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Investor Presentation
November 2026

Forward Looking Statements

Forward-Looking Statements

This presentation has been prepared by Kestrel Group Ltd. ("Kestrel," the "Company" or "we") and contains forward-looking statements. All statements other than statements of historical fact contained in this presentation, including statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations and expenditures, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Our forward-looking statements are generally, but not always, accompanied by words such as “estimate,” “believe,” “expect,” “will,” “plan,” “target,” “could” or other words that convey the uncertainty of future events or outcomes. The forward-looking statements in this presentation are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition, results of operations and liquidity. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict and beyond our ability to control. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

If one or more events related to these forward-looking statements or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Many of the important factors that will determine these results are beyond our ability to control or predict. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and, except as otherwise required by law, we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise. We cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We urge you to read documents we have filed with the SEC for more complete information about the Company, which are made publicly available at www.sec.gov and via our website, kestrelgroup.com, and to stay apprised of additional risks and uncertainties to be described in our periodic reports filed with the Securities and Exchange Commission from time to time. Any forward-looking statements in this presentation should be evaluated in light of the information in these documents.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date made, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to rely unduly upon these statements.

Non-GAAP Financial Measures

This presentation uses financial measures that are not presented in accordance with generally accepted accounting principles in the United States (“GAAP”) to supplement financial information presented in accordance with GAAP. There are limitations to the use of the non-GAAP financial measures presented in this presentation. For example, the non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies may calculate non-GAAP financial measures differently than the Company, limiting the usefulness of those measures for comparative purposes. See slides 22-23 for reconciliations of such non-GAAP financial measures to their most directly comparable GAAP measures.

Kestrel Group Ltd Q3 2026 Overview

$4.1m	$2.9m	$16.4m	$12.44	$19.61
Program Services fee revenue	Program Services fee income	Net loss for the quarter	GAAP book value per share	Unrecognized DTA per share
+151% Y-o-Y	+203% Y-o-Y			

Program Services Revenue & Income Growth Accelerating

- Fee income of $2.9m vs. $2.4m in Q2 2026
- Fee revenue of $4.1m vs. $3.7m in Q2 2026
- Premium produced of $121.2m vs. $109.6m in Q2 2026
- Recent programs growing in premium size and underwriting quality

Net Loss Impacted by Diversified UW & Lower Investment Results

- Q3 2026 net loss of $16.4m vs. net loss of $5.1m in Q3 2025
  - Investment loss of $1.3m largely the result of fair value adjustments
  - Higher Diversified underwriting loss offset improvements in AmTrust
  - Corporate operating expenses increased to $8.0m (+$600k Y-o-Y)
  - FX and other gains fell to $0.7m on a stronger U.S. dollar
  - Earn-out liability fell $2.7m

Lower Legacy Reinsurance Underwriting Loss

- Narrowed underwriting loss of $6.4m vs. loss of $9.0m in Q3 2025
  - $3.7m net adverse prior year development
  - $2.7m higher current accident year underwriting loss
  - $0.7m lower amortization of intangibles from the Combination
- Diversified segment losses grew $5.1m to $6.5m
  - $3.1m loss development on IIS German Auto quota share
  - $2.4m Genesis Legacy Solutions claim settlement
- AmTrust improved $7.7m to a $0.1m profit

Expense Reduction Plan Targeting $5m of Run-Rate Savings

Actions Taken:

- Significantly reduced costs associated with a broad range of professional and advisory services
- Outsourced information technology infrastructure and support functions early in the fourth quarter of 2026
- Streamlining certain internal functions
  - Headcount reductions and selective use of third-party vendors
- Additional measures expected in coming quarters

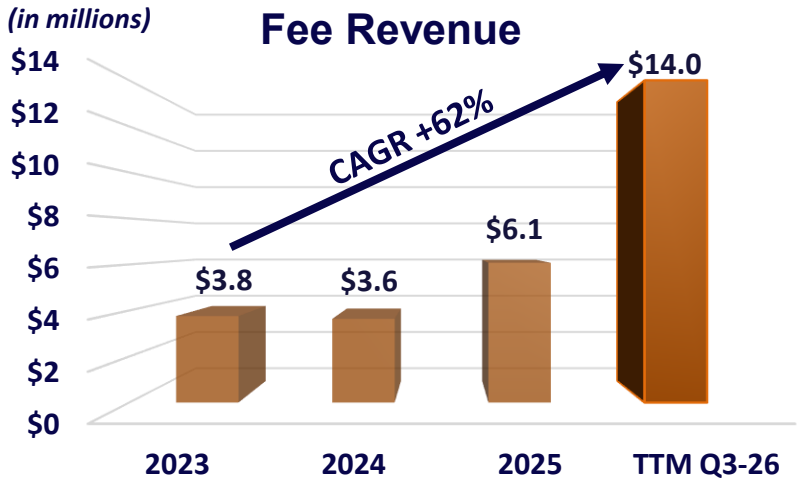
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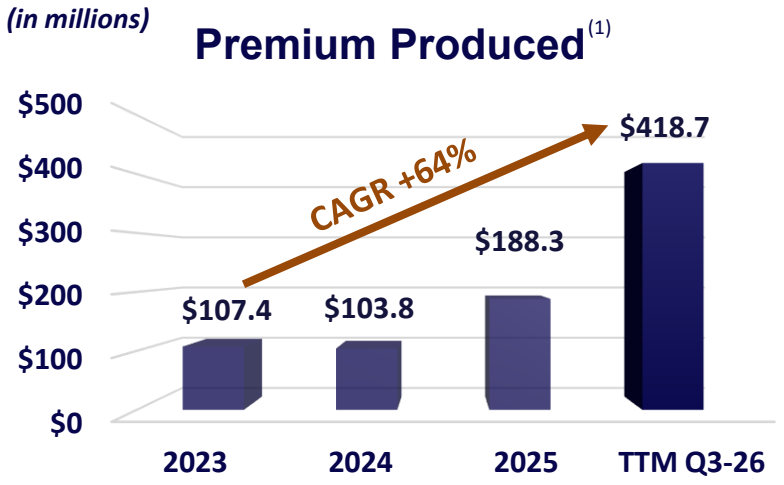
Program Services - Year-over-Year Growth

Fee Income	
Q3 2026	YTD Q3 2026
$2.90m	$6.90m
Up from $1m (2025)	Up from $1m (2025)

Fee Revenue	
Q3 2026	YTD Q3 2026
$4.07m	$10.93m
+151% (2025)	+268% (2025)

Premiums Produced	
Q3 2026	YTD Q3 2026
$121.2m	$325.0m
+132% (2025)	+244% (2025)





1) See definition for Premium Produced (operating metric) on Slide 24.

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Program Services - Q3 Momentum and 2026 Outlook

Q3 2026 grew sequentially vs. Q2 2026

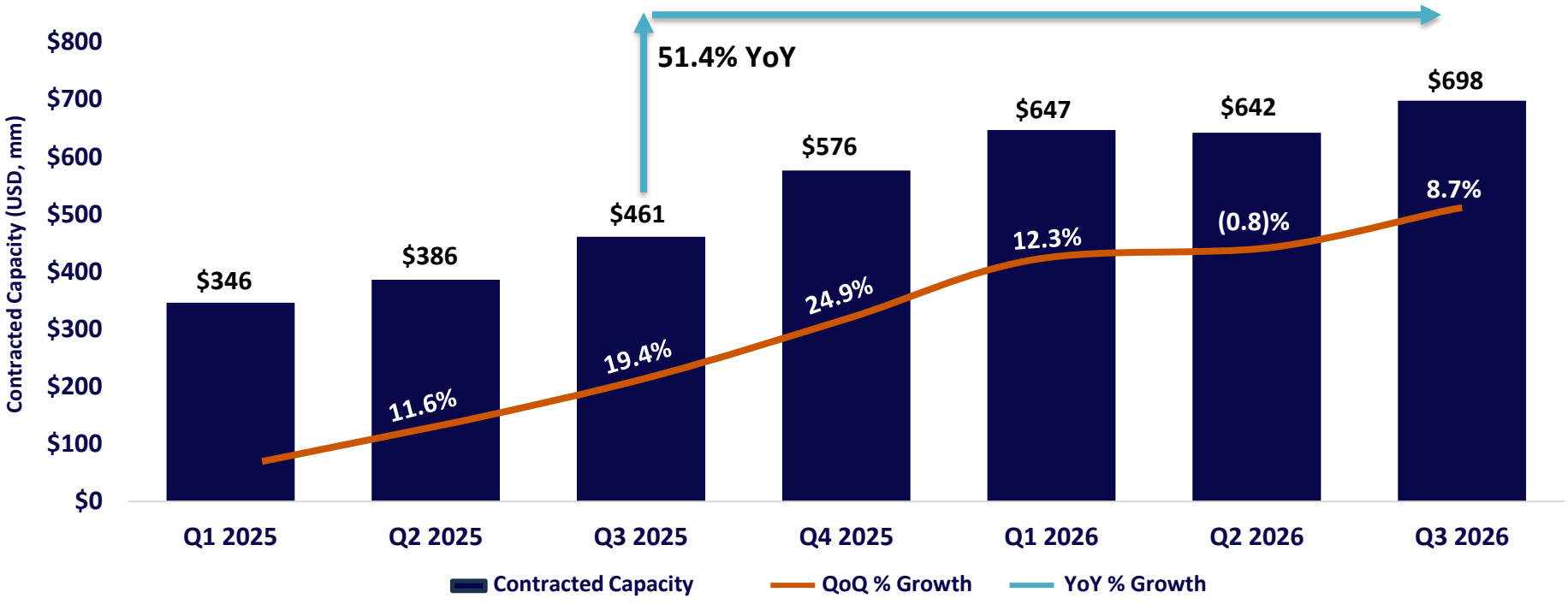
	Q3 2026	Q2 2026	QoQ
Fee income	$2.90m	$2.39m	**+21%**
Fee revenue	$4.07m	$3.74m	**+9%**
Premium produced	$121.2m	$109.6m	**+11%**

Continued expansion of contracted capacity points to additional growth

- 2026 trends in premium produced and fee revenue should continue
- Premium estimates reflect contractual capacity and program-level knowledge
- Upside if accounts exceed 70% of contracted capacity
- New account pipeline offers further upside, coordinated with AmTrust underwriting standards

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Contracted Capacity Continues to Grow



Contracted Capacity increased from Q2

- Contracted capacity is authorization to clients to produce premium to a specified limit
- Actual premium produced will differ from contracted capacity and lag aggregate authorization as program growth develops
- Through Q3 2026, TTM premium produced of $418.7m was 72.3% of average contracted capacity

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Q3 2026 - Underwriting & Fee Results by Segment

For the Three Months Ended September 30, 2026	Legacy Reinsurance	Program Services	Total
Gross premiums written	$ (1,171)	$ -	$ (1,171)
Net premiums written	$ (1,146)	$ -	$ (1,146)
Net premiums earned	$ 1,947	$ -	$ 1,947
Fee revenue	-	4,068	4,068
Net loss and loss adjustment (expenses) ("loss and LAE")	(5,948)	-	(5,948)
Commissions and other acquisition expenses	(128)	-	(128)
General and administrative expenses[3]	(2,283)	(1,165)	(3,448)
Underwriting and fee (loss) income[4]	$ (6,412)	$ 2,903	$ (3,509)

For the Three Months Ended September 30, 2025	Legacy Reinsurance	Program Services	Total
Gross premiums written	$ 3,760	$ -	$ 3,760
Net premiums written	$ 3,895	$ -	$ 3,895
Net premiums earned	$ 6,836	$ -	$ 6,836
Fee revenue	-	1,621	1,621
Net loss and LAE	(10,406)	-	(10,406)
Commissions and other acquisition expenses	(1,718)	-	(1,718)
General and administrative expenses[3]	(3,689)	(664)	(4,353)
Underwriting and fee (loss) income[4]	$ (8,977)	$ 957	$ (8,020)

(3)(4) Please refer to the Non-GAAP Financial Measures Footnotes on slide 24 for additional information on these non-GAAP financial measures.

Q3 2026 - Legacy Reinsurance: Non-GAAP Sub-Segment Details

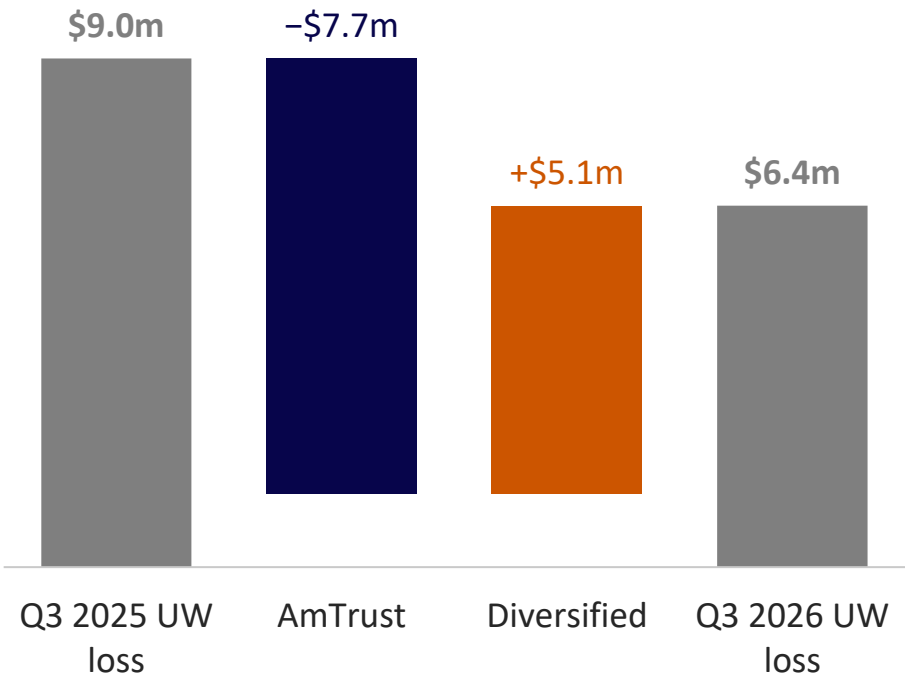
For the Three Months Ended September 30, 2026	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	$ 507	$ (1,678)	$ (1,171)
Net premiums written	$ 532	$ (1,678)	$ (1,146)
Net premiums earned	$ 534	$ 1,413	$ 1,947
Net loss and LAE	(5,145)	(803)	(5,948)
Commissions and other acquisition expenses	(459)	331	(128)
General and administrative expenses(3)	(1,401)	(882)	(2,283)
Underwriting (loss) income[4]	$ (6,471)	$ 59	$ (6,412)

For the Three Months Ended September 30, 2025	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	$ 3,452	$ 308	$ 3,760
Net premiums written	$ 3,587	$ 308	$ 3,895
Net premiums earned	$ 3,876	$ 2,960	$ 6,836
Net loss and LAE	(1,501)	(8,905)	(10,406)
Commissions and other acquisition expenses	(1,356)	(362)	(1,718)
General and administrative expenses(3)	(2,387)	(1,302)	(3,689)
Underwriting loss[4]	$ (1,368)	$ (7,609)	$ (8,977)

(3)(4) Please refer to the Non-GAAP Financial Measures Footnotes on slide 24 for additional information on these non-GAAP financial measures.

Q3 2026 - Legacy Reinsurance: UW Loss Narrowed to $6.4m from $9.0m

UW loss bridge by sub-segment, Q3 2025 to Q3 2026



AmTrust: loss $7.7m lower YoY

- **Net loss and LAE** fell to $0.8m from $8.9m
- **$1.4m** favorable prior-year development, partly offset by $2.2m AEL and AIUL premium true-up
- **($1.7m)** GWP from AEL Commercial ATE case outcomes

Diversified: loss $5.1m higher YoY

- **Net loss and LAE** rose to $5.1m from $1.5m: **$3.1m** IIS German Auto quota share, **$2.4m** GLS claim settlement
- **Net earned premium** down to $0.5m from $3.9m as run-off continues
- **G&A** $1.4m vs $2.4m; $1.3m vs $1.8m excluding non-recurring items[1]

1 Non-recurring Diversified G&A of $0.1m (GLS arbitration legal fees) vs $0.6m in Q3 2025 (GLS arbitration actuarial and legal fees).

Note: Non-GAAP underwriting result; see slide 8 for sub-segment detail and slide 24 for non-GAAP footnotes. AmTrust acquisition costs include $0.3m VOBA amortization; G&A includes $0.4m amortization of reserve fair value adjustment.

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Q3 2026 - Prior Period Adverse Development

LOSS DEVELOPMENT			
(in thousands ('000))			
QTD	**Sep-26**	**Sep-25**	**Variance**
Diversified			
GLS	$ 2,367	$ (3)	$ 2,370
IIS	2,878	97	2,781
Motors	(186)	(182)	(4)
Run-Off	104	(203)	307
Unfavorable (favorable)	**5,163**	**(291)**	**5,454**
AmTrust			
AmTrust Quota Share	2,091	(1,400)	3,491
European Hospital Liability Quota Share	-	4,710	(4,710)
LPT/ADC Agreement	(3,513)	3,601	(7,114)
Unfavorable (favorable)	**(1,422)**	**6,911**	**(8,333)**
Total Unfavorable (favorable)	**$ 3,741**	**$ 6,620**	**$ (2,879)**

Diversified: $5.2m adverse

- **IIS $2.9m:** $3.1m IIS German Auto quota share, less $0.2m favorable LF/GF development
- **GLS/CPA $2.4m:** Settlement of large claim, one of few remaining GLS/CPA claims

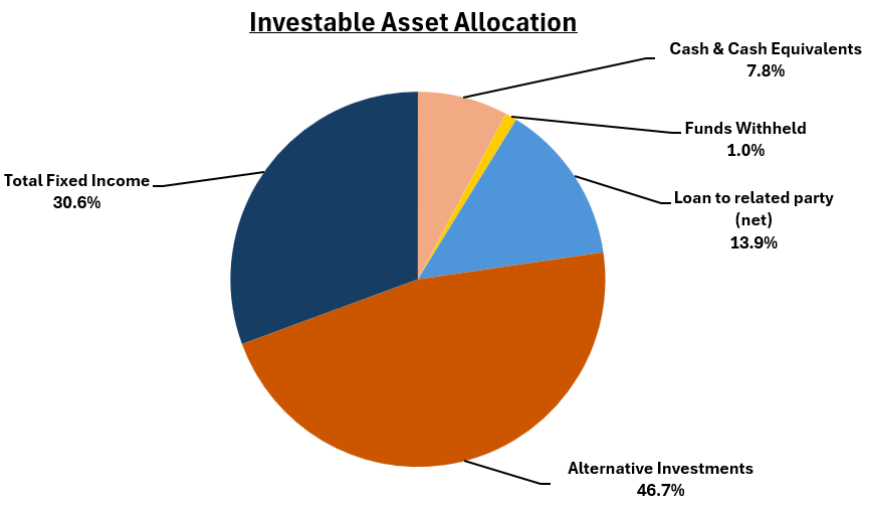
AmTrust: $1.4m favorable

- **Gross adverse $2.1m** in Specialty Risk; includes $1.3m FX impact on non-USD reserves / LPT/ADC recoverable
- **More than offset by $3.5m** net LPT/ADC recoveries: $3.7m Enstar movement less $0.2m credit loss charge

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Q3 2026 - Investable Assets

Investable Assets	9/30/2026	12/31/2025	YTD Change
CLO	$ 20.2 m	$ 62.6 m	$ (42.4) m
Corporate Bonds	$ 8.8	$ 11.5	$ (2.7)
U.S. Treasury Bonds	$ 34.4	$ 43.7	$ (9.3)
U.S. Agency Bonds – MBS	$ 19.0	$ 21.6	$ (2.6)
Non-US Government Bonds	$ 58.8	$ 30.3	$ 28.5
Total Fixed Income	***$ 141.2 m***	***$ 169.7 m***	***$ (28.5) m***
Alternative Investments	$ 215.4 m	$ 218.6 m	$ (3.2) m
Loan to related party (net)	$ 64.1	$ 86.9	$ (22.8)
Funds Withheld	$ 4.5	$ 11.0	$ (6.5)
Cash & Cash Equivalent	$ 36.0	$ 29.2	$ 6.8
Total Investable Assets	***$ 461.2 m***	***$ 515.4 m***	***$ (54.2) m***



- **Floating rate investments total $84.3m, or 34.3% of the fixed income portfolio or 14.3% of AFS securities**
- **Alternative Investments decreased YTD by $(3.2)m. Funding of called commitments of $7.7m was offset by net negative fair value adjustments of $(5.2)m, distributions of $(4.3)m, and other minor adjustments, principally FX related of $(1.4)m**
- **Cash and cash equivalents split between restricted & unrestricted cash was $9.1m and $26.9m, respectively**
- **The Loan to related party (AmTrust), continued to decrease in line with scheduled principal repayments restructured effective 1/1/2025**
  - ➢ **Effective yield, based on the average balance of the loan, was 5.4% YTD 2026**

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Company Profile Information

Kestrel Group Profile

The combination of Kestrel Group and Maiden Holdings creates a platform to become a premier specialty insurance program group

Kestrel Group

- **Fronting group formed in 2022 and led by the management team that pioneered the fronting model at State National**
- **Capital light, fee-based business model that minimizes exposure to insurance underwriting risks**
- **Actionable growth pipeline with attractive incremental margins; continuing to work on placement of reinsurance risks**

Maiden Holdings

- **Traditional reinsurance provider**
- **Capital intensive structure beholden to a broad range of significant insurance underwriting risks**
- **Managing legacy risks without a clear path for growth and profitability**

Kestrel Group brings an experienced, connected management team poised to capitalize on attractive, secular growth trends in the program insurance market

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Kestrel Group Profile

Overview

Founded in 2022

Fronting group founded by the Ledbetter family, backed by 40+ years of insurance market expertise

Unparalleled Track Record

The family founded and ran State National from its 1973 inception through its 2014 IPO and 2017 combination with Markel

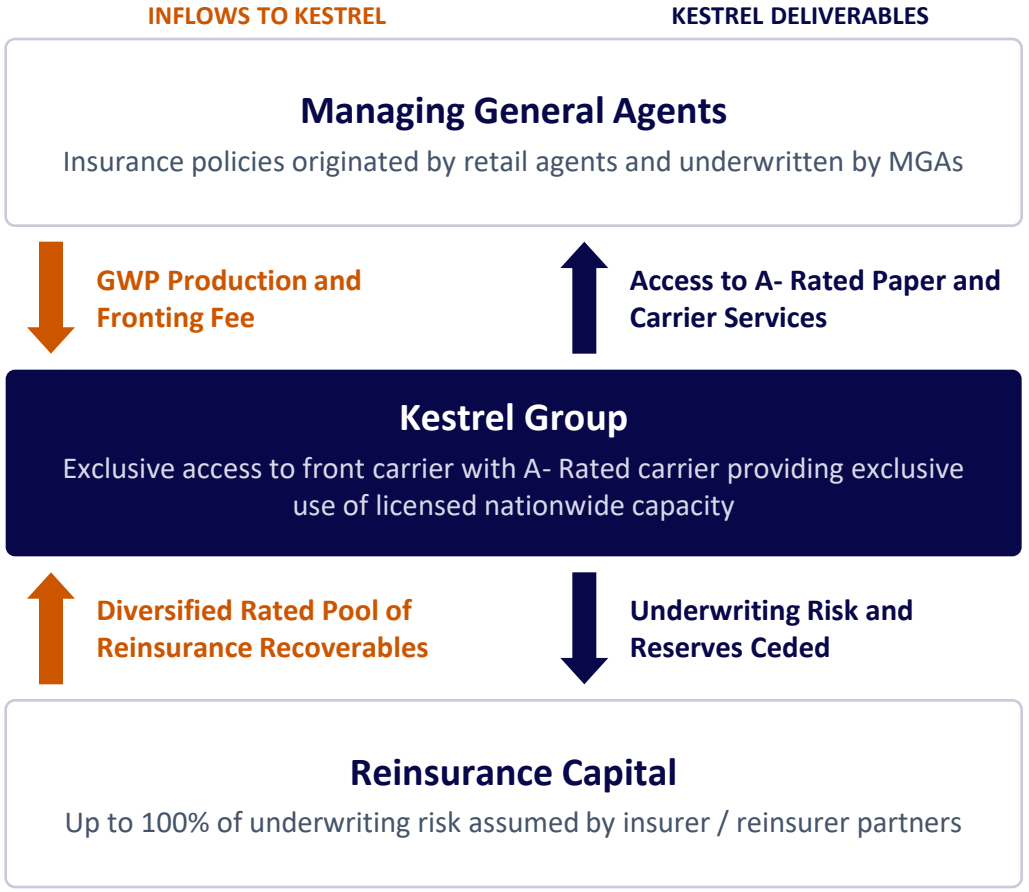
Deep Industry Relationships

Long-standing relationships throughout the insurance ecosystem

Nationwide "A-" (Excellent) Rating

Exclusive use of licensed A.M. Best “A-” (Excellent) admitted and E&S capacity across a full suite of business lines

Kestrel Business Model



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Kestrel Segments

Program Services

- **Consists of a cohesive suite of fronting services that are integrated and interdependent**
- **Facilitates insurance transactions utilizing its exclusive management contracts with four insurance carriers, all of which are rated A- "Excellent" by A.M. Best.**
  - **Enables Kestrel to offer both admitted and surplus lines in all U.S. states**

Legacy Reinsurance

- **Consists of AmTrust Reinsurance and Diversified Reinsurance segments previously reported by Maiden prior to the Combination with Kestrel**
  - **AmTrust portion of this segment includes all business ceded to Maiden Reinsurance by AmTrust**
- **Diversified portion of this segment consists of a run-off portfolio of predominantly third-party property and casualty reinsurance business**
  - **Focused on regional and specialty non-life insurance companies located primarily in Europe**
  - **Also includes primary insurance business produced by Maiden LF and Maiden GF along with run-off transactions entered into by GLS**

The Company does not presently underwrite prospective reinsurance risks but may consider selectively deploying underwriting capacity in support of the Company's Program Services operations to optimize shareholder returns

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Appendix - GAAP Financial Statements and Non-GAAP Reconciliations and Notes

Condensed Consolidated Balance Sheets

(in thousands (000's), except per share data)		September 30, 2026		December 31, 2025
Assets				
Total investments	$	356,557	$	388,303
Cash and cash equivalents (including restricted)		36,047		29,190
Reinsurance balances receivable, net		374		724
Reinsurance recoverable on unpaid losses		391,094		461,197
Net Loan receivable from related party		64,054		86,883
Intangible assets		7,008		9,347
Funds withheld receivable		4,542		10,956
Other assets		19,970		23,355
Total Assets	**$**	**879,646**	**$**	**1,009,955**
Liabilities				
Reserve for loss and loss adjustment expenses	$	524,685	$	637,169
Unearned premiums		11,744		17,406
Accrued expenses and other liabilities		70,013		52,694
Senior notes, net		175,390		174,402
Total Liabilities		**781,832**		**881,671**
Equity		97,814		128,284
Total Liabilities and Equity	**$**	**879,646**	**$**	**1,009,955**
Book value per common share[(2)]	**$**	**12.44**	**$**	**16.57**
Common shares outstanding		**8,737,137**		**7,878,140**

(2) Please refer to the Non-GAAP Financial Measures Footnotes on slide 24 for additional information on these non-GAAP financial measures.

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Consolidated Statements of Operations (Unaudited)

(in thousands (000's), except per share data)	For the Three Months Ended September 30, 2026	2025	For the Nine Months Ended September 30, 2026	2025
Net premiums written	$ (1,146)	$ 3,895	$ 2,944	$ 4,990
Net premiums earned	1,947	6,836	8,578	9,258
Fee revenue	4,068	1,621	10,930	2,972
Net investment income	2,344	3,587	7,406	5,163
Net realized and unrealized (losses) gains on investment	(3,596)	5,494	(5,241)	6,552
Total revenues	**4,763**	**17,538**	**21,673**	**23,945**
Net loss and loss adjustment expenses	5,948	10,406	9,718	4,445
Commission and other acquisition expenses	128	1,718	2,584	2,112
General and administrative expenses	11,445	11,789	34,182	18,425
Interest and amortization expenses	4,257	4,128	12,330	5,647
Change in fair value of earn out liability	-	(2,679)	-	-
Gain on bargain purchase	-	-	-	(73,590)
Foreign exchange and other (gains) losses	(675)	(2,802)	(5,173)	2,300
Total expenses	**21,103**	**22,560**	**53,641**	**(40,661)**
(Loss) income before income taxes	**(16,340)**	**(5,022)**	**(31,968)**	**64,606**
Less: income tax expense (benefit)	11	7	(95)	102
Add: interest in equity method investments	(4)	(24)	5	(24)
Net (loss) income attributable to Kestrel common shareholders	**$ (16,355)**	**$ (5,053)**	**$ (31,868)**	**$ 64,480**
Basic and diluted loss per share attributable to Kestrel common shareholders-continued operations	**$ (2.09)**	**$ (0.65)**	**$ (4.08)**	**$ 12.70**
Annualized return on average common equity	**-61%**	**-14%**	**-38%**	**116%**

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Segment Information

For the three months ended September 30, 2026 and the three months ended September 30, 2025

For the Three Months Ended September 30, 2026	Legacy Reinsurance	Program Services	Total
Gross premiums written	$ (1,171)	$ -	$ (1,171)
Net premiums written	$ (1,146)	$ -	$ (1,146)
Net premiums earned	$ 1,947	$ -	$ 1,947
Fee revenue	-	4,068	4,068
Net loss and loss adjustment (expenses) ("loss and LAE")	(5,948)	-	(5,948)
Commissions and other acquisition expenses	(128)	-	(128)
General and administrative expenses[3]	(2,283)	(1,165)	(3,448)
Underwriting and fee (loss) income[4]	$ (6,412)	$ 2,903	$ (3,509)

For the Three Months Ended September 30, 2025	Legacy Reinsurance	Program Services	Total
Gross premiums written	$ 3,760	$ -	$ 3,760
Net premiums written	$ 3,895	$ -	$ 3,895
Net premiums earned	$ 6,836	$ -	$ 6,836
Fee revenue	-	1,621	1,621
Net loss and LAE	(10,406)	-	(10,406)
Commissions and other acquisition expenses	(1,718)	-	(1,718)
General and administrative expenses[3]	(3,689)	(664)	(4,353)
Underwriting and fee (loss) income[4]	$ (8,977)	$ 957	$ (8,020)

(3)(4) Please refer to the Non-GAAP Financial Measures Footnotes on slide 24 for additional information on these non-GAAP financial measures.

Segment Information

For the nine months ended September 30, 2026 and stub period ended September 30, 2025

For the Nine Months Ended September 30, 2026	Legacy Reinsurance	Program Services	Total
Gross premiums written	$ 2,919	$ -	$ 2,919
Net premiums written	$ 2,944	$ -	$ 2,944
Net premiums earned	$ 8,578	$ -	$ 8,578
Fee revenue	-	10,930	10,930
Net loss and LAE	(9,718)	-	(9,718)
Commissions and other acquisition expenses	(2,584)	-	(2,584)
General and administrative expenses[3]	(7,819)	(4,026)	(11,845)
Underwriting loss and fee income[4]	$ (11,543)	$ 6,904	$ (4,639)

For the Stub Period Ended September 30, 2025	Legacy Reinsurance	Program Services	Total
Gross premiums written	$ 4,856	$ -	$ 4,856
Net premiums written	$ 4,990	$ -	$ 4,990
Net premiums earned	$ 9,258	$ -	$ 9,258
Fee revenue	-	2,972	2,972
Net loss and LAE	(4,445)	-	(4,445)
Commissions and other acquisition expenses	(2,112)	-	(2,112)
General and administrative expenses[3]	(5,432)	(2,003)	(7,435)
Underwriting (loss) and fee income[4]	$ (2,731)	$ 969	$ (1,762)

The 2025 stub period includes consolidated results for both Kestrel and Maiden following the merger on May 27, 2025.

(3)(4) Please refer to the Non-GAAP Financial Measures Footnotes on slide 24 for additional information on these non-GAAP financial measures.

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Segment Information

For the three and nine months ended September 30, 2026 and stub period ended September 30, 2025

Reconciliation to net loss for the three months ended September 30,	2026	2025
Underwriting (loss) and fee income[4]	$ (3,509)	$ (8,020)
Net investment income and realized and unrealized gains on investment	(1,252)	9,081
Interest and amortization expenses	(4,257)	(4,128)
Change in fair value of earn out liability	-	2,679
Foreign exchange and other gains	675	2,802
Other general and administrative expenses	(7,997)	(7,436)
Income tax expense	(11)	(7)
Interest in loss of equity method investments	(4)	(24)
Net loss	$ (16,355)	$ (5,053)

Reconciliation to net (loss) income for the nine months ended September 30,	2026	2025
Underwriting loss and fee income[4]	$ (4,639)	$ (1,762)
Net investment income and realized and unrealized gains on investment	2,165	11,715
Interest and amortization expenses	(12,330)	(5,647)
Foreign exchange and other gains (losses)	5,173	(2,300)
Bargain purchase gain	-	73,590
Other general and administrative expenses	(22,337)	(10,990)
Income tax benefit (expense)	95	(102)
Interest in income (loss) of equity method investments	5	(24)
Net (loss) income	$ (31,868)	$ 64,480

The 2025 stub period includes consolidated results for both Kestrel and Maiden following the merger on May 27, 2025.

(4) Please refer to the Non-GAAP Financial Measures Footnotes on slide 24 for additional information on these non-GAAP financial measures.

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Non-GAAP Financial Measures

In thousands ('000's), except per share data, Unaudited	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Non-GAAP operating loss[5]	$ (12,161)	$ (12,023)	$ (29,914)	$ (7,189)
Non-GAAP basic and diluted operating loss per share attributable to Kestrel common shareholders[5]	$ (1.55)	$ (1.56)	$ (3.83)	$ (1.48)
Annualized non-GAAP operating return on average adjusted common equity[6]	-45.6%	-32.5%	-35.4%	-13.0%
Reconciliation of net (loss) income attributable to Kestrel common shareholders to non-GAAP operating loss:				
Net (loss) income attributable to Kestrel common shareholders	$ (16,355)	$ (5,053)	$ (31,868)	$ 64,480
Add (subtract)				
Net realized and unrealized losses (gains) on investment	3,596	(5,494)	5,241	(6,552)
Foreign exchange and other (gains) losses	(675)	(2,802)	(5,173)	2,300
Bargain purchase gain	-	-	-	(73,590)
Amortization of intangible assets	668	1,068	2,339	1,494
Change in fair value of earn out consideration	-	(2,679)	-	-
Interest in loss (income) of equity method investments	4	24	(5)	24
Litigation costs from GLS related arbitration	109	564	(775)	569
Restructuring and severance costs	492	33	1,098	1,646
Costs incurred due to the Combination	-	2,316	(771)	2,440
Non-GAAP operating loss[5]	**$ (12,161)**	**$ (12,023)**	**$ (29,914)**	**$ (7,189)**
Weighted average number of common shares - basic and diluted	**7,834,025**	**7,741,943**	**7,803,789**	**5,053,828**
Reconciliation of diluted EPS attributable to Kestrel common shareholders to non-GAAP diluted operating EPS attributable to Kestrel common shareholders:				
Diluted (loss) earnings per share attributable to Kestrel common shareholders	$ (2.09)	$ (0.65)	$ (4.08)	$ 12.70
Add (subtract)				
Net realized and unrealized losses (gains) on investment	0.46	(0.71)	0.67	(1.30)
Foreign exchange and other (gains) losses	(0.08)	(0.36)	(0.66)	0.46
Bargain purchase gain	-	-	-	(14.56)
Amortization of intangible assets	0.09	0.14	0.30	0.30
Change in fair value of earn out consideration	-	(0.35)	-	-
Interest in loss (income) of equity method investments	-	-	-	-
Litigation costs from GLS related arbitration	0.01	0.07	(0.10)	0.11
Restructuring and severance costs	0.06	-	0.14	0.33
Costs incurred due to the Combination	-	0.30	(0.10)	0.48
Non-GAAP diluted operating loss per share attributable to Kestrel common shareholders[5]	**$ (1.55)**	**$ (1.56)**	**$ (3.83)**	**$ (1.48)**

(5)(6) Please refer to the Non-GAAP Financial Measures Footnotes on slide 24 for additional information on these non-GAAP financial measures.

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Non-GAAP Financial Measures

(in thousands (000's), except per share data)	September 30, 2026	December 31, 2025
Investable assets:		
Total investments	$ 356,557	$ 388,303
Cash and cash equivalents	26,934	20,044
Restricted cash and cash equivalents	9,113	9,146
Loan to related party	64,054	86,883
Funds withheld receivable	4,542	10,956
Total investable assets[7]	**$ 461,200**	**$ 515,332**
Capital:		
Total shareholders' equity	$ 97,814	$ 128,284
2016 Senior Notes	110,000	110,000
2013 Senior Notes	152,361	152,361
Total capital resources[8]	$ **360,175**	**$ 390,645**

(7)(8) Please refer to the Non-GAAP Financial Measures Footnotes on slide 24 for additional information on these non-GAAP financial measures.

Non-GAAP Financial Measures Footnotes

(1) Premium produced is an operating metric determined by management as a byproduct of the program services fees it earns and is paid by clients. Premium produced is equal to the premium written by an MGA or capacity provider, and management believes this measure is important in understanding the underlying production trends of its Program Services business and the fees it earns. Where available, the Company utilizes underlying premium produced as reported by its clients. Where the premium produced was not directly observable, the Company derived the premium produced by grossing up the known fee component using the applicable contractual fee percentage, including its arrangements with its insurance carrier partners.

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

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

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

(5) Non-GAAP operating earnings (loss) and non-GAAP basic and diluted operating earnings (loss) per common share are non-GAAP financial measure defined by the Company as net income (loss) excluding realized investment gains and losses, foreign exchange and other gains and losses, interest in income (loss) of equity method investment, and amortization of intangible assets and should not be considered as an alternative to net income (loss). It also excludes on a non-recurring basis: (1) bargain purchase gain; (2) change in fair value of earn out consideration; (3) restructuring and severance costs; (4) litigation costs from GLS related arbitration and (5) and costs incurred due to the Combination. The Company's management believes that the use of non-GAAP operating earnings (loss) and non-GAAP diluted operating earnings (loss) per common share enables investors and other users of the Company's financial information to analyze its performance in a manner similar to how management analyzes performance. Management also believes that these measures generally follow industry practice therefore allowing the users of financial information to compare the Company's performance with its industry peer group, and that the equity analysts and certain rating agencies which follow the Company, and the insurance industry as a whole, generally exclude these items from their analyses for the same reasons. Non-GAAP operating earnings should not be viewed as a substitute for U.S. GAAP net income.

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

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

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