$ 826	\$ 10,781
Average invested assets, at fair value ⁽⁴⁾	\$ 252,850	\$ 318,007
Gross Investment Returns	0.3 %	3.4 %
Less: Investment expenses	\$ (32)	\$ 96
Net investment returns	\$ 858	\$ 10,685
Net Investment Returns	0.3 %	3.4 %

1. Fixed income investments includes AFS securities as well as cash, restricted cash, funds withheld receivable, and loan to related party.
2. Alternative investments includes other investments, equity securities, and equity method investments.
3. Change in accumulated other comprehensive income ("AOCI") excludes unrealized foreign exchange gains and losses.
4. Average invested assets is the average of the amounts disclosed in our quarterly U.S. GAAP consolidated financial statements.

The following table details total investment returns for alternative investments by asset class for the three months ended March 31, 2025:

March 31, 2025	Private Equity	Private Credit	Alternative Assets	Venture Capital	Real Estate	Total
(\$ in thousands)						
Gross investment income	\$ 427	\$ —	\$ (3,103)	\$ —	\$ 170	\$ (2,506)
Net realized and unrealized gains (losses)	2,019	42	(12)	1,343	(60)	3,332
Total Investment Return	\$ 2,446	\$ 42	\$ (3,115)	\$ 1,343	\$ 110	\$ 826
Average Investments	\$ 58,477	\$ 1,858	\$ 104,193	\$ 24,865	\$ 63,457	\$ 252,850
Gross Investment Returns	4.2 %	2.3 %	(3.0)%	5.4 %	0.2 %	0.3 %
Annualized Gross Returns	16.7 %	9.0 %	(12.0)%	21.6 %	0.7 %	1.3 %

The following table details total investment returns for alternative investments by asset class for the three months ended March 31, 2024:

March 31, 2024	Private Equity	Private Credit	Alternative Assets	Venture Capital	Real Estate	Total
(\$ in thousands)						
Gross investment income	\$ (1,092)	\$ 903	\$ 1,457	\$ 5	\$ 540	\$ 1,813
Net realized and unrealized gains (losses)	7,858	1,423	(32)	674	(955)	8,968
Total Investment Return	\$ 6,766	\$ 2,326	\$ 1,425	\$ 679	\$ (415)	\$ 10,781
Average Investments	\$ 87,168	\$ 54,453	\$ 96,966	\$ 21,882	\$ 57,539	\$ 318,007
Gross Investment Returns	7.8 %	4.3 %	1.5 %	3.1 %	(0.7)%	3.4 %
Annualized Gross Returns	31.0 %	17.1 %	5.9 %	12.4 %	(2.9)%	13.6 %

During the three months ended March 31, 2025, on an inception to date basis through March 31, 2025, our alternative investment portfolio has produced an internal rate of return of 4.9% and a multiple on invested capital of 1.12. This includes investments, primarily in the Alternatives and Real Estate asset classes where we anticipate future returns to emerge but have not as yet recognized either returns or gains based on the development stage of certain investments, which constitute 56.7% of our total alternative assets as of March 31, 2025. Excluding the investments still carried at cost, the internal rate of return was 8.8% with a multiple on invested capital of 1.21.

Total returns on our alternative investments by asset class from inception are discussed in detail as of March 31, 2025 in the table below:

Asset Class	March 31, 2025	Total		Direct		Fund	
(\$ in thousands)	Carrying Value	IRR	MOIC (x)	IRR	MOIC (x)	IRR	MOIC (x)
Private Equity	\$ 58,922	10.5 %	1.36	10.4 %	1.42	10.8 %	1.25
Private Credit	1,808	5.3 %	1.11	12.3 %	1.21	5.0 %	1.10
Hedge Funds	—	5.2 %	1.12	5.2 %	1.12	— %	—
Alternatives	103,597	2.9 %	1.08	3.0 %	1.08	(12.3) %	0.83
Venture Capital	26,196	7.9 %	1.22	12.0 %	1.45	(2.5) %	0.95
Real Estate	63,726	(3.1) %	0.93	(3.1) %	0.93	— %	—
Total	\$ 254,249	4.9 %	1.12	4.2 %	1.11	6.3 %	1.12

- Private Equity – investment returns in this asset class reflect both dividends and distributions received as well as unrealized gains or losses from adjustments to net asset values in the case of fund investments and market value adjustments in the case of direct equity investments. During the three months ended March 31, 2025, private equity investments produced a total investment return of \$2.4 million with fund investments earning \$0.2 million while direct investments produced a total investment return of \$2.3 million. Inception to date, private equity investments have produced an internal rate of return of 10.5% and a multiple on invested capital of 1.36; fund investments produced an internal rate of return of 10.8% and a multiple on invested capital of 1.25, and direct investments have produced an internal rate of return of 10.4% and a multiple on invested capital of 1.42. Net realized gains of \$2.0 million on private equity investments have been recognized through March 31, 2025. Please refer to *Note 15. Subsequent Events* of the Notes to Condensed Consolidated Financial Statements under Part I Item 1. "Financial Information" for information regarding the recent sale of one the Company's private equity investments held at March 31, 2025.

- Private Credit – investment returns in this asset class reflect both distributions received as well as unrealized gains or losses from adjustments to net asset values in the case of fund investments and market value adjustments in the case of direct equity investments. During the three months ended March 31, 2025, private credit investments did not produce any investment returns. Inception to date, private credit investments have produced an internal rate of return of 5.3% and a multiple on invested capital of 1.11, with fund investments producing an internal rate of return of 5.0% and a multiple on invested capital of 1.10, while direct investments have produced an internal rate of return of 12.3% and a multiple on invested capital of 1.21.

- Alternative Assets – investment returns in this asset class largely relate to equity method recognition of income from structured financing arrangements in real assets which utilize bankruptcy-remote structures to protect these investments. During the three months ended March 31, 2025, alternative investments produced a total investment return of \$(3.1) million. Inception to date, alternative direct investments have produced an internal rate of return of 3.0% and a multiple on invested capital of 1.08; in total, alternative fund investments have produced an internal rate of return of (12.3)% and a multiple on invested capital of 0.83. We have not recognized any returns (including contractual preferred returns) on other alternative investments as the underlying collateralized investment supporting this direct lending initiative continues to develop; these investments represent 83.0% of the alternative investment class at March 31, 2025. We expect to recognize our preferred returns and contingency gains as these investment develops further or if other collateral we have secured as part of our investment responds sooner, subject to certain conditions.

- Venture Capital – investment returns in this asset class primarily reflect unrealized gains or losses from adjustments to net asset values in the case of fund investments and market value adjustments in the case of direct equity investments. During the three months ended March 31, 2025, our venture capital investments produced a total return of \$1.34 million including \$(0.12) million from our direct investments and \$1.46 million from fund investments. Inception to date, venture capital investments have produced an internal rate of return of 7.9% and a multiple on invested capital of 1.22; venture capital fund investments have produced an internal rate of return of (2.5)% and a multiple on invested capital of 0.95, while direct venture capital investments have produced an internal rate of return of 12.0% and a multiple on invested capital of 1.45. Through March 31, 2025, we realized total gains of \$4.8 million on the sale of the Company's stake in Betterview Marketplace, Inc. ("Betterview") in a cash and stock transaction with Nearmap US, Inc. ("Nearmap") and continue to hold shares in Nearmap after its completion. To date our investment in Betterview has produced an internal rate of return of 25.8% and a multiple on invested capital of 1.74.

- Real Estate – investment returns in this asset class include preferred returns and distributions (if any) from plan developers along with limited unrealized gains or losses to date as two of the projects remain in the development phase. As noted earlier, the Company does not expect significant investment returns from these attractive projects for the next several years. To date these investments have produced an internal rate of return of (3.1)% and a multiple on invested capital of 0.93.

On an inception to date basis through March 31, 2025, the Company completed various alternative investments that had total contributions of \$154.8 million which produced an internal rate of return of 8.7% and a multiple on invested capital of 1.19. This includes sales of certain assets concurrent with our aforementioned change in strategy during 2024 which was earlier than anticipated for most of these investments.

Please refer to *Note 15. Subsequent Events* of the Notes to Condensed Consolidated Financial Statements under Part I Item 1. "Financial Information" for information regarding the recent sale of USQ Risk that was held at March 31, 2025. Including this asset sale, which was finalized early in the second quarter of 2025, our completed investments have yielded total distributions of \$188.1 million, with \$13.6 million in potential estimated additional value to be received from the sale of our position in USQ Risk, in addition to the \$4.3 million already received at closing in early May. Including the USQ Risk transaction, these investments have to date produced an internal rate of return of 12.3% and a multiple of capital of 1.30x, above our targeted returns.

Total returns on our inactive alternative investments by asset class from inception are shown below as of March 31, 2025 along with total returns on our active alternative investment portfolio by asset class from inception as of March 31, 2025:

Asset Class (\$ in thousands)	March 31, 2025	Total Completed Investments		March 31, 2025	Total Active Investments	
	Contributions	IRR	MOIC (x)	Contributions	IRR	MOIC (x)
Private Equity	\$ 45,505	7.7 %	1.18	\$ 58,922	12.7 %	1.56
Private Credit	68,990	5.0 %	1.10	1,808	12.2 %	1.27
Hedge Funds	25,000	5.2 %	1.12	—	— %	—
Alternatives	11,358	48.9 %	1.55	103,597	1.2 %	1.03
Venture Capital	3,925	14.3 %	2.22	26,196	2.8 %	1.06
Real Estate	—	— %	—	63,726	(3.1) %	0.93
Total	\$ 154,778	8.7 %	1.19	\$ 254,249	2.8 %	1.08

We believe our alternative investment portfolio remains well positioned to achieve its targeted longer-term returns.

Other Balance Sheet Changes

The following table summarizes our other material balance sheet changes at March 31, 2025 and December 31, 2024:

(\$ in thousands)	March 31, 2025	December 31, 2024	Change in \$	Change %
Reinsurance recoverable on unpaid losses	\$ 549,350	\$ 571,331	\$ (21,981)	(3.8)%
Net loan receivable from related party	128,118	167,975	(39,857)	(23.7)%
Deferred commission and other acquisition expenses	5,524	8,102	(2,578)	(31.8)%
Reserve for loss and LAE	757,286	793,679	(36,393)	(4.6)%
Unearned premiums	26,196	29,793	(3,597)	(12.1)%
Accrued expenses and other liabilities	51,818	77,966	(26,148)	(33.5)%

The Company's deferred commission and other acquisition expenses decreased by 31.8% and unearned premiums decreased by 12.1% primarily due to the termination of the remaining business under both quota share contracts with AmTrust which have been in run-off since January 1, 2019. Also, deferred commission and other acquisition expenses decreased due to accelerated amortization upon the recognition of a premium deficiency of \$1.3 million in the AmTrust Reinsurance segment.

During the three months ended March 31, 2025, the Company's reinsurance recoverable on unpaid losses decreased by \$22.0 million or 3.8% primarily due to the receipt of \$28.2 million in loss recoveries from Cavello under the LPT/ADC Agreement. This was partly offset by an increase in losses recoverable due to adverse PPD covered under the LPT/ADC Agreement for the three months ended March 31, 2025 driven by foreign currency translation adjustments on the re-measurement of net loss reserves and insurance related liabilities denominated in British pound and euro.

Net loan receivable from related party decreased by \$39.9 million or 23.7% since the AR Loan Agreement is now offset by the Premium Repayment Loan Agreement of \$24.3 million beginning on January 1, 2025. Also, the repayment of the AR Loan commenced on January 1, 2025 which reduced the loan receivable by \$15.6 million.

The Company's reserve for loss and LAE decreased by 4.6% primarily due to continuing settlement of loss reserves liabilities for the AmTrust Reinsurance contracts. Accrued expenses and other liabilities decreased by \$26.1 million for the three months ended March 31, 2025 primarily due to the reversal of reinsurance losses payable due to AmTrust of \$24.3 million for the Premium Repayment Loan Agreement which is now presented under the Loan to Related Party on a net basis instead of under accrued expenses and other liabilities.

Capital Resources

During the three months ended March 31, 2025, book value per common share decreased by 17.4% to \$0.38 and diluted book value per common share decreased by 17.8% to \$0.37, compared to December 31, 2024. This was largely due to the net loss of \$8.6 million reported by the Company, which produced substantially all of the \$7.6 million decline in shareholders' equity for the three months ended March 31, 2025. Capital resources consist of funds deployed in support of our operations.

The following table shows the movement in our capital resources at March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024	Change in \$	Change (%)
(\$ in thousands)				
Common shares at par value	\$ 1,513	\$ 1,503	\$ 10	0.7 %
Additional paid-in capital	888,575	888,067	508	0.1 %
Accumulated other comprehensive loss	(31,930)	(32,733)	803	(2.5)%
Accumulated deficit	(696,559)	(687,914)	(8,645)	1.3 %
Treasury shares, at cost	(124,026)	(123,730)	(296)	0.2 %
Total Maiden shareholders' equity	37,573	45,193	(7,620)	(16.9)%
Senior Notes - principal amount	262,361	262,361	—	— %
Total capital resources	\$ 299,934	\$ 307,554	\$ (7,620)	(2.5)%

Total capital resources decreased by \$7.6 million compared to December 31, 2024 due to the following items:

- accumulated deficit increased by \$8.6 million due to the net loss reported for the three months ended March 31, 2025;
- net increase in additional paid-in capital of \$0.5 million due to share-based compensation of \$0.5 million;
- net increase in AOCI of \$0.8 million due to: (1) net unrealized gains of \$0.7 million on our AFS investment portfolio due to market price movements in the three months ended March 31, 2025, and (2) an increase in foreign currency translation adjustment of \$0.1 million in the three months ended March 31, 2025 due to the impact of significant depreciation of the U.S. dollar on the re-measurement of net assets denominated in British pound and euro; and
- treasury shares increased by \$0.3 million due to common share repurchases of \$0.3 million which represent tax withholding in respect of tax obligations on the vesting of non-performance-based restricted shares.

Please refer to "Notes to Consolidated Financial Statements Note 6. Shareholders' Equity" included under Part II Item 8. "Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for a discussion of the equity instruments issued by the Company as at December 31, 2024.

Book value and diluted book value per common share at March 31, 2025 and December 31, 2024 were as follows:

	March 31, 2025	December 31, 2024
(\$ in thousands except share and per share data)		
Ending common shareholders' equity	\$ 37,573	\$ 45,193
Numerator for diluted book value per common share calculation	\$ 37,573	\$ 45,193
Common shares outstanding	99,682,710	99,039,253
Shares issued from assumed conversion of dilutive options and restricted shares	1,024,299	2,035,634
Denominator for diluted book value per common share calculation	100,707,009	101,074,887
Book value per common share	\$ 0.38	\$ 0.46
Diluted book value per common share	0.37	0.45

Common Shares

On February 21, 2017, the Company's Board of Directors approved the repurchase of up to \$100.0 million of the Company's common shares from time to time at market prices. The Company adopted a Rule 10b5-1(c)(1) trading arrangement as defined in Item 408 of Regulation S-K under the Securities Exchange Act of 1934, as amended. On March 20, 2024, an amendment was made to the agreement initially signed on September 29, 2023 between Maiden Holdings and a financial intermediary authorizing the intermediary to purchase common shares from October 30, 2023 until the close of business on September 29, 2024, subject to certain conditions set forth in the agreement. The Company has fulfilled the repurchases under its current Rule 10b5-1(c)(1) trading arrangement.

During the three months ended March 31, 2025, Maiden Reinsurance did not repurchase any common shares under the Company's share repurchase plan. During the three months ended March 31, 2024, Maiden Reinsurance repurchased 352,111 at an average price per share of \$1.91 under the share repurchase plan. The Company's remaining authorization for common share repurchases is \$68.1 million at March 31, 2025.

Senior Notes

There were no changes in the Company's Senior Notes at March 31, 2025 compared to December 31, 2024. The Company did not enter into any short-term borrowing arrangements during the three months ended March 31, 2025. Please refer to "Notes to Condensed Consolidated Financial Statements (unaudited) Note 7. Long Term Debt" included under Part I Item 1 "Financial Information" of this Form 10-Q for a discussion of the Company's Senior Notes. The 2013 Senior Notes issued by Maiden NA

are fully and unconditionally guaranteed by Maiden Holdings. The Senior Notes are unsecured and unsubordinated obligations of the Company.

As described in "Notes to Condensed Consolidated Financial Statements (unaudited) Note 7. Long-Term Debt" included under Part I Item 1 "Financial Information" of this Form 10-Q, on May 2, 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. The Company has a remaining authorization of \$99.9 million for such repurchases at March 31, 2025.

Maiden Holdings does not have any significant operations or assets other than ownership of the shares of our subsidiaries. The dividends and other permitted distributions from Maiden NA (and its subsidiaries) will be our sole source of funds to meet ongoing cash requirements, including debt service payments. Factors that may affect payments to holders of the 2013 Senior Notes include restrictions on the payments of dividends by Maiden Reinsurance to Maiden NA which provides the sole source of income for interest payments on the 2013 Senior Notes. In 2023 and 2024, the Vermont DFR approved an annual dividend program from Maiden Reinsurance to Maiden NA, with notification to the Vermont DFR as dividends are paid. Subsequent to those approvals, Maiden Reinsurance paid total dividends of \$75.0 million to Maiden NA as of March 31, 2025.

The summarized financial information below has been presented on a combined basis for the issuer Maiden NA and the guarantor Maiden Holdings, excluding all other subsidiaries. Intercompany balances and transactions between Maiden NA and Maiden Holdings, whose information is presented above on a combined basis, were eliminated. Any investment by Maiden NA or Maiden Holdings in subsidiaries that are not issuers or guarantors is not presented in the financial information below. Intercompany balances with subsidiaries that are not issuers or guarantors and any related party transactions were separately disclosed below and are not included in the total assets and total liabilities presented for Maiden NA and Maiden Holdings.

The net loss for Maiden NA and Maiden Holdings was due to interest and amortization expenses on the Senior Notes as well as general and administrative expenses. The net loss in Maiden NA also reflects income tax expense incurred for the respective period. Summarized financial information of Maiden NA and Maiden Holdings as of March 31, 2025 and for the three months ended March 31, 2025 were as follows:

	Maiden NA	Maiden Holdings
	(\$ in thousands)	
Total assets	\$ 7,883	\$ 5,664
Total liabilities	151,294	110,703
Amounts due from subsidiaries (not included in total assets above)	27	2,226
Amounts due to subsidiaries (not included in total liabilities above)	12,748	3,242
Related party loan payable (not included in total liabilities above)	—	316,464
Total revenue for the quarter-to-date period	454	4
Net loss for the quarter-to-date period	(2,686)	(10,816)

The ratio of Debt to Total Capital Resources at March 31, 2025 and December 31, 2024 was computed as follows:

(\$ in thousands)	March 31, 2025	December 31, 2024
Senior notes - principal amount	\$ 262,361	\$ 262,361
Maiden shareholders' equity	37,573	45,193
Total capital resources	\$ 299,934	\$ 307,554
Ratio of debt to total capital resources	87.5 %	85.3 %

Off-Balance Sheet Arrangements

Certain of the Company's investments in limited partnerships are related to real estate joint ventures with interests in multi-property projects with varying strategies ranging from the development of properties to the ownership of income-producing properties. In certain of these joint ventures, the Company has provided certain indemnities, guarantees and commitments to certain parties such that it may be required to make payments now or in the future as further described in the "Notes to Condensed Consolidated Financial Statements (unaudited) Note 11. Commitments, Contingencies and Guarantees" included under Part I Item 1 "Financial Information" of this Form 10-Q.

Any loss for which the Company could be liable would be contingent on the default of a loan by the real estate joint venture entity for which the Company provided a financial guarantee to a lender. While the Company has committed to aggregate limits as to the amount of guarantees it will provide as part of its limited partnerships, guarantees are only provided on an individual transaction basis and are subject to the terms and conditions of each transaction mutually agreed by the parties involved. The Company is not bound to such guarantees without its express authorization.

As discussed above, at March 31, 2025, guarantees of \$67.7 million have been provided to lenders by the Company on behalf of the real estate joint venture, however, the likelihood of the Company incurring any losses pertaining to project level financing guarantees was determined to be remote. Therefore, no liability has been accrued under ASC 450-20.

Non-GAAP Measures

As defined and described in the *Key Financial Measures* section, management uses certain key financial measures, some of which are non-GAAP measures, to evaluate the Company's financial performance and the overall growth in value generated for the Company's common shareholders. Management believes that these measures, which may be defined differently by other companies, explain the Company's results to investors in a manner that allows for a more complete understanding of the underlying trends in the Company's business. The calculation, reconciliation to nearest GAAP measure and discussion of relevant non-GAAP measures used by management are as follows:

Non-GAAP operating loss and Non-GAAP diluted operating loss per share attributable to common shareholders

Non-GAAP operating loss and Non-GAAP diluted operating loss per share attributable to common shareholders can be reconciled to the nearest U.S. GAAP financial measure as follows:

For the Three Months Ended March 31,	2025	2024
	(\$ in thousands except per share data)	
Net (loss) income	\$ (8,645)	\$ 1,459
<i>Add (subtract):</i>		
Net realized and unrealized investment gains	(3,331)	(8,750)
Foreign exchange and other losses (gains)	7,434	(2,053)
Interest in loss (income) of equity method investments	2,722	(606)
Change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	(987)	5,000
Non-GAAP operating loss	<u>\$ (2,807)</u>	<u>\$ (4,950)</u>
Diluted (loss) earnings per share attributable to common shareholders	\$ (0.09)	\$ 0.01
<i>Add (subtract):</i>		
Net realized and unrealized investment gains	(0.03)	(0.08)
Foreign exchange and other losses (gains)	0.07	(0.02)
Interest in loss (income) of equity method investments	0.03	(0.01)
Change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	(0.01)	0.05
Non-GAAP diluted operating loss per share attributable to common shareholders	<u>\$ (0.03)</u>	<u>\$ (0.05)</u>

Non-GAAP operating loss was \$2.8 million for the three months ended March 31, 2025 compared to a non-GAAP operating loss of \$5.0 million for the same period in 2024. The non-GAAP operating results were primarily driven by favorable non-GAAP underwriting results in the AmTrust Reinsurance segment as discussed further below.

Non-GAAP Underwriting Results

The non-GAAP underwriting results for the three months ended March 31, 2025 and 2024 are as follows:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Gross premiums written	\$ 4,074	\$ 8,323
Net premiums written	\$ 4,049	\$ 8,314
Net premiums earned	\$ 7,684	\$ 12,408
Other insurance revenue, net	—	46
Non-GAAP net loss and LAE ⁽¹⁾	6,636	(6,625)
Commission and other acquisition expenses	(4,558)	(5,593)
General and administrative expenses	(3,295)	(2,760)
Non-GAAP underwriting income (loss)⁽¹⁾	<u>\$ 6,467</u>	<u>\$ (2,524)</u>

(1) Non-GAAP underwriting income (loss) and non-GAAP net loss and LAE for the three months ended March 31, 2025 and 2024 are adjusted for prior year reserve development subject to the LPT/ADC Agreement. Please see "Key Financial Measures" section for the definitions of Non-GAAP underwriting loss and net loss and LAE.

The non-GAAP underwriting results above are summarized by segment for the three months ended March 31, 2025 and 2024 in the table below:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Diversified Reinsurance underwriting income (loss)	\$ 2,254	\$ (272)
AmTrust Reinsurance underwriting income (loss)	5,200	(7,252)
Less: change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	(987)	5,000
Non-GAAP AmTrust Reinsurance underwriting income (loss)	4,213	(2,252)
Non-GAAP underwriting income (loss)⁽¹⁾	\$ 6,467	\$ (2,524)

(1) Non-GAAP underwriting loss and non-GAAP net loss and LAE for the three months ended March 31, 2025 and 2024 are adjusted for prior year reserve development subject to the LPT/ADC Agreement.

The non-GAAP underwriting results have been adjusted for prior year loss reserve development under the AmTrust Quota Share which is fully recoverable from Cavello under the LPT/ADC Agreement to show the ultimate economic benefit to the Company. As shown in the table above, adjusted for the decrease in reinsurance recoverable under the LPT/ADC Agreement of \$1.0 million during the three months ended March 31, 2025, the non-GAAP underwriting income was \$6.5 million. This compared to a non-GAAP underwriting loss of \$2.5 million when adjusted for the increase in reinsurance recoverable under the LPT/ADC Agreement of \$5.0 million in the three months ended March 31, 2024.

The non-GAAP underwriting income of \$6.5 million for the three months ended March 31, 2025, was primarily driven by:

- net favorable prior year reserve development 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; and
- underwriting income of \$2.3 million in the Diversified Reinsurance segment for the three months ended March 31, 2025. This included underwriting income of \$1.2 million from GLS operations primarily due to a \$2.5 million reduction in incurred losses from an agreement to commute loss reserves for a GLS contract, the approval of which remains pending with the Vermont DFR.

Please refer to the respective segment results for AmTrust Reinsurance and Diversified Reinsurance under *Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations"* of this Quarterly Report on Form 10-Q for further details of these underwriting results.

Non-GAAP Net Loss and LAE

Adjusted for favorable prior year reserve development under the AmTrust Quota Share which is fully recoverable from Cavello under the LPT/ADC Agreement, the non-GAAP net loss and LAE increased by \$1.0 million for the three months ended March 31, 2025. Adjusted for adverse prior year reserve development under the AmTrust Quota Share which is fully recoverable from Cavello under the LPT/ADC Agreement, the non-GAAP net loss and LAE decreased by \$5.0 million for the three months ended March 31, 2024.

These adjustments for the AmTrust Quota Share regarding PPD which is fully recoverable from Cavello under the LPT/ADC Agreement are reflected in the calculation of non-GAAP Loss and LAE below:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Net loss and LAE	\$ (7,623)	\$ 11,625
Less: change in deferred gain on retroactive reinsurance under the LPT/ADC Agreement	(987)	5,000
Non-GAAP net loss and LAE	\$ (6,636)	\$ 6,625

Adjusted Shareholders' Equity, Adjusted Total Capital Resources, Adjusted Book Value per Common Share, and Ratio of Debt to Total Adjusted Capital Resources

The Adjusted Shareholders' Equity, Adjusted Total Capital Resources and Adjusted Book Value per Common Share at March 31, 2025 and December 31, 2024 reflect the addition of the unamortized deferred gain under the LPT/ADC Agreement to the GAAP shareholders' equity as depicted in the computations further below.

The deferred gain under the LPT/ADC Agreement was \$104.0 million at March 31, 2025 compared to \$105.0 million at December 31, 2024. The decrease in the deferred gain of \$1.0 million is due to amortization of the deferred gain of \$5.9 million for the three months ended March 31, 2025 partly offset by adverse PPD of \$4.9 million covered by the LPT/ADC Agreement for the three months ended March 31, 2025 due to foreign currency translation adjustments on the re-measurement of net loss reserves and insurance related liabilities denominated in British pound and euro.

Please refer to *Note 8. Reinsurance* of the Notes to Condensed Consolidated Financial Statements included in Part I Item 1. *"Financial Information"* for details regarding the movement in the deferred gain liability under the LPT/ADC Agreement.

We believe the inclusion of the unamortized deferred gain on the LPT/ADC Agreement under these metrics better reflects the ultimate economic benefit of the LPT/ADC Agreement, which will improve the Company's shareholders' equity over the settlement period under the terms of the agreement.

Reconciliation of shareholders' equity to Adjusted shareholders' equity and Adjusted Total Capital Resources

The following table computes adjusted shareholders' equity and adjusted total capital resources by recognizing the unamortized deferred gain under the LPT/ADC Agreement at March 31, 2025 and December 31, 2024:

(\$ in thousands)	March 31, 2025	December 31, 2024	Change in \$	Change %
Total shareholders' equity	\$ 37,573	\$ 45,193	\$ (7,620)	(16.9)%
Unamortized deferred gain on LPT/ADC Agreement	103,968	104,955	(987)	(0.9)%
Adjusted shareholders' equity	141,541	150,148	(8,607)	(5.7)%
Senior Notes - principal amount	262,361	262,361	—	— %
Adjusted total capital resources	\$ 403,902	\$ 412,509	\$ (8,607)	(2.1)%

Non-GAAP Operating ROACE

Non-GAAP Operating ROACE for the three months ended March 31, 2025 and 2024 was as follows:

(\$ in thousands)	For the Three Months Ended March 31,	
	2025	2024
Non-GAAP operating loss	\$ (2,807)	\$ (4,950)
Opening adjusted shareholders' equity	150,148	320,076
Ending adjusted shareholders' equity	141,541	325,276
Average adjusted shareholders' equity	145,845	322,676
Non-GAAP Operating ROACE	(7.8)%	(6.2)%

Reconciliation of Book Value per Common Share to Adjusted Book Value per Common Share

The adjusted book value per common share as reconciled for the recognition of the unamortized deferred gain under the LPT/ADC Agreement at March 31, 2025 and December 31, 2024 was computed as follows:

	March 31, 2025	December 31, 2024
Book value per common share	\$ 0.38	\$ 0.46
Unamortized deferred gain on LPT/ADC Agreement	1.04	1.06
Adjusted book value per common share	\$ 1.42	\$ 1.52

Ratio of Debt to Adjusted Total Capital Resources

Management uses this non-GAAP measure to monitor the financial leverage of the Company. This measure is calculated using the total principal amount of debt divided by the sum of adjusted total capital resources as computed in the table above. The ratio of Debt to Adjusted Total Capital Resources at March 31, 2025 and December 31, 2024 was computed as follows:

(\$ in thousands)	March 31, 2025	December 31, 2024
Senior notes - principal amount	\$ 262,361	\$ 262,361
Adjusted shareholders' equity	141,541	150,148
Adjusted total capital resources	\$ 403,902	\$ 412,509
Ratio of debt to adjusted total capital resources	65.0 %	63.6 %

Currency and Foreign Exchange

We conduct business in a variety of foreign (non-U.S.) currencies, the principal exposures being the euro and the British pound. Assets and liabilities denominated in foreign currencies are exposed to changes in currency exchange rates. Our reporting currency is the U.S. dollar, and exchange rate fluctuations relative to the U.S. dollar may materially impact our results and financial position. Our principal exposure to foreign currency risk is our obligation to settle claims in foreign currencies. In addition, in order to minimize this risk, we maintain and expect to continue to maintain a portion of our investment portfolio in investments denominated in currencies other than the U.S. dollar. We may employ various strategies (including hedging) to manage our exposure to foreign currency exchange risk. To the extent that these exposures are not fully hedged or the hedges are ineffective, our results of operations or equity may be adversely affected. At March 31, 2025, no such hedges or hedging strategies were in force or had been entered into. We measure monetary assets and liabilities denominated in foreign currencies at period end exchange rates, with the resulting foreign exchange gains and losses recognized in the unaudited Condensed Consolidated Statements of Income. Revenues and expenses in foreign currencies are converted at average exchange rates during the period. The effect of the translation adjustments for foreign operations is included in AOCI.

Net foreign exchange losses of \$7.9 million were generated during the three months ended March 31, 2025, compared to net foreign exchange gains of \$2.1 million for the three months ended March 31, 2024. The foreign exchange losses for the three months ended March 31, 2025 was due to significant depreciation in the value of the U.S. dollar relative to the euro and the British pound. These losses were primarily unrealized and resulted from the effects of revaluation of our net insurance liabilities that are required to be settled in foreign currencies at each balance sheet date. The net foreign exchange gains of \$2.1 million in the first quarter of 2024 were driven by modest strengthening of the U.S. dollar on the re-measurement of net loss reserves and insurance related liabilities denominated in British pound and euro during the period.

At March 31, 2025, the increase in foreign currency translation adjustments of \$0.1 million for the three months ended March 31, 2025 was primarily driven by exposures to euro, British pound and other non-USD denominated net loss reserves and insurance related liabilities in excess of foreign currency assets. Our non-USD denominated liabilities at March 31, 2025 included reserve for net loss and LAE of \$344.5 million. Our foreign currency asset exposures at March 31, 2025 include \$126.6 million of fixed maturity securities managed by our investment managers who have the discretion to hold foreign currency exposures as part of their total return strategy, \$30.6 million of equity method real estate investments denominated in Canadian dollars, as well as \$12.6 million of funds withheld receivable.

Effects of Inflation

The anticipated effects of inflation are considered explicitly in the pricing of the insured exposures, which are used as the initial estimates of reserves for loss and LAE. In addition, inflation is also implicitly accounted for in subsequent estimates of loss and LAE reserves, as the expected rate of emergence is in part predicated upon the historical levels of inflation that impact ultimate claim costs. To the extent inflation causes these costs, particularly medical treatments and litigation costs, to vary from the assumptions made in the pricing or reserving estimates, the Company will be required to change the reserve for loss and LAE with a corresponding change in its earnings in the period in which the variance is identified. The actual effects of inflation on the results of operations of the Company cannot be accurately known until claims are ultimately settled.

We continue to monitor inflationary impacts resulting from recent government stimulus, sharp increases in demand, labor force and supply chain disruptions, among other factors, on our loss cost trends. Our reserves predominantly consist of workers' compensation, general liability, and hospital liability business. These long tailed lines of business have been subject to the longer term trend of social inflation, but we have not observed significant impacts for the recently elevated levels of inflation. We proactively analyze available data and we incorporate trends into our loss reserving assumptions to ensure we are considerate of current and future economic conditions.

Governmental policy responses to inflation have significantly increased interest rates which, in the short term, have contributed to unrealized losses on our fixed income investments, particularly on our fixed maturity securities. While general economic inflation has eased in recent quarters, there remains uncertainty around the rate and direction of inflation and interest rates and we continue to monitor our liquidity, capital and potential earnings impact of these changes but remain focused on our asset allocation decisions as described in our *"Business Strategy"* section of Item 2. *"Management's Discussion and Analysis of Financial Condition and Results of Operations - Overview"*.

Inflation may also result in increased wage pressures for our operating expenses, as we remain focused on being a competitive employer in our market. Currently, while salaries and incentive compensation costs comprise less than one-half of our total general and administrative expenses, continuing inflation and tight labor conditions could have a material impact on our net operating results.

Off-Balance Sheet Arrangements

At March 31, 2025, we did not have any off-balance sheet arrangements as defined by Item 303(a) (4) of Regulation S-K.

Recent Accounting Pronouncements

See *"Part I, Item 1 - Notes to Condensed Consolidated Financial Statements (unaudited) Note 2. Significant Accounting Policies"* for a discussion on recently adopted accounting pronouncements.

Item 4. Controls and Procedures

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, have evaluated the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by SEC rules and forms and that such information is accumulated and communicated to management, including our Principal Executive Officer and Principal Financial Officer, to allow for timely decisions regarding required disclosures. Our Principal Executive Officer and Principal Financial Officer have concluded that, as of the end of the period covered by this report, such disclosure controls and procedures were effective. Our management, including our Principal Executive Officer and Principal Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide an absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected.

During the most recent fiscal quarter, there were no changes in the Company's internal controls over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See "Part I, Item 1 - Notes to Condensed Consolidated Financial Statements (unaudited) Note 11. Commitments and Contingencies" for an update on legal matters. Except as disclosed above, there are no material changes from the legal proceedings previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 1A. Risk Factors

Our business is subject to a number of risks, including those identified in Item 1A. of Part I of our Annual Report on Form 10-K for the year ended December 31, 2024, that could have a material adverse effect on our business, results of operations, financial condition and/or liquidity and that could cause our operating results to vary significantly from period to period. The risks described in our 2024 Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also could have a material adverse effect on our business, results of operations, financial condition and/or liquidity.

There are no material changes from the risk factors previously disclosed in "Part I - Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity and Use of Proceeds

Items 2. (a) and (b) are not applicable.

2. (c) Share Repurchases

On February 21, 2017, the Company's Board of Directors approved the repurchase of up to \$100.0 million of the Company's common shares from time to time at market prices. The Company has adopted a Rule 10b5-1(c)(1) trading arrangement as defined in Item 408 of Regulation S-K under the Securities Exchange Act of 1934, as amended. The Company's remaining authorization for common share repurchases was \$68.1 million at March 31, 2025. In connection with the Combination Agreement entered into with Kestrel, Maiden has suspended its common share repurchase program.

The table below details repurchases made during the three months ended March 31, 2025 under the Company's authorized common share repurchase plan pursuant to Rule 10b5-1(c)(1) under the Securities Exchange Act of 1934:

For the Three Months Ended March 31, 2025	Total number of shares repurchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Dollar amount still available under trading plan
				(\$ in thousands)
January 1, 2025 - January 31, 2025	—	\$ —	—	\$ 68,107
February 1, 2025 - February 28, 2025	—	—	—	68,107
March 1, 2025 - March 31, 2025	—	—	—	68,107
Total	—	\$ —	—	68,107

Subsequent to the three months ended March 31, 2025 and through the period ended May 12, 2025, the Company did not repurchase any additional common shares under the Company's authorized common share repurchase plan pursuant to Rule 10b5-1(c)(1) under the Securities Exchange Act of 1934, as amended. The Company's remaining share repurchase authorization was \$68.1 million at May 12, 2025.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Amended and Restated Bye-Laws

As described above, at the Special Meeting, the Company's shareholders voted to approve amendments to the Company's bye-laws. The amended and restated bye-laws are filed herewith as Exhibit 3.1.

Executive Ownership and Sales

From time to time, some of the Company's directors and executives may determine that it is advisable to diversify their investments for personal financial planning reasons, or may seek liquidity for other reasons, and may sell common shares of the Company in the open market, in private transactions or to the Company. To effect such sales, some of the Company's directors and executives have previously entered into, and may in the future enter into, trading plans designed to comply with the Company's Insider Trading and Outside Investments Policy and the provisions of Rule 10b5-1 under the Securities Exchange Act of 1934. The trading plans will not reduce any of the executives' ownership of the Company's shares below the applicable executive stock ownership guidelines. The Company does not undertake any obligation to report Rule 10b5-1 plans that may be adopted by any employee or director of the Company in the future, or to report any modifications or termination of any publicly announced plan.

During the three months ended March 31, 2025, none of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement (as defined in Item 408(a)(1)(i) of Regulation S-K) or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Insider Trading Arrangements and Policies

On September 4, 2024, the Company adopted a new Rule 10b5-1(c)(1) trading arrangement as defined in Item 408 of Regulation S-K under the Securities Exchange Act of 1934, as amended, between Maiden Holdings and a financial intermediary authorizing the intermediary to purchase common shares from October 4, 2024 until the close of business on November 15, 2025, subject to certain conditions set forth in the agreement.

During the three months ended March 31, 2025 and through the period ended May 12, 2025, the Company did not repurchase any additional common shares under the Company's authorized common share repurchase plan pursuant to Rule 10b5-1(c)(1) under the Securities Exchange Act of 1934, as amended.

Nasdaq Listing Notice

On April 2, 2025, the Company received a letter from the listing qualifications department staff of Nasdaq that Maiden's common shares failed to maintain a minimum bid price of \$1.00 over the previous 30 consecutive business days as required by the Listing Rules of Nasdaq. Since then, Nasdaq has determined that for the last 12 consecutive business days, from April 21, 2025 to May 7, 2025, the closing bid price of the Company's common shares has been at \$1.00 per share or greater. Accordingly, the Company has regained compliance with Listing Rule 5550(a)(2), and this matter is now closed.

Item 6. Exhibits.

Exhibit No.	Description
3.1	Amended and Restated Bye-Laws of Maiden Holdings, Ltd.
31.1	Section 302 Certification of CEO
31.2	Section 302 Certification of CFO
32.1	Section 906 Certification of CEO
32.2	Section 906 Certification of CFO
101.1	The following materials from Maiden Holdings, Ltd. Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 formatted in Inline XBRL: (i) unaudited Condensed Consolidated Balance Sheets; (ii) unaudited Condensed Consolidated Statements of Income; (iii) unaudited Condensed Consolidated Statements of Comprehensive Income; (iv) unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity; (v) unaudited Condensed Consolidated Statements of Cash Flows; and (vi) Notes to unaudited Condensed Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MAIDEN HOLDINGS, LTD.

By:

/s/ Patrick J. Haveron

Patrick J. Haveron
Chief Executive Officer and Chief Financial Officer (Principal Executive Officer)

/s/ Mark O. Heintzman

Mark O. Heintzman
Senior Vice President - Finance (Principal Financial Officer)

May 12, 2025

**BYE-LAWS OF
MAIDEN HOLDINGS, LTD.**

(Conformed copy incorporating all amendments through April 29, 2025)

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INTERPRETATION

1. Definitions

1.1 In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Act	the Companies Act 1981 as amended from time to time;
Alternate Director	an alternate director appointed in accordance with these Bye-laws;
Auditor	includes an individual or partnership;
Board	the board of directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
Code	the United States Internal Revenue Code of 1986, as amended;
Company	the company for which these Bye-laws are approved and confirmed;
Director	a director of the Company and shall include an Alternate Director;
indirect	when referring to a holder or owner of shares, ownership of shares within the meaning of section 958(a)(2) of the Code;
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
notice	written notice as further provided in these Bye-laws unless otherwise specifically stated;

Officer	any person appointed by the Board to hold an office in the Company;
Register of Directors and Officers	the register of directors and officers referred to in these Bye-laws;
Register of Members	the register of members referred to in these Bye-laws;
Resident Representative	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
Treasury Share	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled; and
U.S. Person	(i) an individual who is a citizen or resident of the United States, (ii) a corporation or partnership that is, as to the United States, a domestic corporation or partnership, (iii) an estate that is subject to United States federal income tax on its income, regardless of its source, (iv) a "U.S. Trust;" a U.S. Trust is any trust (A) if and only if (i) a court within the United States is able to exercise primary supervision over the administration of the trust, and (ii) one or more U.S. trustees have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a domestic trust under applicable U.S. Treasury regulations; or (v) any person that is treated as one of the foregoing for U.S. federal income tax purposes.

1.2 In these Bye-laws, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:
 - (i) “may” shall be construed as permissive; and
 - (ii) “shall” shall be construed as imperative; and
- (e) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-laws.

1.3 In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

2.1 Subject to these Bye-laws and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine.

2.2 Without limitation to the provisions of Bye-law 4, subject to the Act, any preference shares may be issued or converted into shares that (at a determinable date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Board (before the issue or conversion).

2.3 Notwithstanding the foregoing or any other provision of these Bye-laws, the Company may not issue any shares in a manner that the Board determines in its sole discretion may result in a non de minimis adverse tax, legal or regulatory consequence to the Company, or any of its subsidiaries or any direct or indirect holder of shares or its affiliates.

3. Power of the Company to Purchase its Shares

- 3.1** The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Act on such terms as the Board shall think fit.
- 3.2** The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act.
- 3.3** Notwithstanding the foregoing or any other provision of these Bye-laws, any such purchase or acquisition may not be made if the Board determines in its sole discretion that the purchase or acquisition may result in a non de minimis adverse tax, legal or regulatory consequence to the Company, any of its subsidiaries or any direct or indirect holder of shares or its affiliates.

4. Rights Attaching to Shares

- 4.1** Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the share capital shall consist of at least one class of common shares (the “Common Shares”), the holders of which shall, subject to these Bye-laws:
 - (a) be entitled to one vote per share;
 - (b) be entitled to such dividends as the Board may from time to time declare;
 - (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
 - (d) generally be entitled to enjoy all of the rights attaching to shares.

4.2 The Board is authorised to provide for the creation and issuance of preference shares (the “Preference Shares”) in one or more series, and to establish from time to time the number of shares to be included in each such series, and to fix the terms, including designation, powers, preferences, rights, qualifications, limitations and restrictions of the shares of each such series (and, for the avoidance of doubt, such matters and the issuance of such Preference Shares shall not be deemed to vary the rights attached to the Common Shares or, subject to the terms of any other series of Preference Shares, to vary the rights attached to any other series of Preference Shares). Notwithstanding the foregoing or any other provision of these Bye-laws, the Company shall not vary or alter the rights attaching to any class of shares if the Board, after taking into account any adjustments to or restrictions on exercise of voting rights under Bye-laws 33-36 (inclusive), determines in its sole discretion that any non de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or indirect holders of shares or its affiliates may result from such variation. The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

- (a) the number of shares constituting that series and the distinctive designation of that series;
- (b) the dividend rate on the shares of that series, whether dividends shall be cumulative and, if so, from which date or dates, and the relative rights of priority, if any, of the payment of dividends on shares of that series;
- (c) whether that series shall have voting rights, in addition to the voting rights provided by law, and if so, the terms of such voting rights;
- (d) whether that series shall have conversion or exchange privileges (including, without limitation, conversion into Common Shares), and, if so, the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion or exchange rate in such events as the Board shall determine;
- (e) whether or not the shares of that series shall be redeemable or repurchaseable, and, if so, the terms and conditions of such redemption or repurchase, including the manner of selecting shares for redemption or repurchase if less than all shares are to be redeemed or repurchased, the date or dates upon or after which they shall be redeemable or repurchaseable, and the amount per share payable in case of redemption or repurchase, which amount may vary under different conditions and at different redemption or repurchase dates;
- (f) whether that series shall have a sinking fund for the redemption or repurchase of shares of that series, and, if so, the terms and amount of such sinking fund;

- (g) the right of the shares of that series to the benefit of conditions and restrictions upon the creation of indebtedness of the Company or any subsidiary, upon the issue of any additional shares (including additional shares of such series or any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Company or any subsidiary of any issued shares of the Company;
- (h) the rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, and the relative rights of priority, if any, of payment in respect of shares of that series; and
- (i) any other relative participating, optional or other special rights, qualifications, limitations or restrictions of that series.

4.3 Any Preference Shares of any series which have been redeemed (whether through the operation of a sinking fund or otherwise) or which, if convertible or exchangeable, have been converted into or exchanged for shares of any other class or classes shall have the status of authorised and unissued Preference Shares of the same series and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of a new series of Preference Shares to be created by resolution or resolutions of the Board or as part of any other series of Preference Shares, all subject to the conditions and the restrictions on issuance set forth in the resolution or resolutions adopted by the Board providing for the issue of any series of Preference Shares.

4.4 At the discretion of the Board, whether or not in connection with the issuance and sale of any shares or other securities of the Company, the Company may issue securities, contracts, warrants or other instruments evidencing any shares, option rights, securities having conversion or option rights, or obligations on such terms, conditions and other provisions as are fixed by the Board, including, without limiting the generality of this authority, conditions that preclude or limit any person or persons owning or offering to acquire a specified number or percentage of the issued Common Shares, other shares, option rights, securities having conversion or option rights, or obligations of the Company or transferee of the person or persons from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights, or obligations.

4.5 All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

5. Calls on Shares

- 5.1** The Board may make such calls as it thinks fit upon the Members in respect of any moneys (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members (and not made payable at fixed times by the terms and conditions of issue) and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.
- 5.2** Any amount which by the terms of allotment of a share becomes payable upon issue or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for all the purposes of these Bye-laws be deemed to be an amount on which a call has been duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Bye-laws as to forfeiture, payment of interest, costs and expenses, forfeiture or otherwise shall apply as if such amount had become payable by virtue of a duly made and notified call.
- 5.3** The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.
- 5.4** The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up or become payable.

6. [RESERVED]

7. Forfeiture of Shares

- 7.1** If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

Notice of Liability to Forfeiture for Non-Payment of Call
(the “Company”)

You have failed to pay the call of [amount of call] made on the [] day of [], 200[], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on the [] day of [], 200[], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [] per annum computed from the said [] day of [], 200[] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [] day of [], 200[]

[Signature of Secretary] By Order of the Board

- 7.2 If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine.
- 7.3 A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture, together with all interest due thereon and any costs and expenses incurred by the Company in connection therewith.
- 7.4 The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

8. Share Certificates

- 8.1 Every Member shall be entitled to a certificate under the common seal of the Company or bearing the signature (or a facsimile thereof) of a Director or Secretary or a person expressly authorized to sign specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.
- 8.2 The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.
- 8.3 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.
- 8.4 Notwithstanding any provisions of these Bye-laws:

- (a) the Directors shall, subject always to the Act and any other applicable laws and regulations and the facilities and requirements of any relevant system concerned, have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares and to the extent such arrangements are so implemented, no provision of these Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of shares in uncertificated form; and
- (b) unless otherwise determined by the Directors and as permitted by the Act and any other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

9. Fractional Shares

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

REGISTRATION OF SHARES

10. Register of Members

- 10.1** The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the particulars required by the Act.
- 10.2** The Register of Members shall be open to inspection without charge at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Act, be closed for any time or times not exceeding in the whole thirty days in each year.

11. Registered Holder Absolute Owner

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

12. Transfer of Registered Shares

- 12.1** An instrument of transfer shall be in writing in the form of the following, or as near thereto as circumstances admit, or in such other form as the Board may accept:

Transfer of a Share or Shares
(the “Company”)

FOR VALUE RECEIVED..... [amount], I, [name of transferor] hereby sell, assign and transfer unto [transferee] of [address], [number] shares of the Company.

DATED this [] day of [], 200[]

Signed by: In the presence of:

Transferor Witness

Transferee Witness

- 12.2** Such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid up share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Members.
- 12.3** The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 12.4** The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.

- 12.5** The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share which is not fully paid up. The Board shall refuse to register a transfer (x) unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained or (y) if such transfer is not made in accordance with the provisions of Regulation S under the United States Securities Act of 1933, as amended, pursuant to registration under such Securities Act or pursuant to an available exemption from registration under such Securities Act. The Board may decline to approve or register or permit the registration of any transfer of shares if it appears to the Board that any non de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or indirect holder of shares or its affiliates would result from such transfer. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.
- 12.6** Notwithstanding anything to the contrary in these Bye-laws, shares that are listed or admitted to trading on an appointed stock exchange may be transferred in accordance with the rules and regulations of such exchange.
- 12.7** The registration of transfers may be suspended at such time and for such periods as the Directors may from time to time determine; provided that such registration shall not be suspended for more than forty five days in any period of three hundred and sixty five (365) consecutive days.
- 12.8** Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Act.

13. Transmission of Registered Shares

- 13.1** In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.

- 13.2** Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member

(the “Company”)

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the “Transferee”) registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [] day of [], 200[]

Signed by: In the presence of:

Transferor Witness

Transferee Witness

- 13.3** On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member’s death or bankruptcy, as the case may be.
- 13.4** Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ALTERATION OF SHARE CAPITAL

14. Power to Alter Capital

- 14.1** The Company may if authorised by resolution of the Members increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Act. Notwithstanding the foregoing or any other provision of these Bye-laws, the Company shall not vary or alter the rights attaching to any class of shares if the Board, after taking into account any adjustments to or restrictions on exercise of voting rights under Bye-laws 33-36 (inclusive), determines in its sole discretion that any non de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or indirect holders of shares or its affiliates may result from such variation.
- 14.2** Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

15. Variation of Rights Attaching to Shares

- 15.1** If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of at least a majority of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
- 15.2** Notwithstanding the foregoing or any other provision of these Bye-laws, the Company shall not vary or alter the rights attaching to any class of shares if the Board, after taking into account any adjustments to or restrictions on exercise of voting rights under Bye-law 33, determines in its sole discretion that any non de minimis adverse tax, regulatory or legal consequences to the Company, any subsidiary of the Company, or any direct or indirect holders of shares or its Affiliates may result from such variation.

DIVIDENDS AND CAPITALISATION

16. Dividends

- 16.1** The Board may, subject to these Bye-laws and in accordance with the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.
- 16.2** The Board may fix any date as the record date for determining the Members entitled to receive any dividend.
- 16.3** The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.
- 16.4** The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

17. Power to Set Aside Profits

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

18. Method of Payment

- 18.1** Any dividend or other moneys payable in respect of a share may be paid by cheque or warrant sent through the post directed to the address of the Member in the Register of Members (in the case of joint Members, the senior joint holder, seniority being determined by the order in which the names stand in the Register of Members), or by direct transfer to such bank account as such Member may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to such persons as the Member may direct, and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. If two or more persons are registered as joint holders of any shares any one of them can give an effectual receipt for any dividend paid in respect of such shares.
- 18.2** The Board may deduct from the dividends or distributions payable to any Member all moneys due from such Member to the Company on account of calls or otherwise.

18.3 Any dividend and or other moneys payable in respect of a share which has remained unclaimed for 7 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect thereof.

18.4 The Company shall be entitled to cease sending dividend cheques and warrants by post or otherwise to a Member if those instruments have been returned undelivered to, or left uncashed by, that Member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the Member's new address. The entitlement conferred on the Company by this Bye-law 18.4 in respect of any Member shall cease if the Member claims a dividend or cashes a dividend cheque or warrant.

19. Capitalisation

19.1 The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid up bonus shares pro-rata (except in connection with the conversion of shares of one class to shares of another class) to the Members.

19.2 The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full, partly or nil paid up shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

MEETINGS OF MEMBERS

20. Annual General Meetings

The annual general meeting of the Company shall be held in each year (other than the year of incorporation) at such time and place as the President or the Chairman (if any) or the Board shall appoint.

21. Special General Meetings

The President or the Chairman (if any) or the Board may convene a special general meeting whenever in their judgment such a meeting is necessary.

22. Requisitioned General Meetings

The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene a special general meeting and the provisions of the Act shall apply.

23. Notice

- 23.1** At least 21 days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.
- 23.2** At least 21 days' notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.
- 23.3** The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting.
- 23.4** A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.
- 23.5** The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

24. Giving Notice and Access

- 24.1** A notice may be given by the Company to a Member:

- (a) by delivering it to such Member in person; or
- (b) by sending it by letter mail or courier to such Member's address in the Register of Members; or
- (c) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to the Company for such purpose; or
- (d) in accordance with Bye-law 24.4.

24.1 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

24.2 Any notice (save for one delivered in accordance with Bye-law 24.4) shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or transmitted by electronic means.

24.3 Where a Member indicates his consent (in a form and manner satisfactory to the Board) to receive information or documents by accessing them on a website rather than by other means, or receipt in this manner is otherwise permitted by the Act, the Board may deliver such information or documents by notifying the Member of their availability and including therein the address of the website, the place on the website where the information or document may be found, and instructions as to how the information or document may be accessed on the website.

24.4 In the case of information or documents delivered in accordance with Bye-law 24.4, service shall be deemed to have occurred when (i) the Member is notified in accordance with that Bye-law; and (ii) the information or document is published on the website.

25. Postponement or Cancellation of General Meeting

The Chairman or the President may, and the Secretary on instruction from the Chairman or the President shall, postpone or cancel any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement or cancellation is given to each Member before the time for such meeting. Fresh notice of the date, time and place for the postponed or cancelled meeting shall be given to the Members in accordance with these Bye-laws.

26. Electronic Participation and Security at General Meetings

- 26.1** Members may participate in any general meeting by such telephonic, electronic or other communications facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
- 26.2** The Board may, and at any general meeting, the chairman of such meeting may make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board and, at any general meeting, the chairman of such meeting are entitled to refuse entry to a person who refuses to comply with any such arrangements, requirements or restrictions.

27. Quorum at General Meetings

- 27.1** At any general meeting two or more persons present in person at the start of the meeting and representing in person or by proxy in excess of 50% of the total issued voting shares in the Company shall form a quorum for the transaction of business.
- 27.2** If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

28. Chairman to Preside at General Meetings

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, if there be one, and if not the President, if there be one, shall act as chairman at all general meetings at which such person is present. In their absence, a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

29. Voting on Resolutions

- 29.1** Subject to the Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the resolution shall fail.
- 29.2** At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to these Bye-laws and any rights or restrictions for the time being lawfully attached to any class of shares, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote for each voting share (subject to any adjustments or eliminations of voting power of any shares pursuant to Bye-law 33) of which such person is the holder or for which such person holds a proxy and such votes shall be counted in the manner set out in Bye-law 30.4.
- 29.3** In the event that a Member participates in a general meeting by telephone, electronic or other communications facilities or means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.
- 29.4** At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.
- 29.5** At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

30. Power to Demand a Vote on a Poll

- 30.1** Notwithstanding the foregoing, a poll may be demanded by any of the following persons:
- (a) the chairman of such meeting; or
 - (b) at least three Members present in person or represented by proxy; or
 - (c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or

- (d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total amount paid up on all such shares conferring such right.

30.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy (subject to any adjustments or eliminations of voting power of any shares pursuant to Bye-law 33) and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, electronic or other communications facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

30.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

30.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken. Each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communications facilities or means shall cast his vote in such manner as the chairman shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman of the meeting for the purpose. The result of the poll shall be declared by the chairman of the meeting.

31. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

32. Votes of Members - General

Subject to the provisions of Bye-law 33 below, and subject to any rights and restrictions for the time being attached to any class or classes or series of shares, every Member shall have one vote for each share carrying the right to vote on the matter in question of which he is the holder. Notwithstanding any other provisions of these Bye-laws, all determinations in these Bye-laws that are made by or subject to a vote or approval of Members shall be based upon the voting power of such Members' shares as determined pursuant to Bye-law 33.

33. Adjustments of Voting Power

Any shares shall not carry any right to vote to the extent that the Board of Directors determines that it is necessary that such shares should not carry the right to vote in order to avoid adverse tax, legal or regulatory consequences to the Company, any subsidiary of the Company, or any other direct or indirect holder of shares or its affiliates.

34. Notice

In the event that the Board adjusts the voting power of any shares pursuant to Bye-law 33, the Board shall promptly notify each Member in writing of the voting power conferred by its shares as determined in accordance with Bye-law 33 after the analysis with respect to any adjustment is completed. Prior to the meeting on which Members shall vote on any matter (or prior to any vote in the case of notification to Members specified in item (3) of this Bye-law 34), the Board may, in its sole discretion, (1) retain the services of an internationally recognized accounting firm or organization with comparable professional capabilities in order to assist the Company in applying the principles of Bye-law 33 and (2) obtain from such firm or organization a statement describing the information obtained and procedures followed and setting forth the determinations made with respect to Bye-law 33. For the avoidance of doubt, any failure by the Board to take any of the actions described in this Bye-law 34 shall not invalidate any votes cast or the proceedings at the meeting.

35. Board Determination Binding

Any determination by the Board as to any adjustments or eliminations of voting power of any shares made pursuant to Bye-law 33 shall be final and binding and any vote taken based on such determination shall not be capable of being challenged solely on the basis of such determination.

36. Requirement to Provide Information and Notice

- 36.1** The Board shall have the authority to request from any direct or indirect holder of shares, and such holder of shares shall provide, such information as the Board may reasonably request for the purpose of determining whether any holder's voting rights are to be adjusted. If such holder fails to respond to such a request, or submits incomplete or inaccurate information in response to such a request, the Board may determine in its sole discretion that such holder's shares shall carry no voting rights in which case such holder shall not exercise any voting rights in respect of such shares until otherwise determined by the Board.
- 36.2** Notwithstanding the foregoing, no Member shall be liable to any other Member or the Company for any losses or damages resulting from such Member's failure to respond to, or submission of incomplete or inaccurate information in response to, a request under Bye-law 36.1.
- 36.3** Any information provided by any Member to the Company pursuant to this Bye-law 36 or for purposes of making the analysis required by Bye-law 33, shall be deemed "confidential information" (the "Confidential Information") and shall be used by the Company solely for the purposes contemplated by such Bye-law (except as may be required otherwise by applicable law or regulation). The Company shall hold such Confidential Information in strict confidence and shall not disclose any Confidential Information that it receives, except (i) to the U.S. Internal Revenue Service (the "Service") if and to the extent the Confidential Information is required by the Service, (ii) to any outside legal counsel or accounting firm engaged by the Company to make determinations regarding the relevant Bye-law or (iii) as otherwise required by applicable law or regulation.
- 36.4** At the written request of a Member, the Confidential Information of such Member shall be destroyed or returned to such Member after the later to occur of (i) such Member no longer being a Member or (ii) the last day of the seventh year after the year during which the confidential information was obtained by the Company, provided, that the Board may determine that such confidential information should instead be retained for a longer period in order to avoid adverse tax, legal or regulatory consequences to the Company, any of its subsidiaries or any direct or indirect holder of shares.

37. Instrument of Proxy

- 37.1** A Member may appoint a proxy by (a) an instrument appointing a proxy in writing in substantially the following form or such other form as the Board may determine from time to time:

Proxy
(the "Company")

I/We, [insert names here], being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members to be held on the [] day of [], 200[] and at any adjournment thereof. (Any restrictions on voting to be inserted here.)

Signed this [] day of [], 200[]

Member(s)

or (b) such telephonic, electronic or other means as may be approved by the Board from time to time.

37.2 The appointment of a proxy must be received by the Company at the registered office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the appointment proposes to vote, and an appointment of proxy which is not received in the manner so permitted shall be invalid.

37.3 A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

37.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

38. Representation of Corporate Member

38.1 A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

38.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

39. Adjournment of General Meeting

39.1 The chairman of any general meeting at which a quorum is present may with the consent of Members holding a majority of the voting rights of those Members present in person or by proxy (and shall if so directed by Members holding a majority of the voting rights of those Members present in person or by proxy), adjourn the meeting.

- 39.2** In addition, the chairman may adjourn the meeting to another time and place without such consent or direction if it appears to him that:
- (a) it is likely to be impracticable to hold or continue that meeting because of the number of Members wishing to attend who are not present; or
 - (b) the unruly conduct of persons attending the meeting prevents, or is likely to prevent, the orderly continuation of the business of the meeting; or
 - (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.
- 39.3** Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

40. Written Resolutions

- 40.1** Subject to these Bye-laws anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may, without a meeting be done by written resolution in accordance with this Bye-law, PROVIDED THAT (a) if the Board determines that the signature of the last Member to sign must be affixed outside the United States, any such resolution shall be valid only if such resolution complies with the Board determination and (b) the resolution shall be void if the Board reasonably determines, based on the advice of counsel, that the use of a resolution in writing would result in a non-de minimis adverse tax, regulatory or legal consequence to the Company, any subsidiary of the Company or any direct or indirect holder of shares.
- 40.2** Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.
- 40.3** A written resolution is passed when it is signed by, or in the case of a Member that is a corporation on behalf of, the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.
- 40.4** A resolution in writing may be signed by any number of counterparts.

- 40.5** A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.
- 40.6** A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.
- 40.7** This Bye-law shall not apply to:
- (a) a resolution passed to remove an Auditor from office before the expiration of his term of office; or
 - (b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.
- 40.8** For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by, or in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

41. Directors Attendance at General Meetings

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

CERTAIN SUBSIDIARIES

42. Voting of Subsidiary Shares

Notwithstanding any other provision of these Bye-laws to the contrary, if the Company is required or entitled to vote at a general meeting of any direct non-U.S. subsidiary of the Company, the Board shall refer the subject matter of the vote to the Members of the Company on a poll (subject to Bye-law 33) and seek authority from the Members for the Company's corporate representative or proxy to vote in favour of the resolution proposed by the subsidiary PROVIDED THAT this Bye-law shall apply only in the event that the voting rights of any shares of the Company are, at the relevant time, subject to adjustment pursuant to Bye-law 33. The Board shall cause the Company's corporate representative or proxy to vote the Company's shares in the subsidiary pro rata to the votes received at the general meeting of the Company, with votes for or against the directing resolution being taken, respectively, as an instruction for the Company's corporate representative or proxy to vote the appropriate proportion of its shares for and the appropriate proportion

of its shares against the resolution proposed by the subsidiary. The Board shall have authority to resolve any ambiguity.

43. Bye-law or Articles of Association of Certain Subsidiaries

The Board in its discretion shall require that the Bye-law or Articles of Association or similar organizational documents of each subsidiary of the Company, organized under the laws of a jurisdiction outside the United States of America, other than any non-U.S. subsidiary that is a direct or indirect subsidiary of a U.S. Person, shall contain provisions substantially similar to Bye-law 42 and 43. The Company shall enter into agreements, as and when determined by the Board, with each such subsidiary, only if and to the extent reasonably necessary and permitted under applicable law, to effectuate or implement this Bye-law.

DIRECTORS AND OFFICERS

44. Election of Directors

- 44.1** The Board shall consist of such number of Directors being not less than three (3) Directors and not more than such maximum number of Directors, not exceeding eleven (11) Directors, as the Board may from time to time determine.
- 44.2** Only persons who are proposed or nominated in accordance with this Bye-law shall be eligible for election as Directors. Any Member or the Board may propose any person for election as a Director. Where any person, other than a Director retiring at the meeting or a person proposed for re-election or election as a Director by the Board, is to be proposed for election as a Director, notice must be given to the Company of the intention to propose him and of his willingness to serve as a Director. Where a Director is to be elected:
- (a) at an annual general meeting, such notice must be given not less than 90 days nor more than 120 days before the anniversary of the last annual general meeting prior to the giving of the notice or, in the event the annual general meeting is called for a date that is not 30 days before or after such anniversary the notice must be given not later than 10 days following the earlier of the date on which notice of the annual general meeting was posted to Members or the date on which public disclosure of the date of the annual general meeting was made; and
 - (b) at a special general meeting, such notice must be given not later than 10 days following the earlier of the date on which notice of the special general meeting was posted to Members or the date on which public disclosure of the date of the special general meeting was made.
- 44.3** Where the number of persons validly proposed for re-election or election as a Director is greater than the number of Directors to be elected, the persons receiving the most votes (up to the number of Directors to be elected) shall be elected as Directors, and an absolute majority of the votes cast shall not be a prerequisite to the election of such Directors.
- 44.4** At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

45. Intentionally Omitted

46. Term of Office of Directors

Directors shall hold office for such term as the Members may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

47. Alternate Directors

- 47.1** At any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.
- 47.2** Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice deposited with the Secretary. Any person so elected or appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.
- 47.3** An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.
- 47.4** An Alternate Director shall cease to be such if the Director for whom he was appointed to act as a Director in the alternative ceases for any reason to be a Director, but he may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy in accordance with these Bye-laws.

48. Removal of Directors

- 48.1** Subject to any provision to the contrary in these Bye-laws, the Members entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director, only with cause, provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.
- 48.2** If a Director is removed from the Board under the provisions of this Bye-law the Members may fill the vacancy at the meeting at which such Director is removed and a Director so appointed shall hold office in the same class of Directors as the removed Director held until the next annual general meeting or until such Director's office is otherwise vacated. In the absence of such election or appointment, the Board may fill the vacancy.
- 48.3** For the purpose of Bye-law 48.1, "cause" shall mean a conviction for a criminal offence involving dishonesty or engaging in conduct which brings the Director or the Company into disrepute and which results in material financial detriment to the Company.

49. Vacancy in the Office of Director

49.1 The office of Director shall be vacated if the Director:

- (a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;
- (b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
- (c) is or becomes of unsound mind or dies; or
- (d) resigns his office by notice to the Company.

49.2 The Members in general meeting or the Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director or as a result of an increase in the size of the Board and to appoint an Alternate Director to any Director so appointed.

50. Remuneration of Directors

The remuneration (if any) of the Directors shall be determined by the Company in general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings, or in connection with the business of the Company or their duties as Directors generally.

51. Defect in Appointment

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers shall, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

52. Directors to Manage Business

52.1 The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Act or by these Bye-laws, required to be exercised by the Company in general meeting.

52.2 Subject to these Bye-laws, the Board may delegate to any company, firm, person, or body of persons any power of the Board (including the power to sub-delegate).

53. Powers of the Board of Directors

The Board may:

- (a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;
- (b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;
- (c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company and listing the shares of the Company;

- (g) delegate any of its powers (including the power to sub-delegate) to a committee appointed by the Board which may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board;
- (h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;
- (i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;
- (j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

54. Register of Directors and Officers

The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act.

55. Appointment of Officers

The Board may appoint such officers (who may or may not be Directors) as the Board may determine.

56. Appointment of Secretary

The Secretary shall be appointed by the Board from time to time.

57. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

58. Remuneration of Officers

The Officers shall receive such remuneration as the Board may determine.

59. Conflicts of Interest

- 59.1** Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director. Nothing herein contained shall authorise a Director or Director's firm, partner or company to act as Auditor to the Company.
- 59.2** A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Act.
- 59.3** Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum for such meeting.

60. Indemnification and Exculpation of Directors and Officers

- 60.1** The Directors, Secretary and other Officers (such term to include any person appointed to any committee by the Board) for the time being acting in relation to any of the affairs of the Company, any subsidiary thereof, and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company or any subsidiary thereof, and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty (as determined in a final judgment or decree not subject to appeal) on the part of any of the said persons. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director or Officer.
- 60.2** The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.
- 60.3** The Company may advance moneys to an Officer, Director or auditor for the costs, charges and expenses incurred by the Officer, Director or auditor in defending any civil or criminal proceedings against them, on condition that the Officer, Director or auditor shall repay the advance if any allegation of fraud or dishonesty is proved against him.

MEETINGS OF THE BOARD OF DIRECTORS

61. Board Meetings

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. Subject to these Bye-laws, a resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

62. Notice of Board Meetings

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

63. Electronic Participation in Meetings

Directors may participate in any meeting by such telephonic, electronic or other communications facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

64. Quorum at Board Meetings

The quorum necessary for the transaction of business at a meeting of the Board shall be two Directors.

65. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

66. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, and if not, the President, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In their absence a chairman shall be appointed or elected by the Directors present at the meeting.

67. Written Resolutions

A resolution signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution, PROVIDED THAT (a) if the Board determines that the signature of the last Director to sign must be affixed outside the United States, any such resolution shall be valid only if such resolution complies with the Board determination and (b) the Board shall not act by written resolution if the Board reasonably determines, based on the advice of counsel, that the use of a resolution in writing would result in a non-de minimis adverse tax, regulatory or legal consequence to the Company, any subsidiary of the Company or any direct or indirect holder of shares. For the purposes of this Bye-law only, “the Directors” shall not include an Alternate Director.

68. Validity of Prior Acts of the Board

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

69. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all elections and appointments of Officers;
- (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and
- (c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, and meetings of committees appointed by the Board.

70. Place Where Corporate Records Kept

Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the registered office of the Company.

71. Form and Use of Seal

- 71.1** The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.
- 71.2** A seal may, but need not be affixed to any deed, instrument, share certificate or document, and if the seal is to be affixed thereto, it shall be attested by the signature of (i) any Director; or (ii) any Officer; or (iii) the Secretary; or (iv) any person authorized by the Board for that purpose.
- 71.3** A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

ACCOUNTS

72. Books of Account

- 72.1** The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
 - (b) all sales and purchases of goods by the Company; and
 - (c) all assets and liabilities of the Company.
- 72.2** Such records of account shall be kept at the registered office of the Company, or subject to the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

73. Financial Year End

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31st December in each year.

AUDITS

74. Annual Audit

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Act, the accounts of the Company shall be audited at least once in every year.

75. Appointment of Auditor

- 75.1** Subject to the Act, at the annual general meeting or at a subsequent special general meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company.
- 75.2** The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

76. Remuneration of Auditor

The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine. In the case of an Auditor appointed pursuant to Bye-law 81, the remuneration of the Auditor shall be fixed by the Board.

77. Duties of Auditor

- 77.1** The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.
- 77.2** The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

78. Access to Records

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

79. Financial Statements

Subject to any rights to waive laying of accounts pursuant to the Act, financial statements as required by the Act shall be laid before the Members in general meeting. A resolution in writing made in accordance with Bye-law 40 receiving, accepting, adopting, approving or otherwise acknowledging financial statements shall be deemed to be the laying of such statements before the Members in general meeting.

80. Distribution of Auditor's report

The report of the Auditor shall be submitted to the Members in general meeting.

81. Vacancy in the Office of Auditor

If the office of Auditor becomes vacant by the resignation or death of the Auditor, or by the Auditor becoming incapable of acting by reason of illness or other disability at a time when the Auditor's services are required, the vacancy thereby created shall be filled in accordance with the Act.

BUSINESS COMBINATIONS

82. Business Combinations

82.1 (a) Any Business Combination with any Interested Shareholder within a period of three years following the time of the transaction in which the person becomes an Interested Shareholder must be approved by the Board and authorised at an annual or special general meeting, by the affirmative vote of at least 66 and 2/3% of the issued and outstanding voting shares of the Company that are not owned by the Interested Shareholder unless:

- (i) prior to the time that the person became an Interested Shareholder, the Board approved either the Business Combination or the transaction which resulted in the person becoming an Interested Shareholder; or
- (ii) upon consummation of the transaction which resulted in the person becoming an Interested Shareholder, the Interested Shareholder owned at least 85% of the number of issued and outstanding voting shares of the Company at the time the transaction commenced, excluding for the purposes of determining the number of shares issued and outstanding those shares owned (i) by persons who are directors and also officers and (ii) employee share plans in which employee participants do not have the right to determine whether shares held subject to the plan will be tendered in a tender or exchange offer.

(a) The restrictions contained in this Bye-law 82.1 shall not apply if:

- (i) a Member becomes an Interested Shareholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the Member ceases to be an Interested Shareholder; and (ii) would not, at any time within the three-year period immediately prior to a Business Combination between the Company and such Member, have been an Interested Shareholder but for the inadvertent acquisition of ownership; or

- (ii) the Business Combination is proposed prior to the consummation or abandonment of, and subsequent to the earlier of the public announcement or the notice required hereunder of, a proposed transaction which (i) constitutes one of the transactions described in the following sentence; (ii) is with or by a person who either was not an Interested Shareholder during the previous three years or who became an Interested Shareholder with the approval of the Board; and (iii) is approved or not opposed by a majority of the members of the Board then in office who were Directors prior to any person becoming an Interested Shareholder during the previous three years or were recommended for election or elected to succeed such Directors by resolution of the Board approved by a majority of such Directors. The proposed transactions referred to in the preceding sentence are limited to:
- (a) a merger, amalgamation or consolidation of the Company (except an amalgamation in respect of which, pursuant to the Act, no vote of the shareholders of the Company is required);
 - (b) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Company or of any entity directly or indirectly wholly-owned or majority-owned by the Company (other than to the Company or any entity directly or indirectly wholly-owned by the Company) having an aggregate market value equal to 50% or more of either the aggregate market value of all of the assets of the Company determined on a consolidated basis or the aggregate market value of all the issued and outstanding shares of the Company; or
 - (c) a proposed tender or exchange offer for 50% or more of the issued and outstanding voting shares of the Company.

The Company shall give not less than 20 days notice to all Interested Shareholders prior to the consummation of any of the transactions described in subparagraphs (a) or (b) of the second sentence of this paragraph (ii).

- (b) For the purpose of this Bye-law 82 only, the term:
- (i) “affiliate” means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person;
 - (ii) “associate,” when used to indicate a relationship with any person, means: (i) any company, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting shares; (ii) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person;
 - (iii) “Business Combination,” when used in reference to the Company and any Interested Shareholder of the Company, means:
 - (a) any merger, amalgamation or consolidation of the Company or any entity directly or indirectly wholly-owned or majority-owned by the Company, wherever incorporated, with (A) the Interested Shareholder or any of its affiliates, or (B) with any other company, partnership, unincorporated association or other entity if the merger, amalgamation or consolidation is caused by the Interested Shareholder;
 - (b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a shareholder of the Company, to or with the Interested Shareholder, whether as part of a dissolution or otherwise, of assets of the Company or of any entity directly or indirectly wholly-owned or majority-owned by the Company which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Company determined on a consolidated basis or the aggregate market value of all the issued and outstanding shares of the Company;
 - (c) any transaction which results in the issuance or transfer by the Company or by any entity directly or indirectly wholly-owned or majority-owned by the Company of any shares of the Company, or any share of such entity, to the Interested Shareholder, except: (A) pursuant to the exercise, exchange

or conversion of securities exercisable for, exchangeable for or convertible into shares of the Company, or shares of any such entity, which securities were issued and outstanding prior to the time that the Interested Shareholder became such; (B) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into shares of the Company, or shares of any such entity, which security is distributed, pro rata to all holders of a class or series of shares subsequent to the time the Interested Shareholder became such; (C) pursuant to an exchange offer by the Company to purchase shares made on the same terms to all holders of such shares; or (D) any issuance or transfer of shares by the Company; provided however, that in no case under items (B)-(D) of this subparagraph shall there be an increase in the Interested Shareholder's proportionate share of the any class or series of shares;

- (d) any transaction involving the Company or any entity directly or indirectly wholly-owned or majority-owned by the Company which has the effect, directly or indirectly, of increasing the proportionate share of any class or series of shares, or securities convertible into any class or series of shares of the Company, or shares of any such entity, or securities convertible into such shares, which is owned by the Interested Shareholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any repurchase or redemption of any shares not caused, directly or indirectly, by the Interested Shareholder; or
- (e) any receipt by the Interested Shareholder of the benefit, directly or indirectly (except proportionately as a shareholder of the Company), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in subparagraphs (a)-(d) of this paragraph) provided by or through the Company or any entity directly or indirectly wholly-owned or majority-owned by the Company;

- (iv) “control,” including the terms “controlling,” “controlled by” and “under common control with,” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract or otherwise. A person who is the owner of 20% or more of the issued and outstanding voting shares of any company, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary; provided that notwithstanding the foregoing, such presumption of control shall not apply where such person holds voting shares, in good faith and not for the purpose of circumventing this provision, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity;
- (v) “Interested Shareholder” means any person (other than the Company and any entity directly or indirectly wholly-owned or majority-owned by the Company) that (i) is the owner of 15% or more of the issued and outstanding voting shares of the Company, (ii) is an affiliate or associate of the Company and was the owner of 15% or more of the issued and outstanding voting shares of the Company at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an Interested Shareholder or (iii) is an affiliate or associate of any person listed in (i) or (ii) above; provided, however, that the term “Interested Shareholder” shall not include any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of action taken solely by the Company unless such person referred to in this proviso acquires additional voting shares of the Company otherwise than as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an Interested Shareholder, the voting shares of the Company deemed to be issued and outstanding shall include voting shares deemed to be owned by the person through application of paragraph (8) below, but shall not include any other unissued shares which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise;
- (vi) “person” means any individual, company, partnership, unincorporated association or other entity;

- (vii) “voting shares” means, with respect to any company, shares of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a company, any equity interest entitled to vote generally in the election of the governing body of such entity;
- (viii) “owner,” including the terms “own” and “owned,” when used with respect to any shares, means a person that individually or with or through any of its affiliates or associates:
 - (c) beneficially owns such shares, directly or indirectly; or
 - (d) has (A) the right to acquire such shares (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise;

provided, however, that a person shall not be deemed the owner of shares tendered pursuant to a tender or exchange offer made by such person or any of such person’s affiliates or associates until such tendered shares are accepted for purchase or exchange; or (B) the right to vote such shares pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any shares because of such person’s right to vote such shares if the agreement, arrangement or understanding to vote such shares arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more persons; or

- (e) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (B) of subparagraph (b) of this paragraph), or disposing of such shares with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such shares.

82.2 In respect of any Business Combination to which the restrictions contained in Bye-law 82.1 do not apply but which the Act requires to be approved by the Members, the necessary general meeting quorum and Members’ approval shall be as set out in Bye-laws 27 and 29 respectively.

VOLUNTARY WINDING-UP AND DISSOLUTION

83. Winding-Up

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be

divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

84. Changes to Bye-laws

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made until the same has been approved by a resolution of the Board and by a resolution of the Members.

84A. Changes to the Memorandum of Association

No alteration or amendment to the Memorandum of Association may be made save in accordance with the Act and until same has been approved by a resolution of the Board and by a resolution of the Members.

85. Discontinuance

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Act.

86. Merger, Amalgamation, Consolidation or Business Combination

Any resolution proposed for consideration at any general meeting to approve any merger, amalgamation, consolidation, business combination or similar transaction of the Company with any other company, wherever incorporated, shall (other than in respect of any merger, amalgamation, consolidation, business combination or similar transaction constituting a Business Combination to which the restrictions in Bye-law 82.1 shall apply) require the approval of a simple majority of votes cast at such meeting and the quorum for such meeting shall be that required in Bye-law 27 and a poll may be demanded in respect of such resolution in accordance with the provisions of Bye-law 30.

CERTIFICATION

I, Patrick J. Haveron, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Maiden Holdings, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including any consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 12, 2025

/s/ Patrick J. Haveron

Patrick J. Haveron

Chief Executive Officer and Chief Financial Officer (Principal Executive Officer)

CERTIFICATION

I, Mark O. Heintzman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Maiden Holdings, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including any consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 12, 2025

/s/ Mark O. Heintzman

Mark O. Heintzman
Senior Vice President - Finance (Principal Financial Officer)

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Maiden Holdings, Ltd. (the “Company”), hereby certifies, to such officer's knowledge, that:

The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 12, 2025

By: /s/ Patrick J. Haveron
Patrick J. Haveron
Chief Executive Officer and Chief Financial Officer (Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report.

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Maiden Holdings, Ltd. (the “Company”), hereby certifies, to such officer's knowledge, that:

The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 12, 2025

By: /s/ Mark O. Heintzman
Mark O. Heintzman
Senior Vice President - Finance (Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report.