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Investor Presentation

August 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, 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 21-22 for reconciliations of such non-GAAP financial measures to their most directly comparable GAAP measures.

Kestrel Group Ltd Q2 2026 Highlights

Key Highlights
Q2 2026 QTD

$3.7m (+588% Y-o-Y)
Program Services
Fee revenue

$2.4m (Swing to Profit)
Program Services
Fee income

$19.28
Unrecognized DTA per common share

$14.57
Book value per share

$8.1m
Net loss

- **Program Services Growth is Accelerating**
  - Fee revenue increased to $3.7m in Q2 2026 vs. $0.5m in Q2 2025
  - Premium produced by client programs increased to $109.6m in Q2 2026 vs. $18.9m in Q2 2025, up 479.8%
  - H1 revenue +400% Y-o-Y – actively exploring strategies to capture opportunities in highly competitive market
  - Underlying trends supportive of continued growth - recent programs growing in premium size and in underwriting quality
    - Slide 4 highlights growth trends in fee revenues and premium produced
- **Program Services results and FX & Other Gains offset by Legacy Reinsurance underwriting loss, debt service and G&A expenses**
  - Q2 2026 net loss of $8.1m vs. adjusted net loss of $8.3m in Q2 2025
    - 2025 results exclude bargain purchase gain of $73.6m from Combination
  - FX & other gains of $2.3m in Q2 2026 vs. loss of $5.1m in Q2 2025
    - Q2 2026 includes $1.8m of revaluation gains on certain assets
- **Modest underwriting loss in Legacy Reinsurance**
  - Underwriting loss of $1.3m in Q2 2026 vs. income of $5.8m in Q2 2025
    - Underwriting loss in both AmTrust and Diversified in Q2 2026 – see slides 7-8
    - Decline in AmTrust results largely due to adverse PPD from FX – see slide 9
- **GAAP Book Value of $14.57 Per Common Share**
  - DTAs continue to be carried with full valuation allowance - $19.28 per share if recognized

Note: Kestrel's Q2 2025 results include partial results from Maiden following the merger on May 27, 2025

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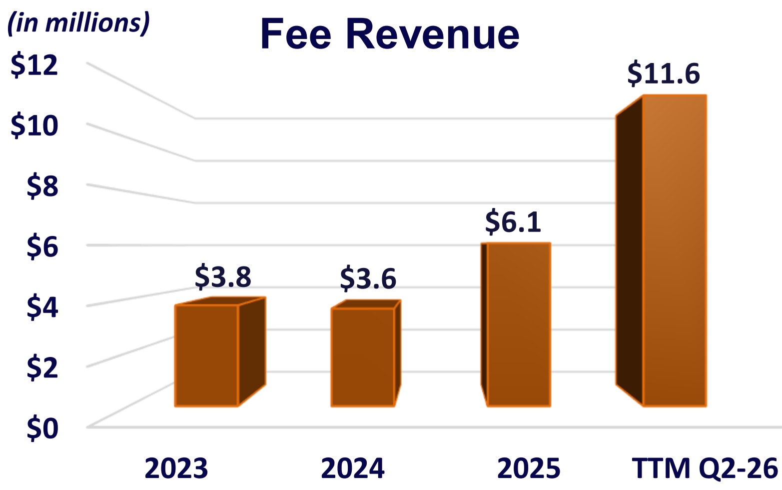
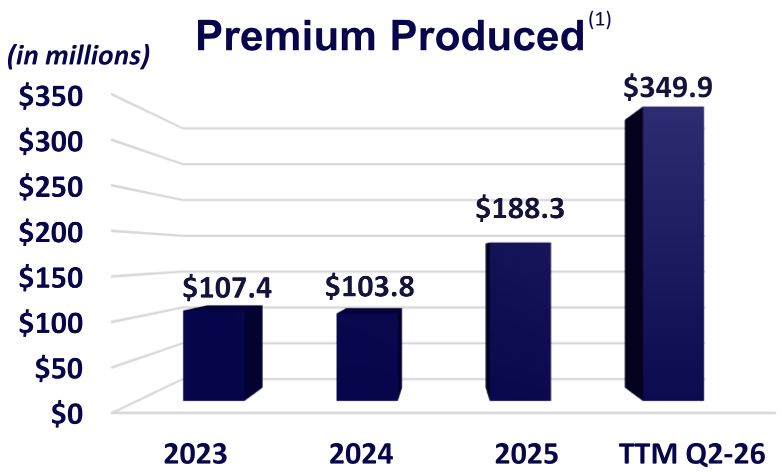
Program Services – Key Highlights and Messages





Fee Income		Fee Revenue		Premiums Produced	
Q2 2026	YTD Q2 2026	Q2 2026	YTD Q2 2026	Q2 2026	YTD Q2 2026
$2.4m	$4.0m	$3.7m	$6.9m	$109.6m	$203.8m
Swing to profit (+$2.6m YoY)	Up from $12K (2025)	+588%	+408%	+480%	+382%

Strong Y-O-Y growth in both Q2 2026 and YTD 2026

- Fee income of $2.4m in Q2 2026 (vs. $223k loss in Q2 2025) and $4.0m YTD (vs. $12k in 2025)
- Program fee revenue of $3.7m in Q2 2026 (vs. $544k in Q2 2025) and $6.9m YTD (vs. $1.4m in 2025)
- Q2 2026 premium produced by client programs increased to $109.6m or 479.8% from $18.9m in Q2 2025

Q2 2026 results grew sequentially vs. Q1 2026

- Fee income $2.4m vs. $1.6m in Q1 2026
  - Higher revenue and lower compensation expense in Q2 the primary driver
- Fee revenue up to $3.7m vs. $3.1m in Q1 2026
- Premium produced by client programs increased to $109.6m in Q2 2026 from $94.2m in Q1 2026

Expanded capacity and growth trajectory driving increasing 2026 revenues

- Revenue upside if accounts exceed 70% of contracted capacity
- New account pipeline (<$100m capacity) offers additional upside pending AmTrust alignment

1) See definition for Premium Produced in Non-GAAP Financial Measures Footnotes on Slide 23.

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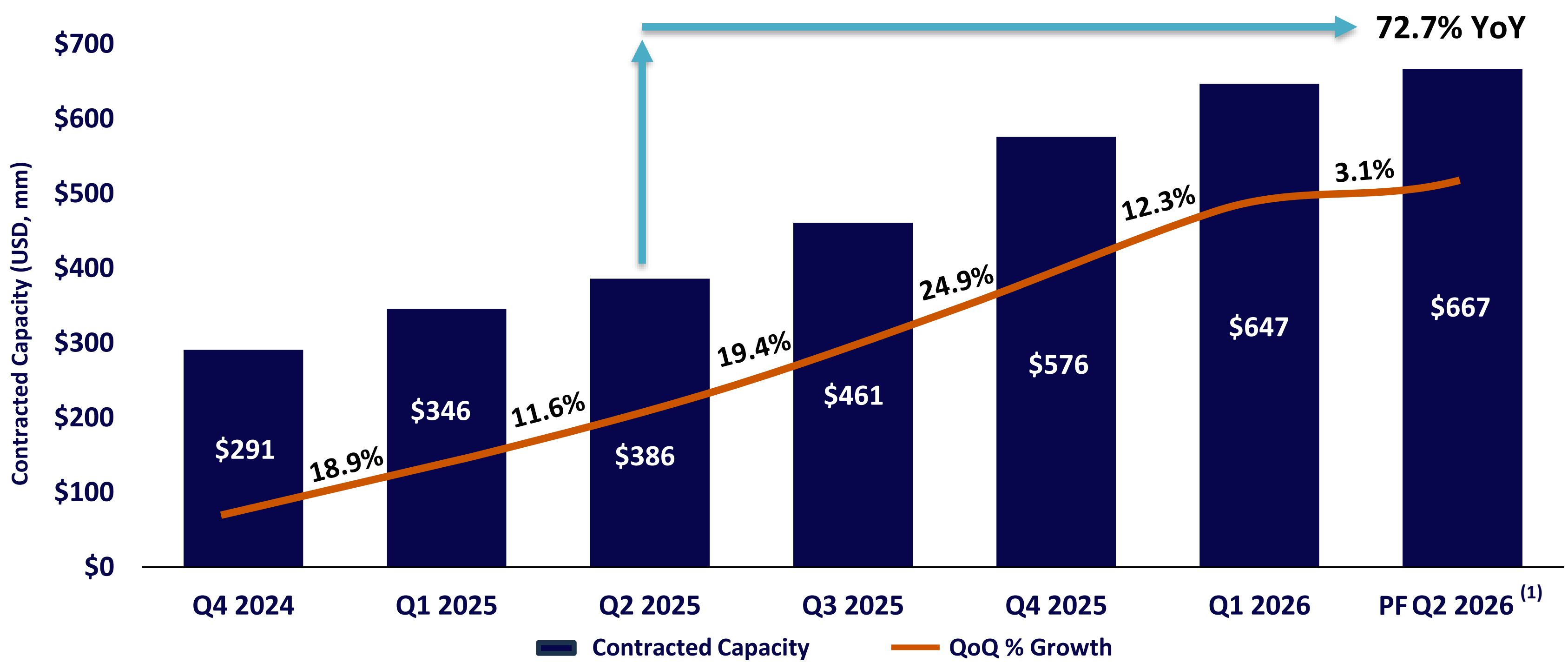
Contracted Capacity Continues to Grow



Contracted Capacity[1] has increased slightly from Q1

- 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 Q2 2026, TTM premium produced of $349.9m was 66.5% of average contracted capacity

1) Q2 2026 Contracted Capacity is shown on a pro forma basis to include the addition of a contract signed in early Q3 2026

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Q2 2026 - Underwriting & Fee Results by Segment

Underwriting and fee income in Q2 2026 declined to $1.0m vs. $5.6m in Q2 2025 as poorer Legacy Reinsurance underwriting results offset strong gains in Program Services income

For the Three Months Ended June 30, 2026	Legacy Reinsurance	Program Services	Total
Gross premiums written	$ 1,435	$ -	$ 1,435
Net premiums written	$ 1,436	$ -	$ 1,436
Net premiums earned	$ 3,474	$ -	$ 3,474
Fee revenue	-	3,742	3,742
Net loss and loss adjustment (expenses) ("loss and LAE")	(1,515)	-	(1,515)
Commissions and other acquisition expenses	(983)	-	(983)
General and administrative expenses(3)	(2,322)	(1,349)	(3,671)
Underwriting and fee (loss) income(4)	$ (1,346)	$ 2,393	$ 1,047

For the Three Months Ended June 30, 2025	Legacy Reinsurance	Program Services	Total
Gross premiums written	$ 1,096	$ -	$ 1,096
Net premiums written	$ 1,095	$ -	$ 1,095
Net premiums earned	$ 2,422	$ -	$ 2,422
Fee revenue	$ -	$ 544	$ 544
Net loss and LAE	5,961	-	5,961
Commissions and other acquisition expenses	(394)	-	(394)
General and administrative expenses(3)	(2,156)	(767)	(2,923)
Underwriting and fee (loss) income(4)	$ 5,833	$ (223)	$ 5,610

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Q2 2026 - Legacy Reinsurance: Non-GAAP Sub-Segment Details

Unfavorable AmTrust PPD, mostly the result of FX impacted 2026 results compared to 2025

For the Three Months Ended June 30, 2026	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	$ 513	$ 922	$ 1,435
Net premiums written	$ 514	$ 922	$ 1,436
Net premiums earned	$ 571	$ 2,903	$ 3,474
Net loss and LAE	363	(1,878)	(1,515)
Commissions and other acquisition expenses	(452)	(531)	(983)
General and administrative expenses(3)	(1,190)	(1,132)	(2,322)
Underwriting loss(4)	$ (708)	$ (638)	$ (1,346)

For the Stub Period Ended June 30, 2025	Diversified Reinsurance	AmTrust Reinsurance	Total
Gross premiums written	$ 1,381	$ (285)	$ 1,096
Net premiums written	$ 1,380	$ (285)	$ 1,095
Net premiums earned	$ 1,390	$ 1,032	$ 2,422
Net loss and LAE	(839)	6,800	5,961
Commissions and other acquisition expenses	(378)	(16)	(394)
General and administrative expenses(3)	(1,696)	(460)	(2,156)
Underwriting (loss) income (4)	$ (1,523)	$ 7,356	$ 5,833

(3)(4) Please refer to the Non-GAAP Financial Measures Footnotes on slide 23 for additional information on these non-GAAP financial measures.

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Q2 2026 - Legacy Reinsurance: Modest UW Loss As Wind Down Proceeds

AmTrust underwriting loss of $0.6m in Q2 2026

- Net earned premium of $2.9m in Q2 consists of GWP of $0.9m and UPR run-off of $2.0m
  - **GWP of $0.9m from AEL's Commercial ATE LOB experienced a reduction in its lapse provision rates in Q2**
- Net incurred loss of $1.9m in quarter
  - **Net adverse prior year development of $2.3m most of which is FX, see slide 9**
  - **Current year losses of negative $0.4m primarily related to true-up of AEL and AIUL premium estimates**
- Acquisition costs of $0.5m includes VOBA amortization of $0.2m
- G&A expense includes amortization of reserve fair value adjustment of $0.6m in quarter

Diversified underwriting loss of $0.7m in Q2 2026

- Net earned premium of $0.6m in Q2 2026 from IIS
  - **Run-off of Maiden LF and Maiden GF ongoing**
- Net incurred loss of negative $0.4m in quarter
  - **Favorable prior year development of $0.3m from BM Treaty**
- Higher acquisition costs of $0.5m due to profit sharing on prior year programs earned in 2026
- G&A expenses of $1.2m in Q2 2026 vs $1.7m in Q2 2025
  - **Excluding non-recurring expense Diversified G&A is $1.3m in Q2 2026 vs $1.1m in Q2 2025**
  - **Increase primarily relates to one month stub period in 2025 (post combination) compared to full three-month period in 2026**
  - **Non-recurring Diversified G&A income of $0.1m in Q2 2026 is for IIS severance cost of $0.7m offset by ($0.8m) negative net legal fees on GLS arbitration vs. expense of $0.6m in Q2 2025 (relating to IIS severance costs)**

Q2 2026 - Prior Period Loss Development

LOSS DEVELOPMENT		
(in thousands ('000))		
QTD		**Jun-26**
Diversified		
IIS	$	(29)
Motors		10
Run-Off		(340)
Unfavorable (favorable)	**$**	**(359)**
AmTrust		
Master QS		1,340
Hospital Liability		1,007
Other Run-off		(57)
Unfavorable (favorable)	**$**	**2,290**
Total Unfavorable (favorable)	**$**	**1,931**

- **AmTrust adverse loss development in Q2 driven by FX movement of $2.3m**
  - **FX loss on AIUL reserves analysis of $2.0m in quarter due to increase in USD to EUR rates.**
  - **GL business written on AIUL translated from USD to EUR resulted in FX loss**
  - **FX loss on the LPT/ADC mostly from GBP exposures**
- **Also included in PY development is LPT/ADC movement of $269k mostly from FX impact offset by adverse credit loss movement of $326k on Enstar recoverable**
- **Diversified negative net incurred losses recognized in Q2 mainly from BM Treaty favorable development of $0.3m**

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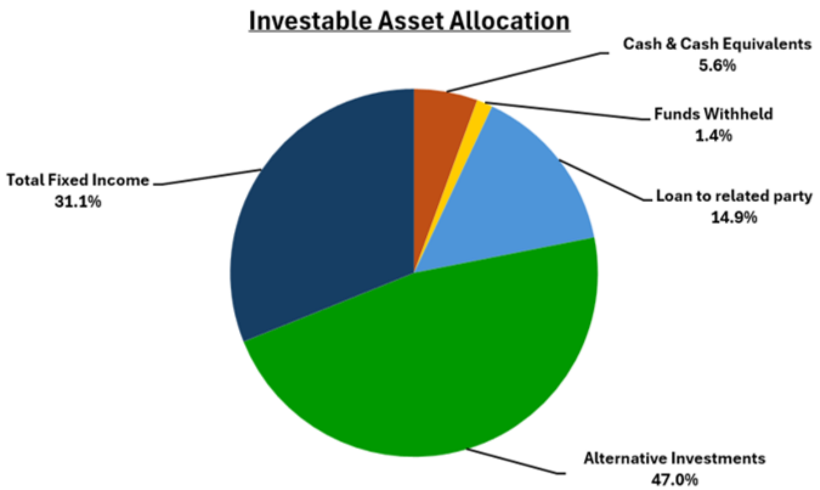
Q2 2026 – Investable Assets

Investable Assets	6/30/2026	12/31/2025	QTD Change
CLO	$ 27.5 m	$ 62.6 m	$ (35.1)m
Corporate Bonds	$ 8.9	$ 11.5	$ (2.6)
U.S. Treasury Bonds	$ 35.0	$ 43.7	$ (8.7)
U.S. Agency Bonds – MBS	$ 20.4	$ 21.6	$ (1.2)
Non-US Government Bonds	$ 52.8	$ 30.3	$ 22.5
Total Fixed Income	***$ 144.6 m***	***$ 169.7 m***	***$ (25.1)m***
Alternative Investments	$ 218.5 m	$ 218.6 m	$ (0.1)m
Loan to related party	$ 69.4	$ 86.9	$ (17.5)
Funds Withheld	$ 6.4	$ 11.0	$ (4.6)
Cash & Cash Equivalent	$ 26.3	$ 29.2	$ (2.9)
Total Investable Assets	***$ 465.2 m***	***$ 515.4 m***	***$ (50.2)m***



- **Floating rate investments total $97.0m, or 39.3% of the fixed income portfolio**
- **Alternative Investments decreased by $(2.5)m. Funding of called commitments of $1.8m was offset by net negative fair value adjustments of $(3.1)m, distributions of $(0.5)m, and other minor adjustments, principally FX related of $(0.7)m**
- **Cash and cash equivalents split between restricted & unrestricted cash was $10.2m and $16.1m, respectively**
- **The loan to related party (AmTrust), continued to decrease QoQ, in line with scheduled principal repayments restructured effective 1/1/2025**
  - **Effective yield, based on the average fair value of the loan, was 5.5%**

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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	*Maiden Holdings*
• 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 assuming historical reinsurance risks	• 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

Kestrel was formed in 2022 by a proven, industry-leading management team with over 40 years of insurance market expertise and with long-standing relationships throughout the ecosystem

Overview

- **Kestrel is the fronting group founded by the Ledbetter family in 2022**
- **The Ledbetter family has an unparalleled track record in the fronting space having founded and run State National from its inception in 1973 to going public in 2014 to its combination with Markel in 2017**
- **Offers access to nationwide, licensed A.M. Best "A-" (Excellent) admitted and E&S capacity across a full suite of business lines**

Kestrel Business Model

Managing General Agents

Insurance policies originated by retail agents and underwritten by MGAs

GWP Production / Fronting Fee ↓ ↑ *A-Rated Paper Carrier Services*

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Underwriting Risk / Reserves ↓ ↑ *Diversified Rated Pool of Reinsurance Recoverables*

Reinsurance Capital

Nearly 100% of underwriting risk assumed by insurer / reinsurer partners

Kestrel Segments

Program Services

- Consists of 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

Consolidated Balance Sheets

(in thousands (000's), except per share data)		June 30, 2026		December 31, 2025
Assets				
Total investments	$	363,065	$	388,303
Cash and cash equivalents (including restricted)		26,278		29,190
Reinsurance balances receivable, net		5,590		724
Reinsurance recoverable on unpaid losses		412,121		461,197
Net Loan receivable from related party		69,443		86,883
Intangible assets		7,676		9,347
Funds withheld receivable		6,417		10,956
Other assets		29,016		23,355
Total Assets	**$**	**919,606**	**$**	**1,009,955**
Liabilities				
Reserve for loss and loss adjustment expenses	$	554,341	$	637,169
Unearned premiums		14,837		17,406
Accrued expenses and other liabilities		61,419		52,694
Senior notes, net		175,049		174,402
Total Liabilities		**805,646**		**881,671**
Equity		113,960		128,284
Total Liabilities and Equity	**$**	**919,606**	**$**	**1,009,955**
Book value per common share(2)	**$**	**14.57**	**$**	**16.57**
Common shares outstanding		**7,824,030**		**7,741,943**

(2) Please refer to the Non-GAAP Financial Measures Footnotes on slide 23 for additional information on these non-GAAP financial measures.

Consolidated Statements of Income (Unaudited)

(in thousands (000's), except per share data)	For the Three Months Ended June 30 2026	2025	For the Six Months Ended June 30, 2026	2025
Net premiums written	$ 1,436	$ 1,095	$ 4,090	$ 1,095
Net premiums earned	3,474	2,422	6,631	2,422
Fee revenue	3,742	544	6,862	1,351
Net investment income	2,454	1,542	5,062	1,576
Net realized and unrealized gains on investment	(2,984)	1,058	(1,645)	1,058
Total revenues	**6,686**	**5,566**	**16,910**	**6,407**
Net loss and loss adjustment expenses	1,515	(5,961)	3,770	(5,961)
Commission and other acquisition expenses	983	394	2,456	394
General and administrative expenses	10,493	5,493	22,737	6,636
Interest and amortization expenses	4,177	1,519	8,073	1,519
Change in fair value of earn out liability	-	2,679	-	2,679
Gain on bargain purchase	-	(73,590)	-	(73,590)
Foreign exchange and other (gains) losses	(2,278)	5,102	(4,498)	5,102
Total expenses	**14,890**	**(64,364)**	**32,538**	**(63,221)**
(Loss) income before income taxes	**(8,204)**	**69,930**	**(15,628)**	**69,628**
Less: income tax expense	(112)	3	(106)	95
Add: interest in equity method investments	10	-	9	-
Net (loss) income attributable to Kestrel common shareholders	**$ (8,082)**	**$ 69,927**	**$ (15,513)**	**$ 69,533**
Basic and diluted loss per share attributable to Kestrel common shareholders-continued operations	**$ (1.03)**	**$ 15.05**	**$ (1.99)**	**$ 18.80**
Annualized return on average common equity	**-28%**	**364%**	**-26%**	**181%**

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Segment Information
For the three months ended June 30, 2026 and stub period ended June 30, 2025

For the Three Months Ended June 30, 2026	Legacy Reinsurance	Program Services	Total
Gross premiums written	$ 1,435	$ -	$ 1,435
Net premiums written	$ 1,436	$ -	$ 1,436
Net premiums earned	$ 3,474	$ -	$ 3,474
Fee revenue	-	3,742	3,742
Net loss and loss adjustment (expenses) ("loss and LAE")	(1,515)	-	(1,515)
Commissions and other acquisition expenses	(983)	-	(983)
General and administrative expenses(3)	(2,322)	(1,349)	(3,671)
Underwriting and fee (loss) income(4)	$ (1,346)	$ 2,393	$ 1,047
For the Stub Period Ended June 30, 2025	**Legacy Reinsurance**	**Program Services**	**Total**
Gross premiums written	$ 1,096	$ -	$ 1,096
Net premiums written	$ 1,095	$ -	$ 1,095
Net premiums earned	$ 2,422	$ -	$ 2,422
Fee revenue	$ -	$ 544	$ 544
Net loss and LAE	5,961	-	5,961
Commissions and other acquisition expenses	(394)	-	(394)
General and administrative expenses(3)	(2,156)	(767)	(2,923)
Underwriting and fee (loss) income(4)	$ 5,833	$ (223)	$ 5,610

(3)(4) Please refer to the Non-GAAP Financial Measures Footnotes on slide 23 for additional information on these non-GAAP financial measures.

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Segment Information
For the six months ended June 30, 2026 and stub period ended June 30, 2025

For the Six Months Ended June 30, 2026	Legacy Reinsurance	Program Services	Total
Gross premiums written	$ 4,090	$ -	$ 4,090
Net premiums written	$ 4,090	$ -	$ 4,090
Net premiums earned	$ 6,631	$ -	$ 6,631
Fee revenue	-	6,862	6,862
Net loss and LAE	(3,770)	-	(3,770)
Commissions and other acquisition expenses	(2,456)	-	(2,456)
General and administrative expenses(3)	(5,536)	(2,861)	(8,397)
Underwriting and fee (loss) income(4)	$ (5,131)	$ 4,001	(1,130)

For the Stub Period Ended June 30, 2025	Legacy Reinsurance	Program Services	Total
Gross premiums written	$ 1,096	$ -	$ 1,096
Net premiums written	$ 1,095	$ -	$ 1,095
Net premiums earned	$ 2,422	$ -	$ 2,422
Fee revenue	$ -	$ 1,351	$ 1,351
Net loss and LAE	5,961	-	5,961
Commissions and other acquisition expenses	(394)	-	(394)
General and administrative expenses(3)	(2,156)	(1,339)	(3,495)
Underwriting and fee income(4)	$ 5,833	$ 12	$ 5,845

(3)(4) Please refer to the Non-GAAP Financial Measures Footnotes on slide 23 for additional information on these non-GAAP financial measures.

Segment Information
For the three and six months ended June 30, 2026 and stub period ended June 30, 2025

Reconciliation to (net loss) income for the three months and stub period ended June 30,		2026		2025
Underwriting and fee (loss) income[(4)]	$	1,047	$	5,610
Net investment income and realized and unrealized gains on investment		(530)		2,600
Interest and amortization expenses		(4,177)		(1,519)
Change in fair value of earn out liability		-		(2,679)
Foreign exchange and other gains		2,278		(5,102)
Bargain purchase gain		-		73,590
Other general and administrative expenses		(6,822)		(2,570)
Income tax income expense		112		(3)
Interest in loss of equity method investments		10		-
Net (loss) income	$	(8,082)	$	69,927

Reconciliation to net (loss) income for the six months and stub period ended June 30,		2026		2025
Underwriting and fee (loss) income[(4)]	$	(1,130)	$	5,845
Net investment income and realized and unrealized gains on investment		3,417		2,634
Interest and amortization expenses		(8,073)		(1,519)
Foreign exchange and other losses		4,498		(5,102)
Change in fair value of earn out liability		-		(2,679)
Bargain purchase gain		-		73,590
Other general and administrative expenses		(14,340)		(3,141)
Income tax income expense		106		(95)
Interest in loss of equity method investments		9		-
Net income (loss)	$	(15,513)	$	69,533

(4) Please refer to the Non-GAAP Financial Measures Footnotes on slide 23 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 June 30		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Non-GAAP operating (loss) income[5]	$ (6,740)	$ 5,394	$ (17,352)	$ 5,000
Non-GAAP basic and diluted operating (loss) earnings per share attributable to Kestrel common shareholders[5]	$ (0.86)	$ 1.12	$ (2.23)	$ 1.32
Annualized non-GAAP operating return on average adjusted common equity[6]	-23.0%	28.0%	-28.9%	13.0%
Reconciliation of net (loss) income attributable to Kestrel common shareholders to non-GAAP operating (loss) income:				
Net (loss) income attributable to Kestrel common shareholders	$ (8,082)	$ 69,927	$ (15,513)	$ 69,533
Add (subtract)				
Net realized and unrealized losses (gains) on investment	2,984	(1,058)	1,645	(1,058)
Foreign exchange and other losses (gains)	(2,278)	5,102	(4,498)	5,102
Bargain purchase gain	-	(73,590)	-	(73,590)
Amortization of intangible assets	833	426	1,671	426
Change in fair value of earn out consideration	-	2,679	-	2,679
Interest in income of equity method investments	(10)	-	(9)	-
Litigation costs from GLS related arbitration	(847)	5	(884)	-
Restructuring and severance costs	734	1,779	1,007	-
Costs incurred due to the Combination	(74)	124	(771)	-
Non-GAAP operating (loss) income[5]	**$ (6,740)**	**$ 5,394**	**$ (17,352)**	**$ 5,000**
Weighted average number of common shares - basic and diluted	**7,824,030**	**4,635,406**	**7,788,420**	**3,692,701**
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	$ (1.03)	$ 15.05	$ (1.99)	$ 18.80
Add (subtract)				
Net realized and unrealized losses (gains) on investment	0.38	(0.23)	0.21	(0.29)
Foreign exchange and other losses (gains)	(0.29)	1.10	(0.58)	1.38
Bargain purchase gain	-	(15.88)	-	(19.93)
Amortization of intangible assets	0.11	0.09	0.21	0.12
Change in fair value of earn out consideration	-	0.58	-	0.73
Interest in income of equity method investments	-	-	-	-
Litigation costs from GLS related arbitration	(0.11)	-	(0.11)	-
Restructuring and severance costs	0.09	0.38	0.13	0.48
Costs incurred due to the Combination	(0.01)	0.03	(0.10)	0.03
Non-GAAP diluted operating (loss) earnings per share attributable to Kestrel common shareholders[5]	**$ (0.86)**	**$ 1.12**	**$ (2.23)**	**$ 1.32**

(5)(6) Please refer to the Non-GAAP Financial Measures Footnotes on slide 23 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)		June 30, 2026		December 31, 2025
Investable assets:				
Total investments	$	363,065	$	388,303
Cash and cash equivalents		16,062		20,044
Restricted cash and cash equivalents		10,216		9,146
Loan to related party		69,443		86,883
Funds withheld receivable		6,417		10,956
Total investable assets[7]	**$**	**465,203**	**$**	**515,332**
Capital:				
Total shareholders' equity	$	113,960	$	128,284
2016 Senior Notes		110,000		110,000
2013 Senior Notes		152,361		152,361
Total capital resources[8]	$	**376,321**	**$**	**390,645**

(7)(8) Please refer to the Non-GAAP Financial Measures Footnotes on slide 23 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. 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, 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.