

**EVEREN SPECIALTY LTD.**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

(\$'000)	31-May-24	30-Nov-23
<b>ASSETS</b>		
Cash and cash equivalents	179,677	225,607
Investments in marketable securities and derivatives, net	716,363	779,609
Other investments	98,318	104,868
Restricted assets	498,448	445,861
Investment sales pending settlement	37,146	25,080
Accrued investment income	7,066	5,280
Losses recoverable from reinsurers	306,968	345,437
Accounts receivable	207,183	247,126
Funds withheld	51,592	62,969
Prepaid reinsurance premiums	24,124	52,196
Deferred acquisition costs	27,956	38,264
Other assets	1,862	1,330
<b>Total assets</b>	<b>2,156,703</b>	<b>2,333,627</b>
<b>LIABILITIES</b>		
Outstanding losses and loss expenses	1,277,976	1,338,708
Unearned premiums	186,369	238,184
Investment purchases pending settlement	32,401	43,703
Loan payable	132,188	132,129
Reinsurance premium payable	29,224	57,999
Amounts due to affiliates	3,031	2,273
Accounts payable	109,622	120,740
<b>Total liabilities</b>	<b>1,770,811</b>	<b>1,933,736</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common shares	320	315
Retained earnings	385,572	399,576
<b>Total shareholders' equity</b>	<b>385,892</b>	<b>399,891</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,156,703</b>	<b>2,333,627</b>



**EVEREN SPECIALTY LTD.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)**

(\$'000)	THREE MONTHS ENDED		SIX MONTHS ENDED	
	31-May-24	31-May-23	31-May-24	31-May-23
<b>INCOME</b>				
Gross premiums written	87,464	113,354	144,581	222,591
Change in unearned premiums written	8,498	38,006	51,813	85,721
Premiums earned	95,962	151,360	196,394	308,312
Premiums ceded	(12,752)	(11,938)	(20,064)	(23,914)
Change in prepaid reinsurance premiums	(11,024)	(17,321)	(27,996)	(38,624)
Net premiums earned	72,186	122,101	148,334	245,774
Losses and loss expenses incurred, net of reinsurance	(88,673)	(95,050)	(163,437)	(187,130)
Commission and brokerage fees, net	(11,947)	(29,481)	(28,691)	(60,490)
<b>Net underwriting loss</b>	<b>(28,434)</b>	<b>(2,430)</b>	<b>(43,794)</b>	<b>(1,846)</b>
Interest income	9,961	7,581	20,717	16,246
Net gains on investments	8,535	9,208	30,503	17,881
Dividend income	18	229	200	738
Investment advisory and custodian fees	(943)	(919)	(1,818)	(1,811)
Interest expenses	(2,952)	(2,956)	(5,945)	(5,888)
<b>Net investment income</b>	<b>14,619</b>	<b>13,143</b>	<b>43,657</b>	<b>27,166</b>
General and administrative expenses	(7,215)	(7,028)	(13,308)	(12,949)
<b>Net (loss) income before income taxes</b>	<b>(21,030)</b>	<b>3,685</b>	<b>(13,445)</b>	<b>12,371</b>
Income tax (expense) benefit	(332)	507	(559)	365
<b>Net (loss) income</b>	<b>(21,362)</b>	<b>4,192</b>	<b>(14,004)</b>	<b>12,736</b>

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

(\$'000)	31-May-24
<b>CAPITAL</b>	
Common shares at beginning of period	315
Shares issued in period	5
Shares redeemed in period	-
Common shares outstanding at end of period	320
<b>RETAINED EARNINGS</b>	
Retained earnings at beginning of period	399,576
Net loss for period	(14,004)
Retained earnings at end of period	385,572
<b>Total shareholders' equity</b>	<b>385,892</b>

## INSURANCE OPERATIONS

Premiums written for the six months ended May 31, 2024, decreased to \$144.6 million from \$222.6 million in the comparative period. Net premiums earned for the six months ended May 31, 2024 decreased to \$148.3 million from \$245.8 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 six months ended May 31, 2024, losses and loss expenses incurred of \$163.4 million primarily related to: (i) net case and IBNR reserves totaling \$100.8 million on the assumed reinsurance book of business; (ii) net case and IBNR reserves (including LAE) totaling \$60.0 million on the direct liability and property books of business; and (iii) net reserves on the Company's Lloyd's corporate member business of \$2.6 million.

## INVESTMENTS

During the six month period ended May 31, 2024, the Company's bond, equity, and fund of hedge funds portfolios generated positive returns of 2.9%, 12.2% and 6.5%, respectively. Including cash and insurance trust assets, the Company's total invested assets had a positive return of 3.1% over the six month period.

## NET (LOSS) INCOME

During the six months ended May 31, 2024, the Company recorded a net loss of \$14.0 million compared to net income of \$12.7 million in the comparative period.