

EVEREN SPECIALTY LTD.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(\$'000)	29-Feb-24	30-Nov-23
ASSETS		
Cash and cash equivalents	177,265	225,607
Investments in marketable securities and derivative assets, net	759,422	779,609
Other investments	96,625	104,868
Restricted assets	483,210	445,861
Investment sales pending settlement	13,079	25,080
Accrued investment income	7,186	5,280
Losses recoverable from reinsurers	320,126	345,437
Accounts receivable	210,839	247,126
Funds withheld	59,537	62,969
Prepaid reinsurance premiums	35,224	52,196
Deferred acquisition costs	31,182	38,264
Other assets	1,937	1,330
Total assets	2,195,632	2,333,627
LIABILITIES		
Outstanding losses and loss expenses	1,258,561	1,338,708
Unearned premiums	194,869	238,184
Investment purchases pending settlement	25,183	43,703
Loan payable	132,159	132,129
Reinsurance premium payable	41,147	57,999
Amounts due to affiliates	6,086	2,273
Accounts payable	130,373	120,740
Total liabilities	1,788,378	1,933,736
SHAREHOLDERS' EQUITY		
Common shares	320	315
Retained earnings	406,934	399,576
Total shareholders' equity	407,254	399,891
Total liabilities and shareholders' equity	2,195,632	2,333,627

EVEREN SPECIALTY LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(\$'000)	THREE MONTHS ENDED	
	29-Feb-24	28-Feb-23
INCOME		
Gross premiums written	57,117	109,237
Change in unearned premiums written	43,315	47,715
Premiums earned	100,432	156,952
Premiums ceded	(7,312)	(11,976)
Change in prepaid reinsurance premiums	(16,972)	(21,303)
Net premiums earned	76,148	123,673
Losses and loss expenses incurred, net of reinsurance	(74,764)	(92,080)
Commission and brokerage fees, net	(16,744)	(31,009)
Net underwriting (loss) income	(15,360)	584
Interest income	10,756	8,665
Net gains on investments	21,968	8,673
Dividend income	182	509
Investment advisory and custodian fees	(875)	(892)
Interest expenses	(2,993)	(2,932)
Net investment income	29,038	14,023
General and administrative expenses	(6,093)	(5,921)
Net income before income taxes	7,585	8,686
Income tax expense	(227)	(142)
Net income	7,358	8,544

**EVEREN SPECIALTY LTD.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(UNAUDITED)**

(\$'000)	29-Feb-24
CAPITAL	
Common shares at beginning of period	315
Shares issued in period	5
Shares redeemed in period	-
Common shares outstanding at end of period	320
RETAINED EARNINGS	
Retained earnings at beginning of period	399,576
Net income for period	7,358
Retained earnings at end of period	406,934
Total shareholders' equity	407,254

INSURANCE OPERATIONS

Premiums written for the three months ended February 29, 2024, decreased to \$57.1 million from \$109.2 million in the comparative period. Net premiums earned for the three months ended February 29, 2024 decreased to \$76.1 million from \$123.7 million in the comparative period.

The decreases in premium written and earned was a result of the Company's strategic initiative to re-underwrite underperforming segments within its operating platform.

During the three months ended February 29, 2024, losses and loss expenses incurred of \$74.8 million primarily related to: (i) net case and IBNR reserves totaling \$60.3 million on the assumed reinsurance book of business; (ii) net case and IBNR reserves (including LAE) totaling \$12.1 million on the direct liability and property books of business; and (iii) net reserves on the Company's Lloyd's corporate member business of \$2.4 million.

INVESTMENTS

During the three month period ended February 29, 2024, the Company's bond, equity, and fund of hedge funds portfolios posted positive returns of 2.0%, 9.3%, and 4.5%, respectively. Including cash and the Company's insurance trust assets, the total invested assets had a positive return of 2.0% over the three month period.

NET INCOME

During the three months ended February 29, 2024, the Company recorded a net income of \$7.4 million compared to net income of \$8.5 million in the comparative period.

