



KINGSWAY

NYSE: KFS

**Investor Presentation May 2021
Through March 31, 2021**

Forward-Looking Statements



This presentation includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that are not historical facts, and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. Words such as "expects," "believes," "anticipates," "intends," "estimates," "seeks" and variations and similar words and expressions are intended to identify such forward-looking statements; however, the absence of any such words does not mean that a statement is not a forward-looking statement. Such forward-looking statements relate to future events or future performance, but reflect Kingsway management's current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements, including as a result of the COVID-19 pandemic. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the section entitled "Risk Factors" in the Company's 2020 Annual Report on Form 10-K, as well as the risk factors listed from time to time in any subsequent filings with the Securities and Exchange Commission. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. ■■■■

Additional Information

Additional information about Kingsway, including a copy of its 2020 Annual Report can be accessed on the EDGAR section of the U.S. Securities and Exchange Commission's website at www.sec.gov, on the Canadian Securities Administrators' website at www.sedar.com, or through the Company's website at www.kingsway-financial.com. ■■■■

Non U.S. GAAP Financial Measure

The Company believes that non-GAAP adjusted net earnings (loss) and non-GAAP adjusted EBITDA, which are included in this presentation, when presented in conjunction with comparable GAAP measures, provide useful information about the Company's operating results and enhances the overall ability to assess the Company's financial performance. The Company uses non-GAAP adjusted net earnings (loss) and non-GAAP adjusted EBITDA, together with other measures of performance under GAAP, to compare the relative performance of operations in planning, budgeting and reviewing the performance of its business. Non-GAAP adjusted net earnings (loss) and non-GAAP adjusted EBITDA allow investors to make a more meaningful comparison between the Company's core business operating results over different periods of time. The Company believes that non-GAAP adjusted net earnings (loss) and non-GAAP adjusted EBITDA, when viewed with the Company's results under GAAP and the accompanying reconciliations, provide useful information about the Company's business without regard to potential distortions. By eliminating potential differences in results of operations between periods caused by the factors listed in the attached schedules, the Company believes that non-GAAP adjusted net earnings (loss) and non-GAAP adjusted EBITDA can provide useful additional basis for comparing the current performance of the underlying operations being evaluated. Investors should consider these non-GAAP measures in addition to, not as a substitute for or as superior to, financial reporting measures prepared in accordance with GAAP. Investors are encouraged to review the Company's financial results prepared in accordance with GAAP to understand the Company's performance taking into account all relevant factors. ■■■■

Representatives



John T. Fitzgerald

President, CEO, and Director

Mr. Fitzgerald has served as CEO of Kingsway since September 2018. Mr. Fitzgerald joined Kingsway as Executive Vice President on April 21, 2016 following Kingsway's acquisition of Argo Management Group, a private equity investment partnership co-founded by Mr. Fitzgerald in 2002. Effective March 8, 2017, Mr. Fitzgerald was appointed President and COO of Kingsway. Prior to co-founding Argo Management Group, Mr. Fitzgerald was managing director of Adirondack Capital, LLC, a financial futures and derivatives trading firm, and he was a seat-owner on the Chicago Board of Trade. Mr. Fitzgerald received a Bachelor of Science degree from DePaul University, with highest honor, and is an MBA graduate of the Kellogg School of Management, Northwestern University.



Kent Hansen

Chief Financial Officer

Mr. Hansen has served as CFO of Kingsway's subsidiary, Kingsway America Inc., since December 2019 and EVP and CFO of Kingsway since February 2020. Prior to joining Kingsway, Mr. Hansen served as CAO and Controller of LSC Communications, Inc. from 2016 to 2019. Prior to this, he served as VP, Assistant Controller, of Baxalta, Incorporated, a biopharmaceutical company from 2015 to 2016. Prior to this, he served in various finance and accounting roles from 2006 to 2015 with Scientific Games Corporation (formerly WMS Industries, Inc.), including Director of Accounting and SEC Reporting, Assistant Controller, and Group Chief Financial Officer. His earlier experience includes roles in accounting and financial reporting at Accenture and as an auditor at Ernst and Young LLP. Mr. Hansen received a BBA degree from the University of Michigan and is an MBA graduate of the Kellogg School of Management, Northwestern University.



Introduction to Kingsway

Owens or controls subsidiaries primarily in the extended warranty, asset management, and real estate industries.

Ticker: KFS (NYSE)



Incorporation

Incorporated in 1989



Total Employees

235



Financial Overview ⁽¹⁾

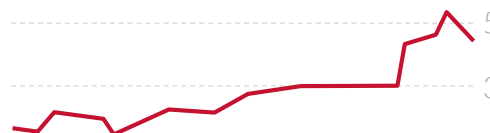
Assets: \$439.8 Million
Liabilities: \$421.2 Million



Shareholder Information ⁽¹⁾

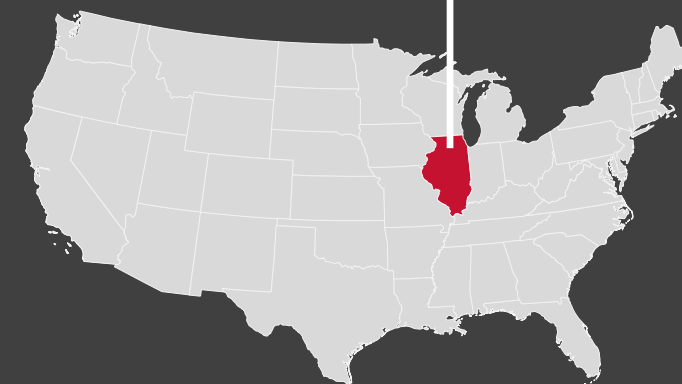
Share Price: \$4.65
Shares Outstanding: 23.7 Million
Market Capitalization: ~\$110 Million

Stock price for the past year
(H \$5.50 L \$1.26)



**Based in
Itasca, IL**

(a. 30 Miles
West of
Chicago)



Introduction to Kingsway: Components of Value

Decentralized operating structure with a small Corporate team



(1) As of 3/31/2021 | (2) Includes twelve months of PWI, which was acquired on 12/1/2020. Refer to the Appendix for a reconciliation of GAAP to non-GAAP measures.

Introduction to Kingsway: Investment Thesis



Solid Operating Businesses

- Profitable extended warranty businesses
- Invested 'float' enhances earnings
- Real estate that has long-term contractual cash inflows with a credit-worthy tenant



Value Creation With Tax Shelter

- ~\$845⁽¹⁾ million in net operating losses ("NOLs") expiring between 2027 and 2040 provide opportunity to compound capital tax-free
- We use a 20-year time horizon to guide our approach to strategic investments and acquisitions, as well as incentive structures

(1) As of 3/31/2021



Trades at a Discount to Intrinsic Value

- Sum-of-the-parts valuation view (see later slide) suggests a higher value than the current market cap



Aligned Management and Board

- Board and Management team own 54% of common equity
- Board and Management team have purchased 3.6% of outstanding shares in Kingsway through open market transactions in 2020
- Incentives to act like owners and opportunities to participate meaningfully in long-term value creation



Leadership and Culture

- Accountability to living our core values and achieving established performance objectives (the right way)
- Focus on results
- Attract, develop and retain world-class talent
- CEO Accelerator Program is building the foundation for future business leaders within Kingsway

Introduction to Kingsway:

Core Tenets of Value Creation



Disciplined Capital Allocation

- **Growing portfolio of operating companies with strong cash flow**
- **Seek acquisitions and internal investments that generate strong returns**

Acquired PWSC (extended warranty business) in Q4 2017 at an approximate 3.2x multiple of 2018 full year EBITDA⁽¹⁾

Acquired Geminus (extended warranty business) in Q1 2019 at an approximate 3.8x multiple of 2019 full year EBITDA⁽¹⁾

Acquired PWI (extended warranty business) in Q4 2020 at an approximate 3.8x multiple of 2020 full year EBITDA⁽¹⁾

(1) Before the effects of US GAAP purchase accounting



Decisive Execution

- **Minimize non-strategic expenses**

Continued alignment of business objectives and incentives around growth in intrinsic value. Operating subsidiary Presidents incentivized based on achieving and exceeding prescribed ROIC hurdles; on-going scrutiny of corporate processes to increase efficiencies and reduce costs

- **Simplify and focus**

Continue to monetize our current portfolio of non-strategic passive investments in order to eliminate complexity and distractions caused by our former merchant banking strategy; focus on creating value by expanding our extended warranty businesses and adjacent “asset-light” categories



People

- **Attract, Develop and Retain World-Class Talent**

The Company’s senior management team has been completely revamped through the appointment of JT Fitzgerald (CEO), and hiring of Kent Hansen (CFO)

Operating Companies enhanced with hiring new managers Brian Cosgrove (President of Geminus) and Tyler Gordy (President of PWSC)

Launched the CEO Accelerator Program in 2020

Kingsway Recent Actions



Our current CEO, JT Fitzgerald, was appointed in September 2018; since that time he has installed new leadership throughout the Company

Since being appointed CEO, JT has

- Simplified the corporate structure by changing the Company's jurisdiction of incorporation to the US and exiting the Canadian dual-listing
- Completed the sale of KFS's unprofitable non-standard auto insurance business
- Substantially cut holding company costs
- Made significant headway unwinding legacy non-core investments
- Redeployed capital to the purchase of growing, profitable, "asset-light" warranty businesses at reasonable valuation multiples
- Hired a new CFO (February 2020), and new Presidents at PWSC and Geminus
- Launched the CEO Accelerator Program



Our significant progress has been overshadowed by financial reporting difficulties that are now resolved

- During the 2018 audit of our consolidated financials, it was determined that many KFS investments needed to be consolidated into the financial statements
- This required the restatement of the Company's 2017 financial statements and substantially delayed the completion of the 2018 audit
- As a result, beginning in early 2019 the Company was not able to provide current financial information to its shareholders
- Between February 2020 and July 2020 the Company was able to complete all the required 2018 and 2019 SEC filings
- The Company became fully current with its filings when it filed its Q2 2020 10Q in August 2020 and has been providing timely, current financial information ever since



Kingsway Financial Overview

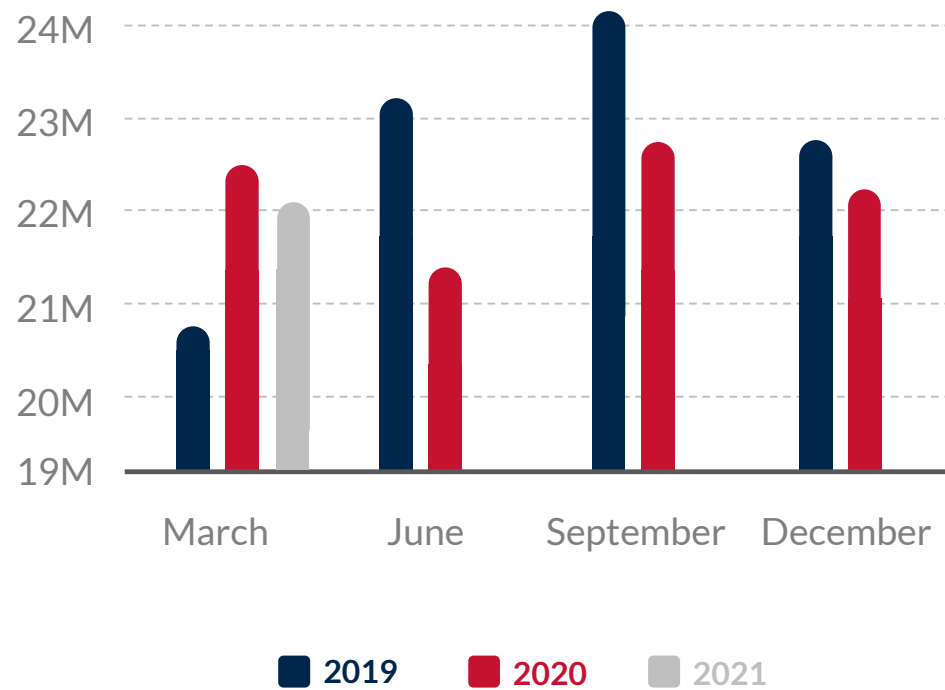
Kingsway Financial Overview



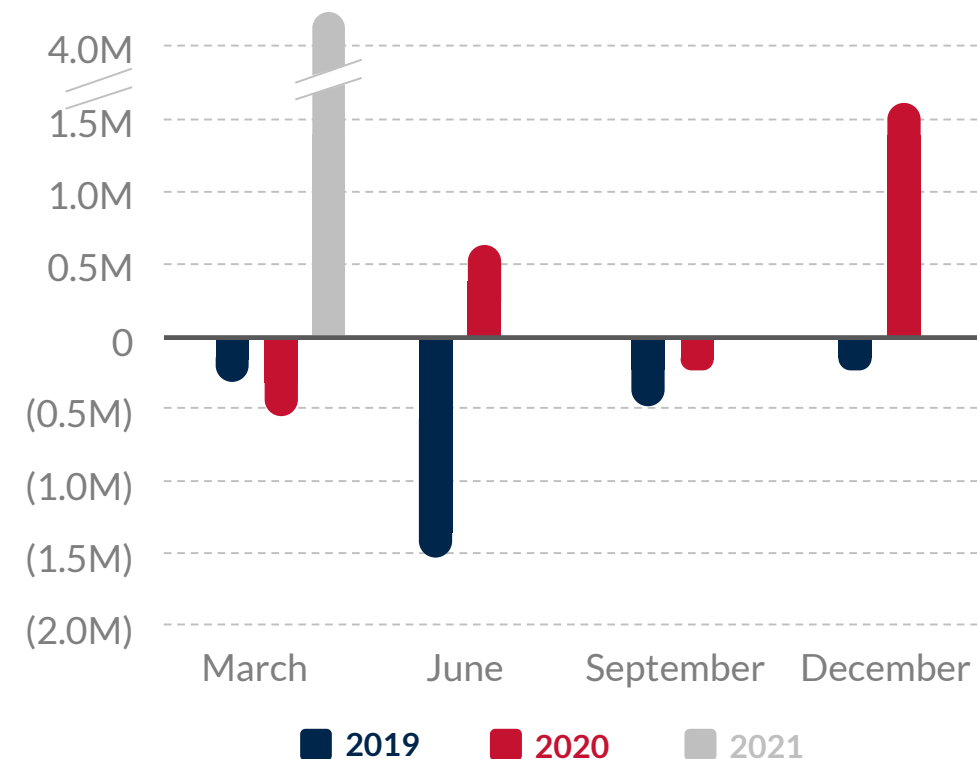
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Pro Forma Revenue by Quarter⁽¹⁾



Pro Forma Non-GAAP Adjusted (Loss) Income by Quarter⁽¹⁾



(1) Refer to the Appendix for a reconciliation of GAAP to non-GAAP measures. Pro forma includes the corresponding PWI amount for 2020 and 2019.



Extended Warranty

Extended Warranty Industry



A Scalable, High Margin, Low Capital Intensity Business = Enduringly High ROTC



Warranty Industry Advantages

Large and Growing

Estimated at over \$121B globally and forecast to grow at 7.4% CAGR through 2027⁽¹⁾

Fragmented

Management estimates that top companies in industry account for only 32.5% of revenue

High Barriers to Entry

Licensing/regulatory requirements; industry considered “too complex” by many

High Margin Recurring Revenue

Diversified; long-term, pre-paid contracts; industry margins estimated at 20%

Investable ‘float’

Risk-taking warranty businesses produce float similar to insurance

Low Capital Intensity

Less capital intensive than traditional insurance due to utilization of reinsurance

(1) Allied Market Research.

Kingsway's Extended Warranty Subsidiaries



iwsgroup.com

Founded in 1991
Acquired in 2012



IWS is a licensed motor vehicle service agreement company and is a provider of after-market vehicle protection services distributed by credit unions in 27 states and the District of Columbia to their members.



preferredwarranties.com

Founded in 1992
Acquired in 2020



PWI is a licensed motor vehicle service agreement company and is a provider of after-market vehicle protection services distributed by car dealerships in all 50 states.



pennwarranty.com

Founded in 1988
Acquired in 2019



Geminus primarily sells vehicle service agreements to used car buyers across the United States.



pwsc.com

Founded in 1995
Acquired in 2017



PWSC sells new home warranty products and provides administration services to homebuilders and homeowners across the United States.



trinitywarranty.com

Founded in 2009
Acquired in 2013



Trinity sells heating, ventilation, air conditioning ("HVAC"), standby generator, commercial LED lighting and refrigeration warranty products and provides equipment breakdown and maintenance support services to companies across the United States.

Extended Warranty Strategic Outlook



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	Automobile	Home	Mechanical
Kingsway Businesses	PWI, IWS, Geminus	PWSC	TWS
Services	Vehicle Service Agreements	Home warranty agreements; administrative services to builders/homeowners	Warranty agreements and maintenance support to consumers and businesses in the HVAC, standby generator, commercial LED lighting and refrigeration industries
Channel	Used Car Dealers (PWI, Geminus), Credit Unions (IWS)	New home builders	HVAC distributors; commercial and residential contractors; maintenance support directly through corporate owners of retail spaces
Percent of EW Revenue	81%	10%	9%
Market Dynamics	New and used automobile market; IWS distributes through credit unions, which are becoming a more popular alternative to traditional banks	New housing completions, although 1 to 2 month lag between completions and closings	Demand for HVAC and related products; U.S. retail market
Kingsway Advantage	Strong relationships with existing dealers and credit unions; use of incentive programs to increase “stickiness”; strong, long-standing relationships with regulators and insurers	20+ years in the industry has led to strong relationships with major nationwide builders; strong relationships with regulators and insurers	Experienced leadership team with deep knowledge of the industry and customers
Kingsway Strategy	Increase volume through existing dealer and credit union network; further refinement and use of incentives to increase “stickiness”; new customer acquisition in existing and new geographic markets	Increase volume through existing builder network, as well as new customer acquisition; introduction of new products (e.g. rental market)	Continue to grow the higher margin warranty products segment through existing and new customers

We continue to search for acquisition opportunities that complement our existing Extended Warranty offerings

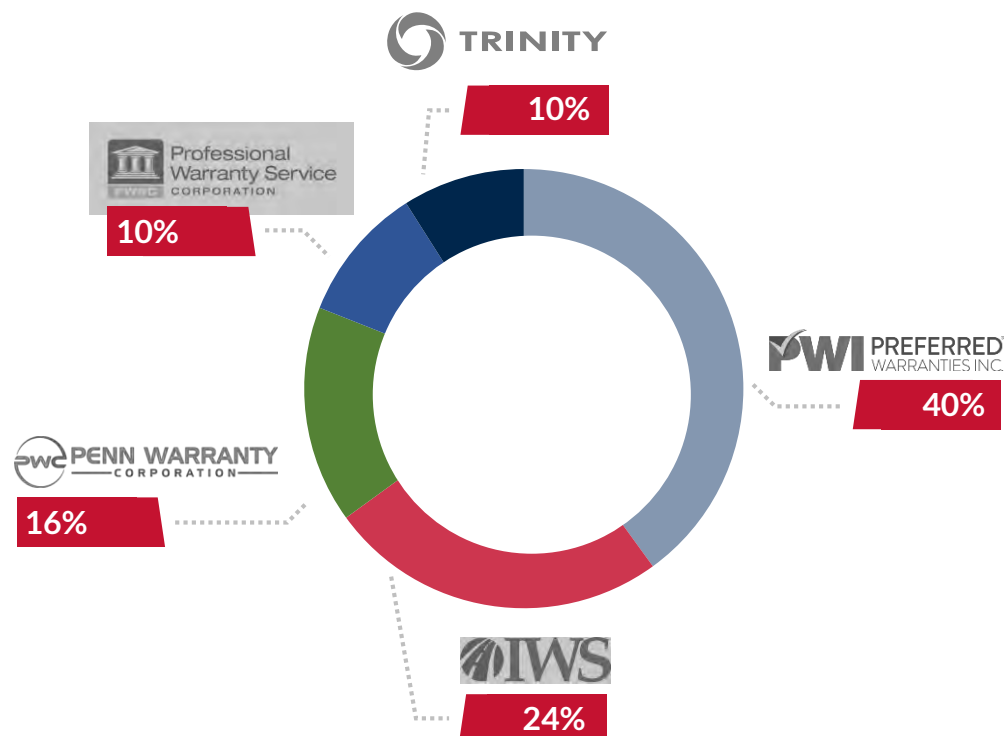
Extended Warranty Financial Overview



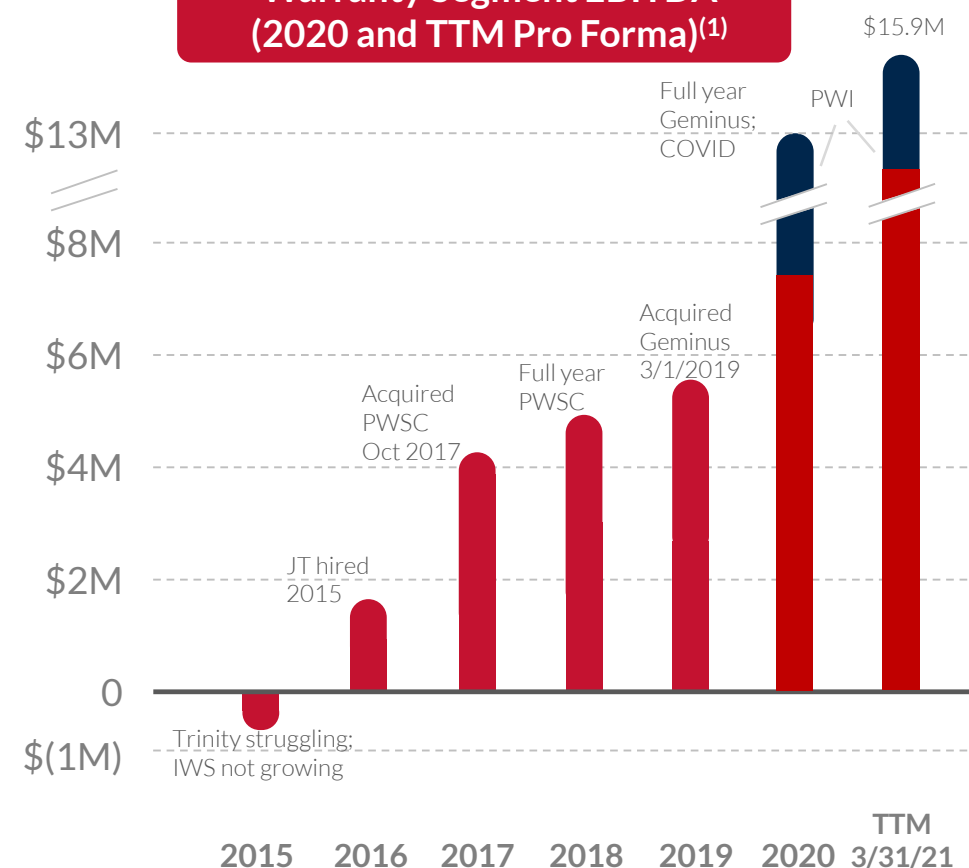
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TTM Pro Forma Revenue 3/31/21⁽¹⁾



Warranty Segment EBITDA (2020 and TTM Pro Forma)⁽¹⁾



(1) Refer to the Appendix for a reconciliation of GAAP to non-GAAP measures. Pro forma includes the corresponding PWI amount from 1/1/2020 forward.

Extended Warranty Financial Overview



Extended Warranty Borrowings

\$24.5m

\$24.5 million as of 3/31/21
(includes \$1 million revolver)



Interest rate

3.75%

LIBOR + 3.00%
(LIBOR floor of 0.75%)



Amortization

15%

15% per year,
paid quarterly



Maturity

2025

November 30,
2025

■ In conjunction with the purchase of PWI on 12/1/2020, executed a loan agreement with CIBC

- Paid off loan with previous lender of \$9.25 million that had an interest rate of LIBOR + 9.25% (LIBOR floor of 2.00%)
- Despite the substantially higher principal balance of the new CIBC loan, at current interest rates the company anticipates its annual interest expense going forward will be less than that under its previous debt

■ The loan contains financial and other covenants; for the periods through 9/30/21 the borrowing group must maintain a maximum leverage ratio of 2.75x; thereafter the ratio reduces by 0.25x annually

■ The borrowers are Geminus, IWS, Trinity and PWI; PWSC is not part of the borrowing group

■ PWSC currently has no borrowings

- In conjunction with the purchase of PWSC in 2017, it borrowed \$5 million (5% interest) that was to be paid off in October 2022
- In January of 2020, PWSC paid the loan in full – over 2 years early



Real Estate

Real Estate Segment Strategy

We focus on zero cash flow CTL's with high quality assets and credit-worthy tenants.

Acquisitions are structured with relatively limited equity contribution and mortgage debt that is non-recourse to KFS.

We utilize KFS' tax attributes to absorb "phantom income" and build value via debt amortization.

Real Estate: CMC Industries

81%

Kingsway owns 81% of the stock of CMC Industries Inc.

192ac

CMC owns, through an indirect wholly owned subsidiary, a parcel of real property consisting of approximately 192 acres located in the State of Texas. The property serves as a railcar storage in transit logistics facility and is subject to a long-term triple net lease agreement with BNSF.

\$181m

The property is subject to a mortgage with a principal balance of \$165 million and an estimated fair value of \$181 million and recorded as a note payable (both as of 3/31/21). The mortgage is nonrecourse with respect to CMC and is not guaranteed by Kingsway.



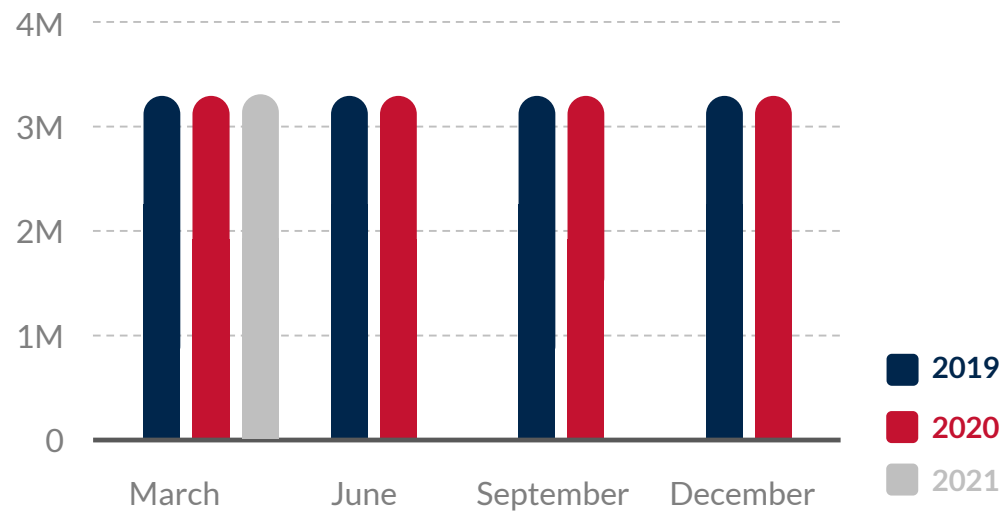
Real Estate Financial Overview



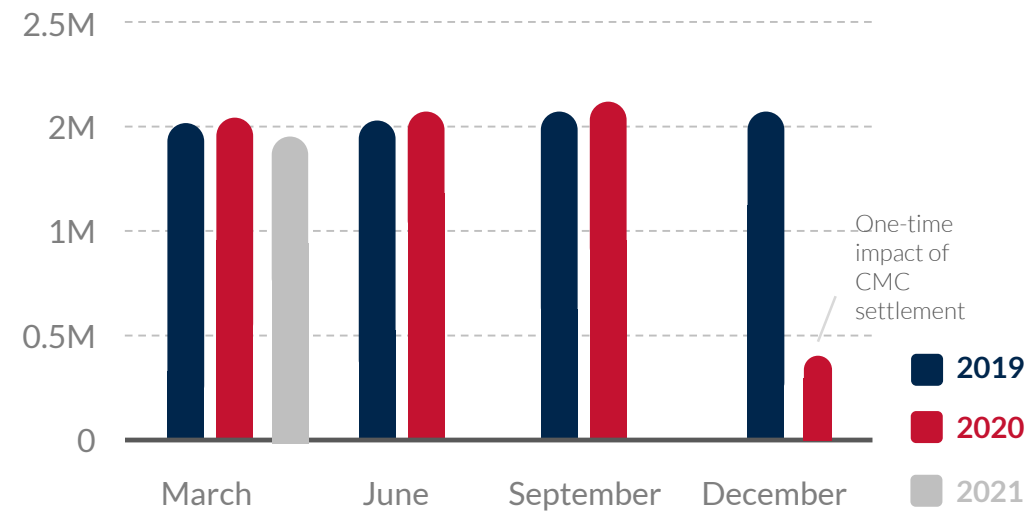
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Real Estate Revenue by Quarter



Real Estate Non-GAAP Adjusted Operating Income



Rents are contractually fixed with a credit-worthy tenant (BNSF, a subsidiary of Berkshire Hathaway)



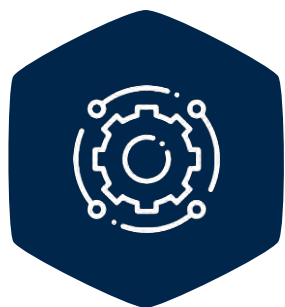
Non-GAAP adjusted Operating Income is impacted by declining interest expense as principal is paid down



Arrangement allows Kingsway to monetize a significant portion of its NOLs



Kingsway actively seeking other opportunities where it would have a competitive advantage given its NOLs



Asset Management / Corporate


Asset Management Financial Overview



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(in millions)

	View	US GAAP Accounting	3/31/21 Balance Sheet	3/31/21 Economic Interest
Argo Search Fund  ARGO Holdings	Strategic	Consolidated – fair market value	\$3.4	\$1.9
Equity Investments	Non-strategic	Fair market value	\$0.3	\$0.3
Real Estate Investments (LLCs)	Non-strategic	Consolidated – fair market value	\$26.9	\$18.1
Real Estate Investments (LLCs)	Non-strategic	Equity method	\$2.4	\$2.4
Other LLC Investments	Non-strategic	Equity method	\$1.3	\$1.3
Private Company Investments	Non-strategic	Adjusted cost	\$0.8	\$0.8
Total			\$35.1	\$24.8

Argo partners with Search Fund entrepreneurs to find, acquire and build successful businesses for the long term

- Fully invested, with 11 operating company investments and 16 active search fund investments
- More details at <https://www.argo-partners.com/>

Economic interest is adjusted to reflect the amount of any non-controlling interests and consolidation gross-ups

Kingsway continues to look for ways to monetize the non-strategic investments in the most beneficial manner in order to redirect the capital into its ongoing business operations

- In Q4 2020, Kingsway sold a property in one of the real estate LLCs that are consolidated, for gross proceeds of \$40.1 million; after paying off outstanding debt, there was a net cash gain for Kingsway

Corporate Financial Overview



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Trust preferred debt instruments (“TruPs”)

- \$90.5 million in principal owed (\$53.7 million fair value as of 3/31/21) with redemption dates between late 2032 and early 2034
- Interest of LIBOR + ~400bps; interest payments can be deferred at Kingsway’s option up to 20 quarters, and Kingsway has deferred interest payments since Q3 2018 for a total of \$15.2 million (3/31/21)



Class A Preferred Stock

- 182,876 issued and outstanding; each share is convertible into 6.25 common shares at a conversion price of \$4.00 per share any time at the option of the holder prior to April 1, 2021
- Each share accumulates dividends; any outstanding shares as of April 1, 2021 would be required to be redeemed by the Company for \$25 per share, plus accumulated dividends, for a total redemption value of \$6.7 million⁽¹⁾



Warrants

- 4,923,765 outstanding
- Each warrant is entitled to purchase one common share for \$5.00; all warrants expire September 15, 2023

Kingsway’s corporate function includes the CEO, CFO, Legal, Internal Audit, Head of HR and accounting and finance personnel and is responsible for:

Strategic oversight for all subsidiaries

Budgeting, capital allocation and acquisitions

SEC and other regulatory requirements

Providing certain services to subsidiaries, as needed

Execution of the annual audit in conjunction with Kingsway’s independent auditor, Plante Moran

(1) Refer to the Appendix for a further discussion on the status of the redemption.



Sum of the Parts Valuation

Sum of the Parts Valuation



Management believes Kingsway's total intrinsic value should be viewed as a sum of its parts:

(in millions, except per share data)

	Estimated Value	Rationale	Commentary
Extended Warranty	\$190.8 to \$238.5	12x to 15x of TTM EBITDA	Based on observed multiples in private market transactions, as well as non-cash taxpayer status, management believes this range to be very reasonable
Real Estate (CMC)	\$35.8	Net present value of future cash flows	The Company recently settled outstanding litigation regarding how proceeds from the lease are to be distributed; this reflects that settlement and assumes a hypothetical sale in 2029
Argo search fund	\$1.9	Economic value	
Non-strategic investments	\$22.9	Economic value	
Amigo	\$2.0	Equity less deferred income tax asset	
NOLs	\$TBD see Commentary	NOLs of ~\$845 for which there is a ~\$177 DTA that is fully reserved	The NOLs expire between 2026 and 2037 and there is reasonable uncertainty that the NOLs will be consumed before they expire. However, a rational valuation mechanism could be to multiply the total U.S. net DTAs by a probability of realization
Total Assets	\$253.4 to \$301.1		
TruPs	(\$53.7)	Fair value of debt at 3/31/21	
Extended Warranty debt	(\$24.5)	Outstanding principal at 3/31/21	Debt was incurred in connection with the PWI purchase on December 1, 2020 and amortizes 15% per year (quarterly payments)
Intrinsic value	\$175.2 to \$222.9	Total Assets, net of debt	
Intrinsic value per share	\$7.39 to \$9.40	23.7 million shares outstanding	NOLs not fully valued

Conclusion

We are building a holding company that aspires to compound intrinsic value per share at high rates over the long term through efficient operations and thoughtful, tax-advantaged capital allocation.



Thoughtful capital
allocation



Apply operational and
strategic support



Partner with great
management teams
to acquire a portfolio
of world-class
businesses



Tax advantaged
cashflow

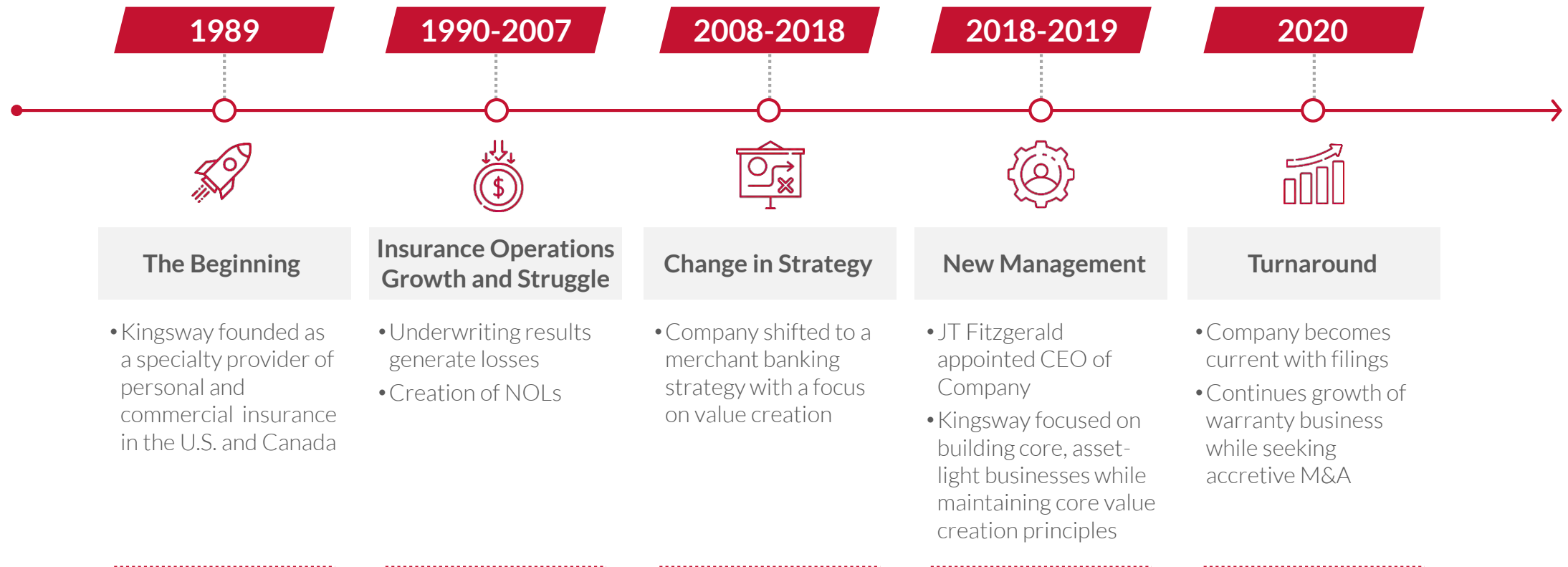


Appendix

Introduction to Kingsway: History and Transformation



Aligned management team and Board of Directors focused on proper capital allocation, operational excellence and people.



Class A Preferred Stock: Redemption Status



As of March 31, 2021, there are 182,876 shares of the Company's Class A Preferred Stock issued and outstanding. Any outstanding Preferred Shares were required to be redeemed by the Company on April 1, 2021 ("Redemption Date") at a redemption value of \$6.7 million, if the Company had sufficient legally available funds to do so.



The Company has exercised its right to defer payment of interest on its outstanding subordinated debt ("trust preferred securities") and, because of the deferral, the Company is prohibited from redeeming any shares of its capital stock while payment of interest on the trust preferred securities is being deferred.



If the Company was required to pay both the deferred interest on the trust preferred securities and redeem all the Preferred Shares currently outstanding, then the Company would not have sufficient liquidity and legally available funds to do so.



As such, the interest on the trust preferred securities will remain on deferral as permitted under the indentures and in accordance with Delaware law the Preferred Shares cannot be redeemed and will instead remain outstanding and continue to accrue dividends until such time as the Company has sufficient legally available funds to redeem the Preferred Shares and is not otherwise prohibited from doing so.



The Company continues to operate in the ordinary course. Management is currently exploring the following opportunities: negotiating with the holders of the Preferred Shares with respect to the Redemption Date and/or other key provisions, raising additional funds through capital market transactions, as well as the Company's continued strategy of working to monetize its non-core investments while attempting to maximize the tradeoff between liquidity and value received.

Reconciliation of GAAP Net Loss to Non-GAAP Adjusted (Loss) Income



(in thousands)

	TTM	For the Three Months Ended			
	3/31/21	3/31/21	12/31/20	9/30/20	6/30/20
GAAP Net Loss	\$(4,123)	\$899	\$(2,478)	\$(1,124)	\$(1,421)
Non-GAAP Adjustments:					
(Gain) Loss on sale of non-core investments (1)	(359)	(22)	(425)	88	-
Change in fair value of investments (2)	(3,583)	353	(2,193)	(1,377)	(366)
Change in fair value of debt (3)	2,491	1,019	767	503	202
Litigation expenses (5)	1,895	344	997	535	19
Acquisition and disposition related expenses (6)	377	-	238	139	-
Employee termination and recruiting expenses (7)	216	160	-	11	46
Stock-based compensation expense (8)	3,063	1,699	1,106	127	131
Net loss from discontinued operations, net of taxes (9)	(6)	-	-	-	(6)
Extraordinary audit and audit-related expenses (10)	381	-	-	76	305
Loss on extinguishment of debt (11)	851	-	851	-	-
CMC Settlement (12)	958	(645)	1,603	-	-
Amortization expense	2,214	497	572	572	573
Total Non-GAAP Adjustments	8,499	3,405	3,516	674	904
Non-GAAP Adjusted (Loss) Income (14)	\$4,376	\$4,304	\$1,038	\$(450)	\$(517)

Reconciliation of GAAP Net Loss to Non-GAAP Adjusted (Loss) Income



(in thousands)

	TTM	For the Three Months Ended			
	3/31/20	3/31/20	12/31/19	9/30/19	6/30/19
GAAP Net (Loss) Income	\$(7,895)	\$(393)	\$(3,098)	\$(4,006)	\$(398)
Non-GAAP Adjustments:					
(Gain) Loss on sale of non-core investments (1)	(585)	(147)	(32)	(1,004)	598
Change in fair value of investments (2)	(983)	(632)	(1,803)	3,736	(2,284)
Change in fair value of debt (3)	(3,121)	(2,645)	1,052	(610)	(918)
Equity in net (gain) loss of investee (4)	(202)	-	(127)	126	(201)
Redomestication expenses (13)	41	-	-	-	41
Litigation expenses (5)	1,434	1,141	124	65	104
Acquisition and disposition related expenses (6)	64	35	-	23	6
Employee termination and recruiting expenses (7)	1,158	295	715	63	85
Stock-based compensation expense (8)	604	171	145	145	143
Net loss from discontinued operations, net of taxes (9)	1,544	-	1,544	-	-
Extraordinary audit and audit-related expenses (10)	1,276	390	149	359	378
Impairment of assets	117	117	-	-	-
Amortization expense	2,600	573	676	675	676
Total Non-GAAP Adjustments	3,947	(702)	2,443	3,578	(1,372)
Non-GAAP Adjusted Loss	\$(3,948)	\$(1,095)	\$(655)	\$(428)	\$(1,770)

Reconciliation of GAAP Net Loss to Non-GAAP Adjusted (Loss) Income: Notes



1. Represents realized gains and losses on the Company's non-core investments.
2. The Company has investments in several entities that are not essential to the ongoing operations and strategy of the Company. The investments are recorded at fair value and changes to fair value are recorded as unrealized gains or losses. See next slide.
3. The Company records its subordinated debt at fair value and changes to fair value (net of the portion of the change attributable to instrument-specific credit risk) are recorded as unrealized gains or losses.
4. Represents the Company's investment in the common stock of Itasca Capital Ltd. ("ICL"). The Company fully disposed of its investment in ICL during Q4 2019.
5. Legal expenses associated with the Company's defense against significant litigation matters.
6. Expenses related to legal, accounting and other expenses associated with completed and contemplated acquisitions and disposals.
7. 2020 and 2019 include charges relating to severance and consulting agreements pertaining to former key employees. 2019 also includes key employee recruiting expenses.
8. Non-cash expense arising from the grant and modification of stock-based awards to employees. Q1 2021 includes new grants to certain officers of the Company, a portion of which vested upon grant. In Q4 2020, the Company modified an award previously granted to one of its Presidents, resulting in additional compensation expense associated with the change in fair value of the award.
9. Includes losses relating to Assigned Risk Solutions Ltd. and the October 2018 completed sale of the Mendota group of companies. Refer to Note 5, Disposal and Discontinued Operations, to the Company's 2020 Annual Report on Form 10-K for further information.
10. Extraordinary audit and audit-related expenses incurred as a result of the delayed filing of the 2018 and 2019 Kingsway audited financial statements and related quarterly filings.
11. Early termination fees and write-off of unamortized debt issuance costs and discount associated with the early extinguishment of the 2019 KWH loan as part of the Company's purchase of PWI.
12. In March 2021, DGI, TRT LeaseCo and various other entities affiliated with each of them entered into a settlement agreement with respect to such litigation and certain other matters ("CMC Settlement Agreement"). As part of the settlement, the Company made a one-time fee payment to DGI of which \$1.6 million relates to rental income collected in periods prior to 2020. In 2021, the Company recorded a benefit related to the finalization of management fees and legal expenses associated with the settlement of CMC litigation.
13. Expenses incurred as part of redomesticating Kingsway Financial Services Inc. from a Canadian registered company to be a Delaware registered company as of December 31, 2018.
14. Includes a benefit of \$2.5 million and \$0.4 million from PPP loan forgiveness for the three months ended March 31, 2021 and December 31, 2020, respectively.

Reconciliation of GAAP Net Loss to Non-GAAP Adjusted (Loss) Income: Note 2



(in thousands)

	TTM	For the Three Months Ended			
	3/31/21	3/31/21	12/31/20	9/30/20	6/30/20
(Gain) loss on change in fair value of limited liability investments, at fair value	\$(1,945)	\$202	\$(1,995)	\$(274)	\$123
Net change in unrealized (gain) loss on private company investments	74	-	-	74	-
(Gain) loss on change in fair value of equity securities	(1,713)	151	(198)	(1,177)	(489)
Total	\$(3,583)	\$353	\$(2,193)	\$(1,377)	\$(366)

	TTM	For the Three Months Ended			
	3/31/20	3/31/20	12/31/19	9/30/19	6/30/19
(Gain) loss on change in fair value of limited liability investments, at fair value	\$(2,109)	\$(1,899)	\$(1,219)	\$3,356	\$(2,347)
Net change in unrealized (gain) loss on private company investments	1,013	670	-	343	-
(Gain) loss on change in fair value of equity securities	113	597	(584)	37	63
Total	\$(983)	\$(632)	\$(1,803)	\$3,736	\$(2,284)

Reconciliation of GAAP Reported Revenue to Pro Forma Revenue



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(in thousands)

	TTM	For the Three Months Ended			
	3/31/21	3/31/21	12/31/20	9/30/20	6/30/20
GAAP Reported Revenue	\$68,713	\$22,020	\$17,399	\$15,415	\$13,879
PWI pro forma revenue (1)	19,747	-	4,748	7,398	7,601
Pro Forma Revenue	\$88,460	\$22,020	\$22,147	\$22,813	\$21,480
 Extended Warranty Reported Revenue	 \$55,134	 \$18,641	 \$14,007	 \$12,018	 \$10,468
PWI pro forma revenue (1)	19,747	-	4,748	7,398	7,601
Pro Forma Extended Warranty Revenue	\$74,881	\$18,641	\$18,755	\$19,416	\$18,069

	TTM	For the Three Months Ended			
	3/31/20	3/31/20	12/31/19	9/30/19	6/30/19
GAAP Reported Revenue	\$61,316	\$14,669	\$15,066	\$16,355	\$15,226
PWI pro forma revenue (1)	31,645	\$7,920	7,809	7,919	7,997
Pro Forma Revenue	\$92,961	\$22,589	\$22,875	\$24,274	\$23,223
 Extended Warranty Reported Revenue	 \$47,686	 \$11,260	 \$11,666	 \$12,947	 \$11,813
PWI pro forma revenue (1)	31,645	\$7,920	7,809	7,919	7,997
Pro Forma Extended Warranty Revenue	\$79,331	\$19,180	\$19,475	\$20,866	\$19,810

1. Includes amounts related to PWI prior to acquisition: for 2020 January through November; for 2019 April through December.

Pro Forma Non-GAAP Adjusted (Loss) Income by Quarter



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(in thousands)

	TTM	For the Three Months Ended			
	3/31/21	3/31/21	12/31/20	9/30/20	6/30/20
GAAP Net Loss	\$(4,123)	\$899	\$(2,478)	\$(1,124)	\$(1,421)
Total Non-GAAP Adjustments (1)	8,499	3,405	3,516	674	904
Non-GAAP Adjusted (Loss) Income	\$4,376	\$4,304	\$1,038	\$(450)	\$(517)
PWI pro forma net income (2)	1,948	-	573	219	1,156
Pro Forma Non-GAAP Adjusted (Loss) Income (3)	\$6,324	\$4,304	\$1,611	\$(231)	\$639

	TTM	For the Three Months Ended			
	3/31/20	3/31/20	12/31/19	9/30/19	6/30/19
GAAP Net (Loss) Income	\$(7,895)	\$(393)	\$(3,098)	\$(4,006)	\$(398)
Total Non-GAAP Adjustments (1)	3,947	(702)	2,443	3,578	(1,372)
Non-GAAP Adjusted (Loss) Income	\$(3,948)	\$(1,095)	\$(655)	\$(428)	\$(1,770)
PWI pro forma net income (2)	1,188	551	421	(31)	247
Pro Forma Non-GAAP Adjusted Loss	\$(2,760)	\$(544)	\$(234)	\$(459)	\$(1,523)

1. See previous slides for a full list of adjustments.
2. Includes amounts related to PWI prior to acquisition: for 2020 January through November; for 2019 January through December.
3. Includes a benefit of \$2.5 million and \$0.4 million from PPP loan forgiveness for the three months ended March 31, 2021 and December 31, 2020, respectively.

Reconciliation of Operating (Loss) Income to Non-GAAP adjusted Operating Income: Real Estate



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(in thousands)

	TTM	For the Three Months Ended			
	3/31/21	3/31/21	12/31/20	9/30/20	6/30/20
Operating (Loss) Income	\$192	\$1,293	\$(2,738)	\$799	\$838
Taxes	231	307	(530)	218	236
Depreciation	4,148	1,037	1,037	1,037	1,037
Other Adjustments (1)	2,001	(645)	2,576	51	19
Non-GAAP adjusted Operating Income Real Estate Segment	\$6,572	\$1,992	\$346	\$2,105	\$2,130

	TTM	For the Three Months Ended			
	3/31/20	3/31/20	12/31/19	9/30/19	6/30/19
Operating Income	\$2,906	\$597	\$773	\$783	\$753
Taxes	848	184	221	223	220
Depreciation	4,148	1,037	1,037	1,037	1,037
Other Adjustments (1)	449	253	69	49	78
Non-GAAP adjusted Operating Income Real Estate Segment	\$8,351	\$2,070	\$2,100	\$2,092	\$2,088

1. Includes legal expenses associated with the Company's defense against significant litigation matters. Q1 2021 and Q4 2020 also include (\$645) and \$1,603, respectively, related to a settlement agreement with respect to litigation and certain other matters ("CMC Settlement Agreement").

Reconciliation of GAAP Operating Income (Loss) for Extended Warranty Segment



(in thousands)

	TTM	For the Year Ended					
	3/31/21	2020	2019	2018	2017	2016	2015
GAAP Operating Income (loss) for Extended Warranty segment (1)	\$11,063	\$6,605	\$4,611	\$4,215	\$3,700	\$449	\$(686)
Non-GAAP Adjustments:							
Investment income, gain (loss) on sale of core investments (2)	358	490	681	479	442	100	6
Other Items (3)	-	117	-	-	-	941	-
Depreciation	237	280	205	150	155	139	55
Total Non-GAAP Adjustments	595	887	886	629	597	1,222	162
Non-GAAP adjusted EBITDA for Extended Warranty segment	\$11,658	\$7,492	\$5,497	\$4,844	\$4,296	\$1,671	\$(517)
PWI pro forma operating income (4)	4,223	5,474					
PWI pro forma depreciation (4)	56	69					
Pro forma Non-GAAP adjusted EBITDA for Extended Warranty segment	\$15,937	\$13,035					

1. Includes one month of PWI operating income, as well as a benefit from PPP loan forgiveness of \$2.4 million and \$0.4 million for the three months ended March 31, 2021 and December 31, 2020, respectively.. Excludes the impact of final purchase accounting adjustments which will be completed in 2021.
2. Investment income arising as part of Extended Warranty segment's minimum holding requirements, as well as realized gains (losses) resulting from investments held in trust as part of Extended Warranty segment's minimum holding requirements.
3. 2020 includes the impairment of an asset, while 2016 includes severance and an agreement with former owners.
4. Includes amounts related to PWI prior to acquisition (January through November 2020).