

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

(\$'000)	31-May-23	30-Nov-22
<b>ASSETS</b>		
Cash and cash equivalents	226,274	184,453
Investments in marketable securities and derivatives, net	712,413	739,986
Other investments	120,465	118,152
Restricted assets	439,911	399,873
Investment sales pending settlement	11,925	9,566
Accrued investment income	5,032	3,899
Losses recoverable from reinsurers	331,115	317,710
Accounts receivable	301,331	318,287
Funds withheld	64,496	75,754
Prepaid reinsurance premiums	29,181	67,811
Deferred acquisition costs	53,976	74,434
Other assets	2,556	961
<b>Total assets</b>	<b>2,298,675</b>	<b>2,310,886</b>
<b>LIABILITIES</b>		
Outstanding losses and loss expenses	1,317,764	1,195,550
Unearned premiums	277,940	363,692
Investment purchases pending settlement	20,666	19,473
Derivative liabilities, net	-	5,045
Loan payable	132,070	132,011
Reinsurance premium payable	33,903	56,844
Amounts due to affiliates	3,306	2,289
Accounts payable	135,150	170,847
<b>Total liabilities</b>	<b>1,920,799</b>	<b>1,945,751</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common shares	315	310
Retained earnings	377,561	364,825
<b>Total shareholders' equity</b>	<b>377,876</b>	<b>365,135</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,298,675</b>	<b>2,310,886</b>

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

(\$'000)	THREE MONTHS ENDED		SIX MONTHS ENDED	
	31-May-23	31-May-22	31-May-23	31-May-22
<b>INCOME</b>				
Gross premiums written	113,354	158,672	222,591	307,490
Change in unearned premiums written	38,006	(678)	85,721	11,172
Premiums earned	151,360	157,994	308,312	318,662
Premiums ceded	(11,938)	(18,670)	(23,914)	(35,291)
Change in prepaid reinsurance premiums	(17,321)	(9,494)	(38,624)	(26,405)
Net premiums earned	122,101	129,830	245,774	256,966
Losses and loss expenses incurred, net of reinsurance	(95,050)	(98,900)	(187,130)	(199,692)
Commission and brokerage fees, net	(29,481)	(30,945)	(60,490)	(64,473)
<b>Net underwriting loss</b>	<b>(2,430)</b>	<b>(15)</b>	<b>(1,846)</b>	<b>(7,199)</b>
Interest income	7,581	1,820	16,246	5,276
Net gains (losses) on investments	9,208	(24,153)	17,881	(43,389)
Dividend income	229	164	738	708
Investment advisory and custodian fees	(919)	(984)	(1,811)	(1,998)
Interest expenses	(2,956)	(2,951)	(5,888)	(5,850)
<b>Net investment income (loss)</b>	<b>13,143</b>	<b>(26,104)</b>	<b>27,166</b>	<b>(45,253)</b>
General and administrative expenses	(7,028)	(6,979)	(12,949)	(12,701)
<b>Net income (loss) before income taxes</b>	<b>3,685</b>	<b>(33,098)</b>	<b>12,371</b>	<b>(65,153)</b>
Income tax benefit	507	228	365	380
<b>Net income (loss)</b>	<b>4,192</b>	<b>(32,870)</b>	<b>12,736</b>	<b>(64,773)</b>

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

(\$'000)	31-May-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	12,736
Retained earnings at end of period	377,561
<b>Total shareholders' equity</b>	<b>377,876</b>

## INSURANCE OPERATIONS

Premiums written for the six months ended May 31, 2023, decreased to \$222.6 million from \$307.5 million in the comparative period. Net premiums earned for the six months ended May 31, 2023 decreased to \$245.8 million from \$257.0 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, 2023, losses and loss expenses incurred of \$187.1 million primarily related to: (i) net case and IBNR reserves totaling \$126.5 million on the assumed reinsurance book of business; (ii) net case and IBNR reserves (including LAE) totaling \$52.0 million on the direct liability and property books of business; and (iii) net reserves on the Company's Lloyd's corporate member business of \$9.6 million.

## INVESTMENTS

During the six month period ended May 31, 2023, the Company's bond, equity, and fund of hedge funds portfolios generated positive returns of 2.3%, 1.8% and 2.0%, respectively. Including cash and insurance trust assets, the Company's total invested assets had a positive return of 2.1% over the six month period.

## NET INCOME (LOSS)

During the six months ended May 31, 2023, the Company recorded a net gain of \$12.7 million compared to net loss of \$64.8 million in the comparative period.