



PRESS RELEASE

Maiden Holdings, Ltd. Announces Second Quarter 2023 Financial Results

PEMBROKE, Bermuda, August 8, 2023 - Maiden Holdings, Ltd. (NASDAQ: MHL) ("Maiden" or the "Company") today reported its second quarter 2023 results. Maiden reported a net loss attributable to Maiden common shareholders of \$2.9 million or \$0.03 per diluted common share for the second quarter of 2023 compared to net income available to Maiden common shareholders of \$25.8 million or \$0.29 per diluted common share in the second quarter of 2022.

Non-GAAP operating income⁽⁵⁾ was \$4.5 million or \$0.04 per diluted common share for the second quarter of 2023 compared to non-GAAP operating income of \$16.6 million or \$0.19 per diluted common share for the same period in 2022.

Maiden's book value per common share⁽¹⁾ was \$2.65 at June 30, 2023 compared to \$2.80 at December 31, 2022. Adjusted for the unamortized deferred gain on ceded retroactive reinsurance of \$57.7 million at June 30, 2023, the Company's adjusted book value per common share⁽²⁾ was \$3.22 at June 30, 2023.

Patrick J. Haveron, Maiden's Chief Executive Officer commented on the second quarter of 2023 financial results: "Our adjusted book value increased by 3.2% from March 31 as stronger investment results largely offset an underwriting loss during the second quarter, with most of the adverse development incurred during the quarter being covered by our LPT/ADC with Enstar. This also led to a sharp improvement in non-GAAP operating income excluding the gain from repurchase of preference shares in 2022."

Mr. Haveron added, "Our investment performance was the result of significantly higher investment income as our floating rate and adjustable-rate securities responded to the continued rise in interest rates, with minimal impact on asset values. Net investment income increased by \$2.9 million or 37.2% compared to last year's second quarter, and with 33.9% of our fixed income investments now in floating rate securities, we expect to continue to see the benefit from the rise in interest rates on our results. We also recognized income on a number of our equity method investments during the quarter as well. As noted in our last report, the market environment has led to a more measured pace of deployment of new alternative investment opportunities, and we are adjusting our investment focus accordingly, focusing on income producing, lower risk assets at more attractive yields. We believe our second quarter results demonstrate our asset management strategy remains on track to achieve its targeted long-term returns."

"During the second quarter, when we found market prices to be sufficiently compelling for repurchases, we continued to implement our active capital management strategy, repurchasing both common shares and senior notes. This portion of our strategy, which is intended to be long-term, will continue to be disciplined and prudent and respond to market conditions as appropriate."

"Underwriting results were improved over the first quarter as negative premium adjustments were lower in our AmTrust segment. Ongoing adverse loss development continued to be experienced in certain Auto Liability and Specialty programs, and we continue to respond to additional loss data as reported. Much of this activity, however, is covered by the LPT/ADC reinsurance we have in place. Loss development in our Diversified segment was primarily from a German auto program in run-off from our IIS unit along with smaller development from a variety of older treaty programs. In addition, operating expenses were 6.2% lower on a year-over-year basis for the second quarter and we expect them to continue on a lower trajectory over the remainder of 2023."

"Finally, our consolidated balance sheet at June 30, 2023 does not reflect \$1.17 in net U.S. deferred tax assets which still maintains a full valuation allowance. While the ongoing adverse reserve development experienced may impact the timing related to ultimately recognizing this asset, we believe the factors that will enable us to ultimately recognize these tax assets in the future continues to accumulate, particularly with our asset portfolio producing more current income."

Mr. Haveron concluded, "We continue to closely evaluate our strategies as we look to build a more consistent base of revenue and profits while leveraging our experience in insurance and reinsurance markets, including distribution channels."

Consolidated Results for the Quarter Ended June 30, 2023

Net loss attributable to Maiden common shareholders for the three months ended June 30, 2023 was \$2.9 million, compared to net income available to Maiden common shareholders of \$25.8 million for the same respective period in 2022. Net income available to Maiden common shareholders for the three months ended June 30, 2022 included \$24.7 million of gains from the repurchase of our preference shares.

Excluding the gain on preference shares repurchases in 2022, our net loss was \$2.9 million for the three months ended June 30, 2023 compared to net income of \$1.1 million for the same period in 2022 largely due to the following:

- a higher underwriting loss⁽⁴⁾ of \$9.3 million in the second quarter of 2023 compared to an underwriting loss of \$5.1 million in the same period in 2022. The decrease in underwriting results was largely due to:
 - adverse prior year loss development of \$4.5 million in the second quarter of 2023 compared to adverse prior year loss development of \$1.0 million during the same period in 2022; and
 - on a current accident year basis, underwriting loss of \$4.8 million for the three months ended June 30, 2023 compared to an underwriting loss of \$4.2 million for the same period in 2022.
- foreign exchange and other losses of \$2.6 million during the three months ended June 30, 2023, compared to foreign exchange and other gains of \$6.6 million for the same period in 2022.

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

- increased total income from investment activities was \$16.5 million for the three months ended June 30, 2023 compared to \$6.7 million for the same period in 2022 which was comprised of:
 - net investment income of \$10.5 million for the three months ended June 30, 2023 compared to \$7.7 million for the same period in 2022;
 - net realized and unrealized investment gains of \$1.1 million for the three months ended June 30, 2023 compared to net realized and unrealized investment gains of \$2.1 million for the same period in 2022; and
 - interest in income of equity method investments of \$4.8 million for the three months ended June 30, 2023 compared to a loss of \$3.0 million for the same period in 2022.
- corporate general and administrative expenses decreased to \$2.9 million for the three months ended June 30, 2023 compared to \$3.0 million for the same period in 2022.

Net premiums written for the three months ended June 30, 2023 were \$6.9 million compared to \$3.2 million for the same period in 2022 largely due to lower negative cession adjustments in the second quarter of 2023. Net written premiums in the AmTrust Reinsurance segment were \$0.2 million in the three months ended June 30, 2023 compared to negative premiums of \$2.8 million for the same period in 2022.

Net premiums written in the Diversified Reinsurance segment increased by \$0.7 million for the three months ended June 30, 2023 compared to the same period in 2022 due to growth in direct premiums for Credit Life programs written by wholly owned Swedish subsidiaries Maiden Life Försäkrings AB ("Maiden LF") and Maiden General Försäkrings AB ("Maiden GF").

Net premiums earned increased by \$0.6 million for the three months ended June 30, 2023 compared to the same period in 2022 largely due to considerably lower cession adjustments compared to the AmTrust Cession Adjustments made in the AmTrust Reinsurance segment during the second quarter of 2022.

Net investment income increased by \$2.9 million or 37.2% for the three months ended June 30, 2023 compared to the same period in 2022, primarily due to higher annualized average book yields from fixed income assets which increased to 4.2% for the three months ended June 30, 2023 compared to 2.0% for the same period in 2022. Our fixed income assets include available-for-sale ("AFS") securities, cash and restricted cash, funds withheld receivable, and loan to related party. These amounts are an average of the amounts disclosed in our quarterly U.S. GAAP consolidated financial statements.

Annualized yields on fixed income assets increased to 4.2% for the three months ended June 30, 2023 compared to 2.0% for the same period in 2022 partly due to 33.9% of our fixed income investments as of June 30, 2023 invested in floating rate assets which enabled us to take advantage of a higher interest rate environment by reinvesting at higher yields more quickly. Also, interest income on funds withheld and related party loans have increased since these assets carry periodically adjusted interest rates and have directly benefited from the recent rise in interest rates. Fixed income assets decreased by 36.8% due to the continued run-off of our reinsurance liabilities previously written on prospective risks, resulting in significant negative operating cash flows as we run-off our existing reinsurance liabilities.

Net realized and unrealized investment gains for the three months ended June 30, 2023 were \$1.1 million compared to gains of \$2.1 million for the same period in 2022 including net realized and unrealized investment gains on alternative investments of

\$1.9 million for the second quarter of 2023 compared to net unrealized gains of \$2.2 million for the second quarter of 2022.

Net loss and LAE increased by \$4.7 million during the three months ended June 30, 2023 compared to the same period in 2022. Net loss and LAE for the second quarter of 2023 was impacted by net adverse prior year reserve development of \$4.5 million compared to net adverse prior year reserve development of \$1.0 million during the second quarter of 2022. The AmTrust Reinsurance segment had adverse prior year loss development of \$3.2 million in the second quarter of 2023 compared to adverse development of \$0.1 million for the second quarter of 2022. The Diversified Reinsurance segment had adverse prior year loss development of \$1.3 million in the second quarter of 2023, compared to adverse prior year development of \$0.8 million for the second quarter of 2022, mostly due to development in other runoff business lines.

Commission and other acquisition expenses was \$4.9 million for the three months ended June 30, 2023 and 2022. Total general and administrative expenses decreased by \$0.5 million, or 6.2% for the three months ended June 30, 2023, compared to the same respective period in 2022 primarily due to lower legal and corporate insurance costs incurred.

Consolidated Results for the six months ended June 30, 2023

Net loss attributable to Maiden common shareholders for the six months ended June 30, 2023 was \$14.3 million compared to net income available to Maiden common shareholders of \$27.3 million for the same period in 2022. The net income for the six months ended June 30, 2022 included \$28.2 million of gains from the repurchase of our preference shares.

Excluding the gain on the repurchase of our preference shares in 2022, our net loss for the six months ended June 30, 2023 was \$14.3 million compared to a net loss of \$0.9 million for the same period in 2022. The net decrease in results for the six months ended June 30, 2023 compared to 2022 was primarily due to:

- a higher underwriting loss of \$17.5 million for the six months ended June 30, 2023 compared to underwriting loss of \$6.8 million for the same period in 2022 largely due to:
 - adverse prior year loss development of \$8.2 million for the six months ended June 30, 2023 compared to favorable prior year development of \$6.3 million for the same period in 2022 primarily related to the quota share reinsurance agreements in the AmTrust Reinsurance segment;
 - on a current accident year basis, an underwriting loss of \$9.4 million for the six months ended June 30, 2023 compared to an underwriting loss of \$13.1 million for the same period in 2022, primarily due to results within the AmTrust Reinsurance segment as discussed below:
 - significantly higher than expected negative premium adjustments in the AmTrust Reinsurance segment related to adjustments for estimated surcharges on Workers' Compensation policies and inuring AmTrust reinsurance for certain programs in Specialty Risk and Extended Warranty cessions (collectively the "AmTrust Cession Adjustments"), net of commission and loss adjustments, contributed an underwriting loss of \$5.1 million to our reported results for the six months ended June 30, 2022.
- foreign exchange and other losses of \$5.4 million for the six months ended June 30, 2023 compared to foreign exchange and other gains of \$10.5 million for the same period in 2022.

The decrease in our year-to-date results were partly offset by the following favorable factors:

- increased total income from investment activities was \$27.0 million for the six months ended June 30, 2023 compared to \$16.9 million for the same period in 2022 which was comprised of:
 - net investment income increased to \$20.1 million for the six months ended June 30, 2023 compared to \$14.2 million for the same period in 2022;
 - realized and unrealized investment gains were \$2.2 million for the six months ended June 30, 2023 compared to realized and unrealized gains of \$4.4 million for the same period in 2022; and
 - interest in income of equity method investments was \$4.8 million for the six months ended June 30, 2023 compared to a loss of \$1.8 million for the same period in 2022.
- corporate general and administrative expenses decreased to \$9.9 million for the six months ended June 30, 2023 compared to \$11.3 million for the same period in 2022 primarily due to lower stock-based incentive compensation costs and corporate insurance expenses incurred.

Net premiums written for the six months ended June 30, 2023 were \$7.6 million compared to \$(7.1) million for the same period in 2022 largely due to significant negative written premiums for the AmTrust Cession Adjustments during the six months ended June 30, 2022. Net written premiums in the AmTrust Reinsurance segment were \$(5.8) million in the six months ended June 30, 2023 compared to net premiums of \$(17.7) million for the same period in 2022. For the six months ended June 30, 2023, the negative gross and net premiums written reflect AmTrust Cession Adjustments of \$6.1 million due to the cancellation of cases

in a certain program within Specialty Risk and Extended Warranty. Negative premiums written in the six months ended June 30, 2022 reflect AmTrust Cession Adjustments of \$15.8 million related to the following items:

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

Net premiums written in the Diversified Reinsurance segment increased by \$2.8 million for the six months ended June 30, 2023 compared to the same period in 2022 due to growth in direct premiums for Credit Life programs written by Maiden LF and Maiden GF.

Net premiums earned increased by \$8.5 million for the six months ended June 30, 2023 compared to the same period in 2022 largely due to significant negative earned premium adjustments made in the AmTrust Reinsurance segment during the first quarter of 2022 as well as growth in Credit Life programs written by Maiden LF and Maiden GF in our Diversified Reinsurance segment.

Net investment income increased by \$5.8 million or 41.0% for the six months ended June 30, 2023 compared to the same period in 2022, primarily due to higher annualized average book yields from fixed income assets which increased to 4.0% for the six months ended June 30, 2023 compared to 1.9% for the same period in 2022. The increase in annualized book yields was driven by higher crediting interest rates on our funds withheld with AmTrust which increased to 3.5% in 2023 compared to 2.1% in 2022, and a higher weighted average interest rate on our related party loan which increased to 6.7% during the six months ended June 30, 2023, compared to 2.4% for the same period in 2022.

Net realized and unrealized investment gains for the six months ended June 30, 2023 were \$2.2 million compared to gains of \$4.4 million for the same period in 2022. This included net realized and unrealized investment gains on alternative investments of \$2.9 million for the six months ended June 30, 2023 compared to net realized and unrealized gains of \$3.3 million for the same period in 2022.

Net loss and LAE increased by \$16.8 million during the six months ended June 30, 2023 compared to the same period in 2022. Net losses were impacted by net adverse prior year loss development of \$8.2 million for the six months ended June 30, 2023 compared to favorable prior year reserve development of \$6.3 million for the same period in 2022. The AmTrust Reinsurance segment had adverse prior year loss development of \$6.1 million for the six months ended June 30, 2023 compared to favorable development of \$4.9 million for the same period in 2022. The Diversified Reinsurance segment had adverse prior year loss development of \$2.1 million for the six months ended June 30, 2023, compared to favorable development of \$1.4 million for the same period in 2022, mostly due to development in other runoff business lines and included the recognition of expected credit losses on reinsurance recoverable on unpaid losses.

Commission and other acquisition expenses increased by \$1.8 million or 23.8% for the six months ended June 30, 2023, compared to the same period in 2022 driven by significantly higher AmTrust Cession Adjustments made in the first half of 2022, which resulted in a corresponding decrease in commission costs and brokerage fees in 2022. Total general and administrative expenses decreased by \$1.2 million or 6.8% for the six months ended June 30, 2023, compared to the same period in 2022 primarily due to lower stock-based incentive compensation costs and corporate insurance expenses incurred.

Operating Results for the three and six months ended June 30, 2023

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

Non-GAAP operating income was \$4.5 million or \$0.04 per diluted common share for the second quarter of 2023 compared to non-GAAP operating income of \$16.6 million or \$0.19 per diluted common share for the second quarter of 2022. Adjusted to include net realized and unrealized investment gains and an interest in income or loss of equity method investments which are recurring parts of investment results with the Company's underwriting activities in run-off, the non-GAAP operating earnings were \$10.4 million or \$0.10 per diluted common share for the second quarter of 2023, compared to non-GAAP operating earnings of \$15.7 million or \$0.17 per diluted common share for the second quarter of 2022.

Non-GAAP operating loss was \$3.4 million or \$0.03 per diluted common share for the six months ended June 30, 2023, compared to non-GAAP operating income of \$9.7 million or \$0.11 per diluted common share for the same period in 2022. Adjusted to include net realized and unrealized investment gains and an interest in income or loss of equity method investments which are recurring parts of investment results with the Company's underwriting activities in run-off, the non-GAAP operating

earnings were \$3.5 million or \$0.03 per diluted common share for the six months ended June 30, 2023, compared to non-GAAP operating earnings of \$12.3 million or \$0.14 per diluted common share for the same period in 2022.

Similar to the reported GAAP results, the reduction in non-GAAP operating results for the three and six months ended June 30, 2023 compared to the same respective periods in 2022 primarily reflect gains from the repurchase of preference shares of \$24.7 million and \$28.2 million that were recognized in the three and six months ended June 30, 2022, respectively.

The unamortized deferred gain on retroactive reinsurance under the LPT/ADC Agreement with Cavello was \$57.7 million as of June 30, 2023, an increase of \$12.3 million compared to \$45.4 million at December 31, 2022. Adjusted for the increase in the deferred gain under the LPT/ADC Agreement of \$10.7 million and \$12.3 million during the three and six months ended June 30, 2023, respectively, the non-GAAP underwriting income⁽⁹⁾ was \$1.5 million and non-GAAP underwriting loss was \$5.2 million, respectively. This compared to a non-GAAP underwriting loss of \$8.6 million and \$11.2 million when adjusted for the decrease in the deferred gain under the LPT/ADC Agreement of \$3.5 million and \$4.5 million during the three and six months ended June 30, 2022, respectively.

The non-GAAP underwriting results in both respective periods included loss 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, as well as loss development under the European Hospital Liability Quota Share. Also, the results included an underwriting loss in the Diversified Reinsurance segment of \$3.1 million and \$5.1 million for the three and six months ended June 30, 2023, respectively, compared to an underwriting loss of \$1.3 million and underwriting income of \$0.2 million for the same respective periods in 2022.

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

Quarterly Report on Form 10-Q for the Period Ended June 30, 2023 and Other Financial Matters

The Company's Quarterly Report on Form 10-Q for the three and six months ended June 30, 2023 was filed with the U.S. Securities and Exchange Commission on August 8, 2023. Additional information on the matters reported in this news release along with other required disclosures can be found in that filing.

Total assets were \$1.7 billion at June 30, 2023 and decreased by \$182.0 million compared to December 31, 2022. Shareholders' equity was \$269.3 million at June 30, 2023 compared to \$284.6 million at December 31, 2022.

Adjusted shareholders' equity⁽²⁾ was \$327.0 million at June 30, 2023 compared to \$330.0 million at December 31, 2022, which includes an unamortized deferred gain under the LPT/ADC Agreement of \$57.7 million at June 30, 2023 and \$45.4 million at December 31, 2022.

During the three and six months ended June 30, 2023, Maiden Reinsurance repurchased 299,630 common shares at an average price per share of \$2.07, pursuant to the Company's \$100.0 million share repurchase authorization, approved by the Company's Board of Directors on February 21, 2017. The Company has a remaining authorization of \$73.6 million for common share repurchases at June 30, 2023.

During the three and six months ended June 30, 2023, the Company repurchased 5,567 notes of the 2013 Senior Notes at an average price per unit of \$17.10 and a gain of \$39.9 thousand was realized. On May 3, 2023, the Company's Board of Directors approved the repurchase, including the repurchase by Maiden Reinsurance in accordance with its investment guidelines, of up to \$100.0 million of the Company's Senior Notes from time to time at market prices in open market purchases or as may be privately negotiated. The Company's remaining authorization is \$99.9 million for Senior Notes repurchases at June 30, 2023.

As of June 30, 2023, GLS and its subsidiaries have insurance related liabilities of \$27.8 million including total reserves of \$21.5 million, an underwriting-related derivative liability of \$4.0 million, and net deferred gains on retroactive reinsurance of \$2.3 million.

The Company's wholly owned subsidiary, Maiden Holdings North America, Ltd., holds net operating loss carryforwards ("NOLs") which were \$295.9 million as of June 30, 2023. These NOLs, in combination with additional net deferred tax assets primarily related to our insurance liabilities, result in a net U.S. deferred tax asset (before valuation allowance) of \$119.3 million or \$1.17 per common share as of June 30, 2023. The net deferred tax assets are not presently recognized on the Company's balance sheet as a full valuation allowance is carried against them.

The Company no longer presents certain non-GAAP measures such as combined ratio and its related components in its news release or quarterly reports, as it believes that as the run-off of its reinsurance portfolios progresses, such ratios are increasingly not meaningful and of less value to readers as they evaluate our financial results.

Quarterly Dividends

The Company's Board of Directors did not authorize any quarterly dividends on its common shares during the three and six months ended June 30, 2023 and 2022.

About Maiden Holdings, Ltd.

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

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