

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

(\$'000)	28-Feb-23	30-Nov-22
<b>ASSETS</b>		
Cash and cash equivalents	196,198	184,453
Investments in marketable securities and derivatives, net	734,797	739,986
Other investments	120,726	118,152
Restricted assets	433,822	399,873
Investment sales pending settlement	10,381	9,566
Accrued investment income	5,348	3,899
Losses recoverable from reinsurers	307,414	317,710
Accounts receivable	294,248	318,287
Funds withheld	69,137	75,754
Prepaid reinsurance premiums	46,509	67,811
Deferred acquisition costs	63,471	74,434
Other assets	2,022	961
<b>Total assets</b>	<b>2,284,073</b>	<b>2,310,886</b>
<b>LIABILITIES</b>		
Outstanding losses and loss expenses	1,248,688	1,195,550
Unearned premiums	315,976	363,692
Investment purchases pending settlement	27,466	19,473
Derivative liabilities, net	-	5,045
Loan payable	132,040	132,011
Reinsurance premium payable	44,346	56,844
Amounts due to affiliates	3,692	2,289
Accounts payable	138,181	170,847
<b>Total liabilities</b>	<b>1,910,389</b>	<b>1,945,751</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common shares	315	310
Retained earnings	373,369	364,825
<b>Total shareholders' equity</b>	<b>373,684</b>	<b>365,135</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,284,073</b>	<b>2,310,886</b>

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

(\$'000)	THREE MONTHS ENDED	
	28-Feb-23	28-Feb-22
<b>INCOME</b>		
Gross premiums written	109,237	148,818
Change in unearned premiums written	47,715	11,850
Premiums earned	156,952	160,668
Premiums ceded	(11,976)	(16,621)
Change in prepaid reinsurance premiums	(21,303)	(16,911)
Net premiums earned	123,673	127,136
Losses and loss expenses incurred, net of reinsurance	(92,080)	(100,792)
Commission and brokerage fees, net	(31,009)	(33,528)
<b>Net underwriting income (loss)</b>	<b>584</b>	<b>(7,184)</b>
Interest income	8,665	3,456
Net gains (losses) on investments	8,673	(19,236)
Dividend income	509	544
Investment advisory and custodian fees	(892)	(1,014)
Interest expenses	(2,932)	(2,899)
<b>Net investment income (loss)</b>	<b>14,023</b>	<b>(19,149)</b>
General and administrative expenses	(5,921)	(5,722)
<b>Net income (loss) before income taxes</b>	<b>8,686</b>	<b>(32,055)</b>
Income tax (expense) benefit	(142)	152
<b>Net income (loss)</b>	<b>8,544</b>	<b>(31,903)</b>

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

(\$'000)	28-Feb-23
<b>CAPITAL</b>	
Common shares at beginning of period	310
Shares issued in period	5
Shares redeemed in period	-
Common shares outstanding at end of period	315
<b>RETAINED EARNINGS</b>	
Retained earnings at beginning of period	364,825
Net income for period	8,544
Retained earnings at end of period	373,369
<b>Total shareholders' equity</b>	<b>373,684</b>

## INSURANCE OPERATIONS

Premiums written for the three months ended February 28, 2023, decreased to \$109.2 million from \$148.8 million in the comparative period. Net premiums earned for the three months ended February 28, 2023 decreased to \$123.7 million from \$127.1 million in the comparative period.

The decrease in premiums written for the three months ended February 28, 2023, was primarily due to a decline in the premium written on the assumed reinsurance business and the OCIL Ltd book of business. The decrease in net premiums earned for the three months ended February 28, 2023, was primarily due to an increase in ceded premium on the direct liability book of business and a slight decrease in net premiums earned on the assumed reinsurance book of business.

During the three months ended February 28, 2023, losses and loss expenses incurred of \$92.1 million primarily related to: (i) net case and IBNR reserves totaling \$63.1 million on the assumed reinsurance book of business; (ii) net case and IBNR reserves (including LAE) totaling \$23.4 million on the direct liability and property books of business; and (iii) net reserves on the Company's Lloyd's corporate member business of \$4.7 million.

## INVESTMENTS

During the three month period ended February 28, 2023, the Company's bond, equity, and fund of hedge funds portfolios posted positive returns of 0.8%, 2.3%, and 2.2%, respectively. Including cash and the Company's insurance trust assets, the total invested assets had a positive return of 1.1% over the three month period.

## NET INCOME (LOSS)

During the three months ended February 28, 2023, the Company recorded a net income of \$8.5 million compared to net loss of \$31.9 million in the comparative period.