Greenlight Reinsurance Ireland, Designated Activity Company

Reports and Financial Statements

For the financial year ended 31 December 2024

Greenlight Reinsurance Ireland, Designated Activity Company

Contents **Page**

Greenlight Reinsurance Ireland, Designated Activity Company

Directors and Other Information

Directors

Bryan Murphy	Non-Executive Director	
Daniel Roitman (American)	Non-Executive Director	
Faramarz Romer (Canadian)	Non-Executive Director	
Alan Holmes	Independent Non-Executive Director	(Appointed 01/01/2024)
Brid Quigley	Independent Non-Executive Director	
Michael Brady	Independent Non-Executive Director	
Patrick O'Brien	Executive Director	
Edward Brady	Company Secretary	

Company Secretary & Registered Office

Edward Brady
50 City Quay
Dublin 2
D02 F588

Company Number: 475022

Independent Auditor

Deloitte Ireland LLP
Deloitte & Touche House
29 Earlsfort Terrace
Dublin 2
Ireland
D02 AY28

Principal Banker

HSBC
Grand Canal Square
Dublin 2
D02 P820

Solicitors

Mayson Hayes & Curran
South Bank House
Barrow Street
Dublin 4
D04 TR29

Greenlight Reinsurance Ireland, Designated Activity Company

Directors' Report

The directors present their report and the audited financial statements of Greenlight Reinsurance Ireland, Designated Activity Company ("the Company") for the financial year ended 31 December 2024.

Principal activity
The principal activity of the Company is the provision of Property and Casualty reinsurance business.

Business review and future developments
Gross premiums written for the year 2024 were $167.4m (2023: $89.6m). The increase in gross premiums written of $77.7m is driven by the growth of our Specialty portfolio.

The combined ratio has deteriorated in the year primarily driven by adverse prior year development of reserves mainly related to the Ukraine Russia conflict, and exceptional losses relating to the Baltimore Bridge collapse.

The net investment return from the Solasglas Investments L.P fund is 9.5% for the year 2024 compared to 4.4% for the prior year.

The Company is optimistic about market opportunities in 2025.

Results and dividends
The results for the year were as follows:

	2024	2023
	US$	US$
Profit before taxation	5,212,432	10,871,985
Corporation tax (expense) / benefit	(728,946)	607,277
Profit brought to reserves	4,483,486	11,479,262

*See note 8

The directors do not intend to recommend a dividend payment to be made at this time (2024: $20m).

The Statement of Comprehensive income for the Company for the year ended 31 December 2024 is set out on pages 14 and 15. The Statement of Financial Position of the Company at the same due date is set out on page 16. The Statement of Changes in Equity is presented on page 17.

Key Performance Indicators ("KPIs")
The Company monitors the progress of its business by reference to the following KPIs:

	2024	2023
	US$	US$
Gross premiums written	167,365,885	89,621,405
Net premiums written	24,242,354	13,381,549
Earned premiums, net of reinsurance	21,198,422	31,398,394
Loss ratio	89.0 %	61.6 %
Combined ratio*	101.6 %	78.2 %
Return on investment in related party investment fund	9.5 %	4.4 %

*Excludes corporate expenses or any foreign exchange gain or loss

The Board uses a variety of internal metrics for monitoring the performance of the Company and to evaluate the results against appropriate market benchmarks.

Directors, secretary and their interests

The names of the persons who were directors and secretary at any time during the financial year ended 31 December 2024 are set out below. Unless otherwise indicated they served for the full year.

Bryan Murphy	Non-Executive Director	
Daniel Roitman (American)	Non-Executive Director	
Faramarz Romer (Canadian)	Non-Executive Director	
Alan Holmes	Independent Non-Executive Director	(Appointed 01/01/2024)
Brid Quigley	Independent Non-Executive Director	
Michael Brady	Independent Non-Executive Director	
Patrick O'Brien	Executive Director	
Edward Brady	Company Secretary	

The beneficial interests of the directors and secretary in the share capital of the parent company Greenlight Capital Re, Ltd (the "Parent") as at 31 December 2024 were as follows:

	Ordinary shares	**Restricted shares subject to forfeiture**
Bryan Murphy	149,131	8,393
Patrick O'Brien	131,399	143,958
Daniel Roitman	380,000	—
Faramarz Romer	87,893	92,673

Mr. E. Brady's beneficial interests in the Parent comprised of an insignificant number of common shares of the Parent. Ms. Quigley, Mr. M. Brady and Mr. Holmes do not own common shares in the Parent.

The directors remuneration is disclosed in Note 6.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations. Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Financial Reporting Standard 103 "Insurance Contracts". Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the statement of comprehensive income of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and statement of comprehensive income of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and the European Union (Insurance and Reinsurance Undertakings: Financial Statements) Regulations 2016 and enable the financial statements to be audited.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern
The directors have assessed the going concern impact of various risks on the Company's operations through conducting a rigorous assessment of the potential risk outcomes. These factors have been considered by the directors as part of the Company's annual Own Risk and Solvency Assessment process, with the likely financial impact on profitability and solvency assessed in terms of the going concern basis of preparation of the financial statements.

As at year end the Company's net asset position is $59.4m (2023: $74.4m) and a solvency coverage ratio of 162.7% (2023: 149.2%). By virtue of the strength of its net asset position, the directors have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Political donations
The Company did not make any political donations during the year (2023: nil).

Climate change
Climate change has the potential to have a significant impact on weather patterns and loss events. The Company is exposed to climate change primarily from its Fund's at Lloyd's (FAL) book and a limited number of natural catastrophe (CAT) reinsurance contracts it writes.

The Company has seen elevated levels of CAT activity and unusual weather events in recent years. The Company will continue to closely monitor CAT activity and amend its appetite for natural catastrophe business to reflect market conditions and climate change developments. As this business is predominantly short tail in nature, the Company can re-balance the portfolio quickly, if required. The risks associated with climate change were also considered in the Own Risk and Solvency Assessment (ORSA) process. The non renewal of the FAL book, effective January 1, 2023, significantly reduces the Company's exposure to climate change.

Inflation
Global economic performance in 2024 has been steady with inflation reducing from 2023 levels and generally approaching a 2% target. Inflation can be caused by any number of factors including, but not limited to, expansionary monetary policy and deficit spending by the government, a growing economy, rising wages, an imbalance of the supply and demand for goods, supply chain disruptions and the imposition of tariffs. Recently, for instance, the U.S. administration imposed and/ or announced (and in some cases postponed) tariffs on imports from various countries and on certain products, which may lead to unpredictable economic consequences including inflation or trade wars. Higher than anticipated inflation could lead to an increase in loss costs and the need to strengthen loss reserves. The impact of inflation on loss costs will likely be more pronounced for longer tail business lines, where it takes a period of time to finalise and settle claims. In general, the Company's underwriting book is skewed towards shorter tail classes and therefore the impact should be less pronounced.

International conflict
The Company has exposure through its FAL and Specialty books to the Russia Ukraine conflict and the Israel Palestine conflict. The Company continues to monitor the situation closely. The Company has included in the loss and loss adjustment reserves its best estimate of losses arising from the conflicts. As the conflicts are ongoing the situation remains uncertain, accordingly, estimates used in the preparation of the Company's financial statements, primarily those associated with the estimations of loss and loss adjustment expense reserves may be subject to adjustments in future periods.

Greenlight Re Ireland Services Limited (GRIS)
From July 1, 2024 all existing staff in the Company transferred to GRIS in accordance with the CBI's Guidance on the U*se of Service Companies for Staffing Purposes in the Insurance Sector.* The Company and GRIS have entered into a Personnel Services Agreement through which GRIS commits to providing staff to the Company. The staff operate under the direction and control of the Company

Digital Operational Resilience Act (DORA)
The Digital Operational Resilience Act (DORA) was introduced to strengthen the IT security of financial entities to ensure that the European financial sector is capable of withstanding, responding to, and recovering from all types of Information and Communication Technology (ICT) disruptions, with an effective date of 17th January 2025. The Company's IT function is operated at a group level for all the Group, however, only the Company is in scope of DORA. The Company established a formal project to implement the requirements specified within DORA. The Group, and consequently the Company, has implemented changes and improvements to its ICT Risk Management Framework to address the requirements specified within DORA and supporting policy documents. The changes have enhanced the Company's existing ICT Risk Management Framework and have strengthened the internal ICT control environment. The changes have also resulted in

the implementation of a formal Digital Operational Resilience Strategy and testing programme. It is expected that the impact of these changes and enhancements will lead to improved ICT governance and oversight.

Events since the year end
There are no events since the statement of financial position date to report.

Corporate Governance
The Company is subject to "Corporate Governance Requirements for Insurance Undertakings 2015" (the "Code") but is not deemed to be a "major institution" under the terms of the Code.

Accounting records
The measures taken by the directors to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the design and implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the Company are located at 50 City Quay, Dublin 2, Ireland, D02 F588 .

Directors' compliance statement
As required by section 225(2) of the Companies Act 2014, the directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations (as defined in that legislation). The directors confirm that they have drawn up and adopted a compliance policy statement setting out the Company's policies in relation to complying with relevant obligations and have put in place appropriate arrangements and structures that are, in the directors' opinion, designed to secure material compliance with the relevant obligations. These arrangements and structures were reviewed by the directors during the financial year.

Principal risks and uncertainties
The directors consider that the principal risks and uncertainties facing the Company are:
- market risk on financial instruments, including equity price risk, foreign currency risk, interest rate risk and credit risk;
- uncollectibility of loss reserves recoverable;
- risk of a downgrade or withdrawal of the Company's A-(excellent) (Positive Outlook) rating by A.M. Best rating agency;
- risk of final settlement of losses varying significantly from the reserves estimated by the Company; and
- risk of adverse loss development on the reinsurance risks assumed.

As outlined in note 19 to the financial statements, various polices, procedure and controls are utilised by the directors and management to manage and mitigate these risks as necessary.

Statement of disclosure of information to auditors
As far as each person who is a director of the Company at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with this report, of which the auditor is unaware. Each director has taken all steps that they are obliged to take as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Audit Committee
An Audit Committee has been established by the Company. The purpose of the Audit Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to the external reporting of financial information, the internal control framework and the independence and effectiveness of internal and external audit.

Statutory auditors
The board appointed Deloitte as statutory auditor to the Company on 29 July 2022, for the 2022 financial year end. Deloitte has expressed its willingness to continue in office in accordance with the provisions of section 383 (2) of the Companies Act, 2014.

Michael Brady

Director - Michael Brady

Patrick O'Brien

Director - Patrick O'Brien

28th March 2025

Date

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF GREENLIGHT REINSURANCE IRELAND DAC

Report on the audit of the financial statements

Opinion on the financial statements of Greenlight Reinsurance Ireland DAC (the 'company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2024 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income: Technical Account;
- the Statement of Comprehensive Income: Non-Technical Account;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 24, including a summary of significant accounting policies as set out in note 3.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and FRS 103 'Insurance Contracts' issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of incurred but not reported (IBNR) reserves Within this report, any new key audit matters are identified with and any key audit matters which are the same as the prior year identified with .
Materiality	The materiality that we used in the current year was USD 1.78m which was determined on the basis of 3% of Shareholder's Funds (Total Equity).
Scoping	We determined the scope of our audit by obtaining an understanding of the company and its environment, including the identification of relevant controls. We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. As part of our risk assessment, we assessed the control environment in place to the extent relevant to our

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	audit. The risk of material misstatement that had the greatest effect on our audit is identified as the key audit matter in the "Key Audit Matters" section of our report.
Significant changes in our approach	There were no significant changes in our approach which we feel require disclosure.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the company's process for assessing the appropriateness of the going concern determination;
- Obtaining an understanding of the annual process to determine Solvency II regulatory capital and the calculation of the company's solvencyratio including an understanding of management's process to complete the Own Risk and Solvency Assessment ('ORSA') report;
- Obtaining the directors' assessment of going concern and challenging the key assumptions used in this assessment;
- Obtaining the annual Solvency Financial Condition Report, the ORSA report 2024 and the Board approved 2025 plan and considering whether the information was consistent with the going concern assessment supporting the going concern conclusion;
- Performing a retrospective assessment of the current year performance and year-end position of the company including profitability, loss ratios and solvency capital required against prior year plans and budgets; and
- Evaluating the adequacy of the relevant disclosures made in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of incurred but not reported (IBNR) reserves	
Key audit matter description	Total IBNR reserves as at 31 December 2024 amounted to USD 200 million. The methodologies and assumptions used to estimate IBNR reserves involve a significant degree of judgement by management as there is less information available than with reported claims. The estimate is sensitive to significant assumptions, including the initial expected loss ratios and loss development factors. The estimate is also sensitive to the selection of actuarial methods and methods applied to project the ultimate losses, the estimation of ultimate reserves associated with catastrophic events, and other factors. Key assumptions used in the determination of ultimate losses, including initial expected loss ratios and loss development factors, involve significant judgment and estimation and could give rise to a material misstatement due to fraud and error. The estimation and measurement of IBNR reserves is a major determining factor in the results and financial position of the company and, therefore, there is a possibility of management bias. We have, therefore, identified valuation of IBNR reserves as a key audit matter. Refer to the accounting policy in note 3.6 , the disclosures in note 16 and the 'Insurance Risk' section of note 19 of the financial statements.

How the scope of our audit responded to the key audit matter	The procedures performed to address the key audit matter included the following:
	• We evaluated the design, implementation and operating effectiveness of relevant internal controls over the valuation of the recorded loss and loss expense reserves.
	• We tested controls over the data used in the process, the peer reviews of loss picks and Management review controls by the Chief Actuary and the Group Reserve Committee over estimated loss reserves and key assumptions.
	• We tested the completeness and accuracy of the underlying data including:
	    o Source transactions and the general IT controls for source systems used in the reserving process
	    o Underwriting analysis reconciliation (including IBNR) to the booked ledger
	    o Underlying data utilized in the Deloitte actuaries' review
	    o Losses recoverable and data used by actuaries in evaluating the gross and ceded IBNR recorded and reviewing management's process and judgments.
	• With the assistance of our actuarial specialists we:
	    o We evaluated management's methodology for establishing the IBNR estimates against recognised actuarial market practice
	    o We considered the appropriateness of key assumptions used in establishing the reserves
	    o We independently developed an estimate of reserves for selected non-FAL Treaties, compared our estimates to those booked by the Company and evaluated the differences
	    o Consistent with last year, we reviewed the process for setting the FAL reserves.
	• We also evaluated the adequacy of the IBNR disclosures in the financial statements.

Key observations	Based on the audit procedures performed, we determined the methodologies and assumptions used in the valuation of IBNR reserves to be reasonable. We also determined the valuation of IBNR reserves to be with an acceptable range.We concluded that the related IBNR disclosures in the financial statements are appropriate.

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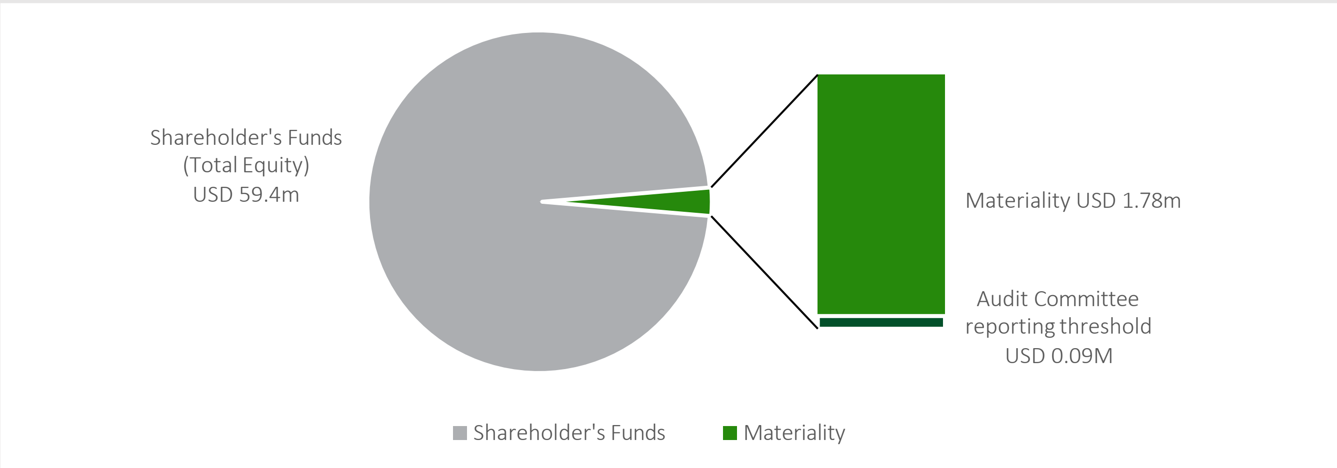
Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	USD 1.78m (2023 : USD 2m)
Basis for determining materiality	3% of Shareholder's Funds (Total Equity)
Rationale for the benchmark applied	Deloitte considered various different benchmarks upon which to base materiality. It was concluded that the primary focus for key users of the financial statements, including shareholders, insured entities and regulators, is the capital strength of the company and that the Shareholder's Funds (Total Equity) benchmark is the most appropriate metric for capital strength.



We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

Performance materiality was set at 75% of materiality for the 2024 audit (2023: 80%). In determining performance materiality, we considered the following factors:

a. Considerations in relation to the effectiveness of the control environment;
b. No fraud risk factors or ineffective entity level controls, with strong governance controls and competent personnel; and
c. There have been no major changes in the business that would affect our ability to forecast potential misstatements.
d. We determined our performance materiality at 80% of materiality in the prior year. We have reassessed the percentage in the current year and determined performance materiality at 75% of materiality.

We agreed with the Audit Committee that we would report to them all audit differences in excess of $0.09m (2023 : $0.1m) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

We followed a risk-based approach when performing our audit scoping including consideration of internal financial controls, identifying significant classes of transactions, account balances or disclosures and assessing the risks of material misstatement at the Company level.

The company is a wholly owned subsidiary of Greenlight Capital Reinsurance Limited and as such benefits from certain support services offered by the Greenlight Group including IT systems.

In establishing the overall scope of the audit, we determined the type of work that was needed to be performed by component auditors at group shared service locations for the purposes of our audit. We received clearance from the Deloitte member firm in Bermuda, operating under our instructions, in relation to the testing of financial assets, technical provisions, premium, debtors and creditors as well as other account balances. These balances were tested in the aggregate using the company performance materiality.

We exercised direction, supervision and review over the audit work performed by Deloitte Bermuda for our audit. In addition to our planning meetings, we sent detailed instructions to Deloitte Bermuda, included them in our team briefings, discussed and provided input into their component level risk assessment and, reviewed their relevant audit working papers, including those for significant risks and judgmental areas. Throughout the audit we had continuous interaction with Deloitte Bermuda through meetings, status update calls and ad hoc queries.

Other information

The other information comprises the information included in the Directors’ Report and Audited Financial Statements, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the Directors’ Report and Audited Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at:
https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements.
This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including actuarial specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- the valuation of IBNR reserves.

In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2014, applicable tax legislation and the relevant accounting framework.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Irish insurance laws and regulations, supervisory requirements of the Central Bank of Ireland and the Solvency II Directive.

Audit response to risks identified

As a result of performing the above, we identified the Valuation of incurred but not reported (IBNR) reserves as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Central bank of Ireland**;** and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- In our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in those parts of the directors' report specified for our review.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Other matters which we are required to address

We were appointed by the Board of Directors on 29 July 2022 to audit the financial statements for the financial year ended 31 December 2024. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 3 years, covering the years ending 31 December 2022 to 31 December 2024.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the company in conducting the audit.

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISA (Ireland) 260.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Eimear McCarthy
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

1 April 2025

Greenlight Reinsurance Ireland, Designated Activity Company

Statement of Comprehensive Income: Technical Account - general business for the year ended 31 December 2024

			Restated
CONTINUING OPERATIONS:	**Notes**	**2024**	**2023**
		US$	
Gross premiums written	**4**	167,365,885	89,621,405
Outward reinsurance premium		(143,123,531)	(76,239,856)
Net premiums written		24,242,354	13,381,549
Change in provision for unearned premium, gross	**4**	(22,775,116)	87,995,020
Change in provision for unearned premium, reinsurers' share		19,731,183	(69,978,175)
Earned premiums, net of reinsurance		21,198,421	31,398,394
Allocated investment income transferred from the non-technical account		4,182,223	2,842,396
Total technical income		25,380,644	34,240,790
Claims paid			
Gross amount		(104,755,696)	(85,736,048)
Reinsurers' share		83,586,290	67,823,794
Change in the provision for claims			
Gross amount	**16**	(37,026,910)	(15,328,123)
Reinsurers' share		39,330,570	13,911,427
Claims incurred net of reinsurance		(18,865,746)	(19,328,950)
Net operating expenses	**5**	(5,112,827)	(7,414,141)
Total technical expenses		(23,978,573)	(26,743,091)
BALANCE ON THE TECHNICAL ACCOUNT FOR GENERAL BUSINESS		1,402,071	7,497,699

Greenlight Reinsurance Ireland, Designated Activity Company

Statement of Comprehensive Income: Non-technical Account for the year ended 31 December 2024

CONTINUING OPERATIONS:	**Notes**	**2024**	**Restated 2023**
		US$	
BALANCE ON THE TECHNICAL ACCOUNT FOR GENERAL BUSINESS		1,402,071	7,497,699
Net investment income	**15**	7,992,584	6,216,682
Allocated investment income transferred to the technical account		(4,182,223)	(2,842,396)
Profit on ordinary activities before taxation		5,212,432	10,871,985
Tax (expense) / benefit	**8**	(728,946)	607,277
Retained profit for the financial year		4,483,486	11,479,262

The Company had no recognised gains or losses other than the profit for the above financial year. All the amounts above are in respect of continuing operations. There are no amounts of other comprehensive income during the financial year and previous financial year.

The notes on pages 18 to 43 form part of these financial statements.

On behalf of the board

Michael Brady

Director - Michael Brady

Patrick O'Brien

Director - Patrick O'Brien

28th March 2025

Date

Greenlight Reinsurance Ireland, Designated Activity Company

Statement of Financial Position at 31 December 2024	**Notes**	**2024**	**2023**
Assets:		**US$**	**US$**
Fixed assets		—	—
Financial assets			
Investment in related party investment fund	**11**	28,153,335	25,396,295
Other investments	**12**	676,116	657,141
Deposits with ceding undertakings		67,587,479	72,140,317
Reinsurers' share of technical provisions			
Unearned premiums ceded	**16**	54,555,913	34,949,073
Loss reserves recoverable	**16**	210,253,337	171,971,205
Debtors			
Debtors arising out of reinsurance operations	**3.17**	173,303,978	196,622,275
Amounts owed by group undertakings	**18**	2,261,639	911,471
Cash at bank and in hand	**13**	8,321,863	6,500,975
Other assets			
Restricted cash and cash equivalents	**14**	674,482	10,433,518
Prepayments, general receivables and accrued income		221,846	260,181
Due from related party		231,781	1,378,120
Deferred acquisition cost		(1,073,038)	(890,409)
Deferred tax asset	**8**	378,332	1,107,277
Total Assets		**545,547,063**	**521,437,439**
Equity and liabilities:			
Capital and reserves			
Called up share capital	**9**	10,000,000	10,000,000
Capital contribution reserve	**10**	—	70,500,000
Share-based payment reserves	**10**	3,434,444	2,910,217
Retained earnings		46,001,736	(8,981,751)
Total equity		**59,436,180**	**74,428,466**
Technical Provisions			
Known claims reserves	**16**	52,363,895	49,197,596
IBNR reserves	**16**	199,621,747	167,071,641
Unearned premium reserve	**16**	64,177,481	41,557,794
Total technical provisions		316,163,123	257,827,031
Liabilities			
Accruals and other payables		215,241	1,023,750
Creditors arising out of reinsurance operations	**3.17**	92,948,853	58,985,170
Amounts due to group undertakings	**18**	688,417	—
Funds withheld		76,095,250	129,173,022
Total liabilities		**486,110,883**	**447,008,973**
Total equity and liabilities		**545,547,063**	**521,437,439**

The notes on pages 18 to 43 form part of these financial statements.

The financial statements were approved and issued for signing on behalf of the board on 28th March 2025.

Michael Brady

Director - Michael Brady

Patrick O'Brien

Director - Patrick O'Brien

Greenlight Reinsurance Ireland, Designated Activity Company

Statement of Changes in Equity for the year ended 31 December 2024

	Share capital	Capital contribution reserve	Share-based payment reserves	Retained earnings	Total
			US$		
Opening balance at 1 January 2023	10,000,000	70,500,000	2,307,441	(20,461,014)	62,346,427
Capital contribution	—	—	—	—	—
Contributed capital adjustment for share based payments	—	—	602,776	—	602,776
Profit for the financial year	—	—		11,479,263	11,479,263
Balance at December 31, 2023	10,000,000	70,500,000	2,910,217	(8,981,751)	74,428,466
Reclassification	—	(70,500,000)	—	70,500,000	—
Contributed capital adjustment for share based payments	—	—	524,227	—	524,227
Dividend paid	—	—	—	(20,000,000)	(20,000,000)
Profit for the financial year	—	—		4,483,487	4,483,487
Balance at December 31, 2024	10,000,000	—	3,434,444	46,001,736	59,436,180

The notes on pages 18 to 43 form part of these financial statements.

1. REPORTING ENTITY

Greenlight Reinsurance Ireland, Designated Activity Company, (the "Company") was incorporated as a private limited company (registration number 475022) under the Irish Companies Acts on 7 September 2009 and is a licensed reinsurance entity domiciled in Dublin, Ireland. The registered office of the Company is 50 City Quay, Dublin 2, Ireland, D02 F588. The Company provides multi-line property and casualty reinsurance.

The Company is a wholly owned subsidiary of Greenlight Capital Re, Ltd., a company resident in the Cayman Islands. The largest and smallest group in which the financial statements of Greenlight Reinsurance Ireland, Designated Activity Company, are consolidated is that headed by Greenlight Capital Re, Ltd. The consolidated financial statements of Greenlight Capital Re, Ltd. are publicly available on the website www.greenlightre.com.

2. STATEMENT OF COMPLIANCE

These financial statements for the year ended 31 December 2024 are prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and Financial Reporting Standard 103 "Insurance Contracts" ("FRS 103"). The Company's financial statements have been prepared on a going concern basis.

3. ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the Company's financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

3.1. Basis of preparation

The financial statements are expressed in United States Dollars (US$) to the nearest dollar, which is the Company's functional currency, and have been prepared on a going concern basis under the historical cost convention except for investment in related party investment fund which is measured at fair value and in accordance with FRS 102 and FRS 103 accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland. The Company is also subject to the requirements of the Companies Acts 2014 and the European Union (Insurance Undertakings: Financial Statements) (Amendment) Regulations 2016.

3.2. Significant judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 and 103 requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. The estimated and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Actual results could differ from these estimates.

Certain critical accounting judgements in applying the Company's policies are detailed below.

(a) Loss reserves

The Company establishes reserves for contracts based on estimates of the ultimate cost of all losses including losses incurred but not reported ("IBNR") that are dependent on actuarial judgement and assumptions. These are discussed in more detail in note 3.6.

(b) Estimation of employee bonus

Under the Company's bonus program, an employee’s target bonus generally consists of a Group performance bonus and an individual performance bonus. Each of the Group performance bonus and the individual performance bonus may be earned independent of one another.

The Group performance bonus criteria is driven by underwriting profitability. The Group Compensation Committee, set a threshold, target and maximum level of achievement and the bonus is accrued based on managements best estimate of each employee's likely payment. The ultimate amount paid may differ from the amount accrued.

The individual performance bonus is based on a qualitative assessment of each employee’s performance.

Performance and bonus achievement will be measured following the end of each applicable Plan Year.

(c) Premium estimation

The Company estimates the ultimate premiums for the entire contract year. These estimates are based on information received from ceding companies and estimates from actuarial pricing models used by the Company. This is discussed in more detail in note 3.3.

3.3. Revenue recognition

In accordance with FRS 103 the Company has applied the existing accounting policies for insurance contracts. The Company's contracts are classified at inception, for accounting purposes, as insurance contracts. Insurance contracts are those contracts that transfer significant insurance risk.

The Company estimates the ultimate premiums for the entire contract year. These estimates are based on information received from ceding companies and estimates from actuarial pricing models used by the Company. For excess of loss contracts, the total ultimate estimated premiums are recorded as premiums written at the inception of the contract. For quota share contracts, the premiums are recorded as written based on cession statements from cedants which typically are received monthly or quarterly depending on terms specified in each contract. For any reporting lag, premiums written are estimated based on the portion of the ultimate estimated premiums relating to the risks underwritten during the lag period.

Changes in premium estimates, including premium receivable on both excess of loss and quota share contracts are expected and may result in significant adjustments in any period. These estimates change over time as additional information regarding the underlying business volume is obtained. Any subsequent adjustments arising on such estimates are recorded in the period in which they are determined. A significant portion of amounts included in the caption “Debtors/Creditors arising out of reinsurance operations” in the Company’s statement of financial position represent estimated premiums written, net of commissions and brokerage, and are not currently due based on the terms of the underlying contracts. Additional premiums due on a contract that has no remaining coverage period are earned in full when written. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Premiums written are generally recognised as earned over the contract period in proportion to the period of risk covered. Unearned premiums consist of the unexpired portion of reinsurance provided. The unearned premium reserve is treated as a monetary liability under FRS 103 and revalued at the date of the statement of financial position.

Interest income is included in the statements of comprehensive income on an accrual basis.

3.4 Reinsurance premiums ceded

The Company reduces the risk of future losses on business assumed by reinsuring certain risks and exposures with other reinsurers (retrocessionaires). The Company remains liable to the extent that any retrocessionaire fails to meet its obligations and to the extent the Company does not hold sufficient security for their unpaid obligations. Ceded premiums are written during the period in which the risks incept and are expensed over the contract period in proportion to the period of protection. Unearned premiums ceded consist of the unexpired portion of reinsurance obtained.

3.5 Deferred acquisition costs

Policy acquisition costs, such as commission and brokerage costs, relate directly to and vary with the writing of reinsurance contracts. Acquisition costs relating solely to bound contracts are deferred subject to ultimate recoverability and are amortised over the related contract term. The Company evaluates the recoverability of deferred acquisition costs by determining if the sum of future earned premiums and anticipated investment income is greater than the expected future claims and expenses. If a loss is probable on the unexpired portion of policies in force, a premium deficiency loss is recognised. At 31 December 2024, the deferred acquisition costs were considered fully recoverable and no premium deficiency loss was recorded. Deferred acquisition costs are treated as a monetary asset under FRS 103 and revalued at the date of the statement of financial position.

3.6. Insurance losses, reserves and recoverables - technical provisions

The Company establishes reserves for contracts based on estimates of the ultimate cost of all losses including losses incurred but not reported (“IBNR”). These estimated ultimate reserves are based on the Company’s own actuarial estimates derived from reports received from ceding companies, industry data and historical experience. These estimates are reviewed by the Company periodically and adjusted as necessary. Since reserves are estimates, the final settlement of losses may vary from the reserves established and any adjustments to the estimates, which may be material, are recorded in the period they are determined. Changes in estimates are reflected in the results of operations in the period in which the estimates are changed. The Company does not discount its loss reserves.

Loss reserves recoverable include the amounts due from retrocessionaires for unpaid loss and loss adjustment expenses on retrocession agreements. Ceded losses incurred but not reported are estimated based on the Company’s actuarial estimates. These estimates are reviewed periodically and adjusted when deemed necessary. The Company may not be able to ultimately recover the losses recoverable amounts due to the retrocessionaires’ inability to pay. The Company regularly evaluates the financial condition of its retrocessionaires and records provisions for uncollectible reinsurance expenses recoverable when recovery is no longer probable.

3.7. Financial instruments

As permitted by FRS 102, the Company has elected to apply the recognition and measurement provisions of International Accounting Standard 39, Financial Instruments: Recognition and Measurement, (“IAS 39”) to account for all of its financial instruments. Financial instruments include listed and unlisted equities, corporate and sovereign debt, commodities, futures, put and call options, currency forwards, other derivatives and similar instruments sold, not yet purchased. The Company’s financial instruments are recognised on the statement of financial position and measured at fair value through the profit or loss account, and all unrealised gains or losses are included in "Income from investment in related party investment fund" in the statements of comprehensive income in accordance with IAS 39.

Financial assets and liabilities
Financial instruments are recognised initially at fair value of the consideration given (in case of an asset) or received (in the case of a liability). Except for financial instruments at fair value through profit or loss (FVPL), the initial measurement of financial assets includes transaction costs.

Financial assets are derecognised when and only when:
a) the contractual rights to the cash flows from the financial asset expire or are settled;
b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurement
The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Impairment of financial assets
Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of comprehensive income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counter parties.

3.8. Employee Benefits

(a) Defined contribution pension plans

The Company operates a defined contribution plan for its staff. Under this plan, the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to the employee service in the current or prior periods. The assets of the scheme are held separately from those of the Company in independently administered funds managed by Irish Life. Pension costs are recognised in the statement of comprehensive income in the period in which they are incurred and are disclosed in note 7. Amounts not paid are shown as accruals in the statement of financial position.

(b) Short term employee benefits

Short term employee benefits including annual leave entitlements, annual bonus arrangements, termination payments, health benefits and group stock compensation are recognised as an expense in the statement of comprehensive income in the financial year in which the employees render the related service.

3.9. Fixed Assets

Fixed assets are included in the statement of financial position and are recorded at cost when acquired, less accumulated depreciation. Fixed assets are comprised of furniture and fixtures and leasehold improvements and are depreciated, using the straight-line method, over their estimated useful lives, which is five years for furniture and fixtures. Leasehold improvements are amortised over the lesser of the estimated useful lives of the assets or remaining lease term.

3.10. Taxation and deferred taxation

The income tax expense represents the sum of the tax currently payable and deferred tax. Any tax currently payable is provided on taxable profits at current attributable rates.

Deferred tax is calculated on all timing differences that have originated but not reversed as of the date of the statement of financial position where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the statements of financial position date.

Timing differences are temporary differences between profits as computed for tax purposes, and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax liabilities are recognised in full in respect of net unfavourable timing differences. Deferred tax assets in respect of net favourable timing differences, including taxation losses available for carry forward, are recognised only when it is considered more probable than not that there will be suitable taxable profits from which the future reversal of timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the statements of financial position date. Deferred tax is not discounted.

3.11. Foreign exchange

The reporting and functional currency of the Company is the U.S. dollar (US$). Transactions in foreign currencies are recorded in U.S. dollars at the exchange rates in effect on the transaction date. Monetary assets and liabilities in foreign currencies at the statements of financial position date are translated at the exchange rate in effect at the statements of financial position date and translation exchange gains and losses, if any, are included in the statements of comprehensive income. For this purpose, all assets and liabilities arising from insurance contracts (including unearned premium and deferred acquisition costs) are monetary items. Non-monetary assets and liabilities in foreign currencies are measured at historical cost and are not retranslated.

3.12. Provisions and Contingencies

The Company does not hold any general provisions in the statement of financial position. Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

3.13. Operating lease

The Company has leased office space which has been classified as an operating lease. Operating leases are not recognised in the Company's statements of financial position. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives are recognised as an integral part of the total lease expense, over the term of the lease.

3.14. Deposits with ceding undertakings

The Company provides collateral in the form of cash and letters of credit to support the Fund's at Lloyd's transactions. The Company earns investment income on the funds held balances based upon prevailing interest rates. However, in certain circumstances, the Company may receive an investment return based upon either the result of a pool of assets held by the cedant, generally used to collateralise the funds held balance, or the investment return earned by the cedant on its entire investment portfolio. In these arrangements, investment returns are included in net investment income in the statement of comprehensive income.

3.15 Cash at bank and in hand

Cash and cash equivalents consist of cash and certain short-term, highly liquid investments with original maturity dates of three months or less.

3.16 Funds withheld

Funds withheld represents cash collateral and reinsurance balances retained as collateral by the Company on retroceded contracts along with net reinsurance payable in respect of those contracts.

3.17 Debtors and creditors arising out of reinsurance operations

Reinsurance receivables $173,303,978 (2023: $196,622,275) are recognised and measured on initial recognition of gross premiums written less acquisition costs and losses payable. The carrying value of reinsurance receivables is reviewed for impairment whenever events of circumstances indicate that the carrying amount may not be recoverable, with the impairment recorded in the statement of comprehensive income. There were no such impairments in 2024 or 2023.

Reinsurance payables $92,948,853 (2023: $58,985,170) are recognised and measured on initial recognition of outwards reinsurance premiums written net of reinsurance commissions and profit participation and losses receivable.

3.18 Restricted cash and cash equivalents

The company maintains cash and cash equivalent balances to collateralise trusts issued to cedants (see note 14).

3.19 Disclosure exemptions for qualifying entities under FRS 102

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to:

(i) disclosing share based payments (FRS 102 sections 26.18(b), 26.19 to 26.21 and 26.23);
(ii) key management personnel compensation in total (FRS 102 section 33.7);
(iii) presentation of a cash flow statement (FRS 102 section 3.20); and
(iv) disclosing intra group transactions and related party disclosures (FRS 102 section 33.1A).

The consolidated financial statements of the Company's immediate and ultimate parent company Greenlight Capital Re, Ltd ("GLRE") for the year ended 31 December 2024 are available to the public on the Group's website, greenlightre.com, and from its registered office as disclosed in note 24.

3.20 Dividend

The Company aims to provide a return to its shareholder through the payment of dividends, subject to the Company's financial performance, solvency capital ratio projections, and regulatory requirements. Dividends will only be declared and paid after the approval of the audited financial statements by the Board of Directors and must be paid from distributable reserves.

3.21 Greenlight Re Ireland Services Limited (GRIS)

From July 1, 2024 all existing staff in the Company transferred to GRIS in accordance with the CBI's Guidance on the U*se of Service Companies for Staffing Purposes in the Insurance Sector.* The Company and GRIS have entered into a Personnel Services Agreement through which GRIS commits to providing staff to the Company. The staff operate under the direction and control of the Company.

Greenlight Reinsurance Ireland, Designated Activity Company

Notes to the financial statements for the year ended 31 December 2024 - continued

4. SEGMENTAL INFORMATION

Analysis of gross premium written by geographic location of cedent

	2024	2023
	US$	US$
(a) in the EEA state where its head office is situated	3,625,960	3,321,774
(b) in the other EEA states	15,086,629	9,797,998
(c) in other countries	148,653,296	76,501,634
	167,365,885	89,621,406

Analysis of gross premium written, gross premium earned, gross claims incurred, gross operating expenses and reinsurance balances by class of business.

	Gross premiums written	Gross premium earned	Gross claims incurred	Gross operating expenses	Reinsurance	Net result
Class of Business			**2024 US$**			
Marine, aviation and transport,	114,878,859	95,173,490	(102,839,729)	(17,390,448)	22,804,386	(2,252,300)
Fire and other damage to property,	39,074,864	33,615,683	(32,232,131)	(6,247,509)	6,628,060	1,764,103
General Liability Insurance,	12,926,344	15,319,619	(7,284,474)	(9,725,867)	(1,180,261)	(2,870,983)
Motor, third party liability,	416,584	416,584	(58,606)	(313,370)	197,612	242,219
Other	69,234	65,382	632,341	(293,377)	(66,452)	337,894
	167,365,885	**144,590,758**	**(141,782,606)**	**(33,970,571)**	**28,383,345**	**(2,780,151)**

				Restated	Restated	Restated
	Gross premiums written	Gross premium earned	Gross claims incurred	Gross operating expenses	Reinsurance	Net result
Class of Business			**2023 US$**			
Marine, aviation and transport,	59,317,610	76,447,778	(49,056,239)	(17,157,368)	(8,225,513)	2,008,568
Fire and other damage to property,	20,843,157	54,310,505	(28,525,408)	(15,013,701)	(6,197,243)	4,574,152
General Liability Insurance,	9,731,446	42,303,541	(22,315,378)	(18,021,226)	(4,804,270)	(2,837,333)
Motor, third party liability,	380,881	2,027,771	(167,146)	247,132	(1,450,259)	657,498
Other	(651,689)	2,526,831	(999,999)	(791,125)	(483,287)	252,419
	89,621,405	**177,616,426**	**(101,064,171)**	**(50,736,288)**	**(21,160,573)**	**4,655,304**

5. NET OPERATING EXPENSES

	2024	Restated 2023
	US$	**US$**
Gross commission and brokerage costs	32,303,206	13,654,595
Reinsurance commission and brokerage	(33,743,582)	(15,240,048)
Gross deferred acquisition income	(4,706,594)	30,839,060
Reinsurance deferred acquisition costs	4,894,258	(28,082,100)
Administration expenses	6,365,538	6,242,634
	5,112,826	7,414,141

Net commission and brokerage costs (received) / paid amounted to $(1,853,499) (2023: $1,779,895).

Reclassification of FAL Investment Income
The Company earns investment income on funds withheld by third party Lloyd's syndicates. The Lloyd's syndicates invest a portion of these funds in fixed maturity securities, equities, and investment funds. The Company records the share of the investment income and fair value adjustments on these securities when the syndicates report them to us, generally on a quarter in arrears. Previously this income was offset against the Administration expenses disclosed in Note 5. During 2024 we reclassified this to appear under Note 15 Investment income.

	Prior year Figure	Restated 2023	Movement 2023
	US$	**US$**	**US$**
Administration expenses	(5,058,985)	(6,242,634)	1,183,649
Investment income	5,033,033	6,216,682	(1,183,649)

6. (PROFIT)/LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2024	2023
This is stated after (crediting)/charging:	**US$**	**US$**
Loss / (Gain) on foreign currencies	202,881	(31,320)
Operating lease expense	103,214	81,508
Audit of individual financial statements	77,629	74,475
Audit of Solvency II return	34,341	32,917
Tax consultancy	12,637	3,923
Market value adjustment in value of investments	(81,713)	(70,037)
Directors' remuneration	1,545,387	1,255,645

The directors' remuneration disclosed represents the total compensation paid to directors. In accordance with note 3.19, the Company meets the definition of a qualifying entity under FRS 102, and has taken an exemption in relation to disclosing key management personnel compensation in total. The statutory auditor remuneration payable by the Company, excluding VAT, to its auditors, Deloitte, in respect of the audit of these financial statements and Solvency II return is included above. There were no other non-audit services provided by the Company's auditors, Deloitte.

7. EMPLOYEE COSTS AND NUMBERS

	2024	2023
	US$	US$
Wages and salaries	1,120,303	2,374,370
Social insurance costs	208,086	201,568
Health benefits	17,155	25,827
Pension benefits	126,821	216,334
Group stock incentive*	524,227	579,783
Life and disability benefit	15,476	24,940
	2,012,068	3,422,823

*Group stock compensation is in the form of restricted share units of the parent.

In accordance with note 3.19, the Company meets the definition of a qualifying entity under FRS 102, and has taken an exemption in relation to disclosing share-based compensation.

The average number of employees for the financial year 2024 was 7 (2023: 12).

	2024	2023
Executive	1	1
Underwriting and Pricing	4	5
Finance and Operations	2	4
Risk and Compliance	1	2
	7	**12**

As disclosed in Note 3.21 all staff transferred from the Company on July 1, 2024 to a sister company in the Group. This note reflects six months of costs incurred directly and the average number of employees over a twelve month period. From July 1, 2024 all staff costs have been borne by GRIS with a recharge to the Company under a Personnel Services Agreement.

8. INCOME TAX EXPENSE

(a) Analysis of tax charge

	2024	2023
	US$	US$
Current tax expense	728,946	1,445,924
Deferred tax (benefit)	—	(2,053,201)
Income tax expense / (benefit)	728,946	(607,277)

(b) Reconciliation of effective tax rate

	2024	**2023**
	US$	**US$**
Profit for financial year after tax	4,483,486	11,479,262
Income tax (expense) / benefit	(728,946)	607,277
Profit before tax	5,212,432	10,871,985
Tax using the standard rate of corporation tax in Ireland of 12.5%	651,554	1,358,998
Tax effect on deductible temporary differences	—	—
Tax effect on non-deductible expenses	77,392	86,925
Valuation allowance on deferred tax asset	—	(2,053,201)
Change in deferred taxes	—	—
Income tax expense / (benefit)	728,946	(607,277)

(c) Deferred tax balances

	2024	**2023**
	US$	**US$**
Deferred tax balance, opening	1,107,277	500,000
Accelerated capital allowances and other fixed asset differences	—	—
Tax losses carried forward (utilised) in current year	(728,946)	607,277
Other temporary differences	—	—
Deferred tax balance, closing	378,332	1,107,277

The deferred tax asset of US$378,332 (2023: US$1,107,277) relates to retained losses carried forward to be recoverable against future taxable profits. There were no deferred tax liabilities at year end 31 December 2024 and 31 December 2023.

Deferred tax asset (net)

	2024	**2023**
	US$	**US$**
Deferred tax asset (gross)	378,332	1,107,277
Accumulated Valuation allowance	—	—
Deferred tax asset (net)	378,332	1,107,277

Global Anti-Base Erosion (GloBE)

The Group has evaluated the effects of the Global Anti-Base Erosion Model Rules (Pillar Two) set forth by the Organisation for Economic Co-operation and Development (OECD), referred to as "Pillar Two," which establishes a global minimum corporate tax rate of fifteen percent.

The Group does not meet the threshold as defined by the Pillar Two legislation.

9. CALLED UP SHARE CAPITAL

	2024	2023
Authorised	US$	US$
1,000,000,000 Ordinary shares of US$ 0.10 each	100,000,000	100,000,000
Allotted, called up and fully paid		
100,000,000 Ordinary shares of US$ 0.10 each	10,000,000	10,000,000

One ordinary share was issued at US$0.10 on 7 September 2009 (the date of incorporation) and an additional 99,999,999 ordinary shares were subsequently issued on 31 August 2010, also at US$0.10.

10. CAPITAL AND RESERVES

Capital management

The Company's policy is to maximise value for its shareholder by ensuring that the Company's financial resources are allocated efficiently. The Company's capital management tools may include, but are not limited to, capital contribution from parent, retrocession transactions, aggregate stop loss contracts, adverse loss development covers, quota share contracts, and re-allocation of invested assets between cash, fixed income and equity securities. The Company also manages its capital and surplus to satisfy statutory, regulatory and rating agency requirements.

The Company is required to report its capital position under Solvency II, an EU-wide insurance regulatory regime. Solvency II is the capital adequacy regime for the European insurance industry. It has established a revised set of EU-wide capital requirements and risk management standards that came into force on 1 January 2016.

The Company uses the standard formula model to calculate the SCR. The SCR represents the Value-at-Risk of basic own funds subject to a confidence level of 99.5 % over a one-year period and covers existing business and all new business expected to be written over the next 24 months.

	2024	2023
	US$	US$
Total Equity	59,436,180	74,428,466
Own Funds	64,677,189	58,721,468
Solvency margin cover	162.7%	149.2%

As of 31 December 2024, the Company has been in compliance with the capital requirements required under the Irish Insurance Acts and Regulations throughout the financial years 2024 and 2023.

Capital contribution

During the year ended 31 December 2024, $524,227 (2023: $602,776) of the group share based benefit expense was recognised in the Company's equity as capital contribution from the parent.

No additional capital contributions were received from Greenlight Capital Re, Ltd. in 2024 (2023: US$0). The Company paid a dividend of $20m in 2024 (2023: US$0).

Reserves

The following table describes the nature and purpose of each reserve within equity:

Reserve	Description and Purpose
Called up share capital	Amount subscribed for share capital at nominal value which remain fully paid up.
Capital contribution reserve	Non-refundable capital introduced by the shareholder of the Company, contributed with no beneficial interest in the debt or equity of the Company.
Contributed capital adjustment for share based payments	Amount of share based benefit contributed by the shareholder of the Company. This is recognised as an expense in the Statement of Comprehensive Income.
Retained earnings	All other net gains and losses and transactions attributable to the shareholder of the Company.

11. INVESTMENT IN RELATED PARTY INVESTMENT FUND

At 31 December 2024 the Company has an investment in Solasglas Investments, LP ("SILP"). The net asset value of the investment was $28,153,335 (2023: $25,396,295), which represents 5.66% (2023: 7.13%) of the fund's net assets. The Company can redeem its assets for operational purposes by providing three business days' notice. This investment is measured at fair value through the profit and loss.

12. FINANCIAL INSTRUMENTS

	2024	2023
Financial Assets		
Measured at fair value through profit and loss		
Investment in related party investment fund	28,153,335	25,396,295
Other investments	676,116	657,141
	28,829,451	**26,053,436**
Measured at undiscounted amount receivable		
Reinsurance balances receivable	173,303,978	196,622,275
Reinsurance balances receivable from related party	2,261,639	911,471
Funds held by cedants	67,587,479	72,140,317
	243,153,096	**269,674,062**
Measured at cost		
Cash and cash equivalents	8,321,863	6,500,975
Due from related party	231,781	1,378,120
	8,553,644	**7,879,095**
Financial Liabilities		
Measured at undiscounted amount payable		
Accruals and other payables	215,241	1,023,750
Reinsurance balances payable	92,948,853	58,985,170
Due to related party	688,417	—
Funds withheld	76,095,250	129,173,022
	169,947,761	**189,181,942**

Fair Value Hierarchy

The fair value of a financial instrument is the amount that would be received in an asset sale or paid to transfer a liability in an orderly transaction between unaffiliated market participants. Assets and liabilities measured at fair value are categorised based on whether the inputs are observable in the market and the degree that the inputs are observable. The categorisation of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritised into three levels (with Level 3 being the lowest) defined as follows:

- *Level 1:* Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.
- *Level 2:* Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.
- *Level 3:* Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The following table presents the Company's investments, categorised by the level of the fair value hierarchy.

	Fair Value Measurements as of 31 December 2024			
Description	**Quoted Prices in Active Markets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
		US$		
Assets:				
Investment in related party investment fund	—	28,153,335	—	28,153,335
Other investments	—	—	676,116	676,116
Total investments	—	28,153,335	676,116	28,829,451

	Fair Value Measurements as of 31 December 2023			
Description	**Quoted Prices in Active Markets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
		US$		
Assets:				
Investment in related party investment fund	—	25,396,295	—	25,396,295
Other investments	—	—	657,141	657,141
Total investments	—	25,396,295	657,141	26,053,436

The following table presents the reconciliation of the balances for all investments measured at fair value using significant unobservable inputs (Level 3) as of 31 December 2024:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	Year ended December 31, 2024	
	Assets	
	Private Investments	Total
	US$	
Beginning balance	657,141	657,141
Purchases	—	—
Sales	—	—
Total realized and unrealized gains (losses) included in earnings, net	18,975	18,975
Ending balance	676,116	676,116

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	Year ended December 31, 2023	
	Assets	
	Unlisted equity	Total
	US$	
Beginning balance	511,350	511,350
Purchases	80,179	80,179
Sales	—	—
Total realized and unrealized gains (losses) included in earnings, net	65,612	65,612
Ending balance	657,141	657,141

Private investments consist of innovations-related investments supporting technology innovators in the (re)insurance market. The Company measures its private investments without readily determinable fair values at cost less impairment (if any), plus or minus observable price changes from identical or similar investments of the same issuers, with such changes recognised in the caption “Net investment income” in the statement of comprehensive income. The Company considers the need for impairment on a by-investment basis.

The company made no transfers between levels in this year or the prior year.

13. CASH AT BANK AND IN HAND

	2024	2023
	US$	US$
Cash at bank and in hand	8,321,863	6,500,975

14. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalent balances are held to collateralise regulatory trusts.

	2024	2023
	US$	US$
Cash held as collateral in trust accounts	674,482	10,433,518

15. INVESTMENT INCOME

A summary of net investment income for the financial years ended 31 December 2024 is as follows:

	2024	Restated 2023
	US$	US$
Income from investment in related party investment fund	3,576,282	2,654,554
Net Interest Income	3,127,381	3,075,118
FAL Investment Income	2,102,738	1,183,649
Investment fees and other expenses	(813,817)	(696,638)
Investment income	7,992,584	6,216,682

Investment returns are calculated monthly and compounded to calculate the annual returns. The resulting actual investment income may vary depending on cash flows into or out of the investment account. For the year ended 31 December 2024, investment income, net of all fees and expenses, resulted in a gain of 9.5% on the Solasglas Investments L.P portfolio. This compares to a gain of 4.4% for the year ended 31 December 2024.

*Investment income for the 2023 year has been restated to reflect the reclassification of FAL Investment Income of $1,183,649 from Net Operating Expenses.

16. TECHNICAL PROVISIONS

	Loss reserves	**Unearned premiums**
	2024 US$	
At start of period	216,269,237	41,557,794
Gross change during the period	37,026,910	22,775,116
Foreign exchange movement	(1,310,504)	(155,429)
At end of period	251,985,642	64,177,481
Reinsurance recoverable	(210,253,337)	(54,555,913)
Net	41,732,305	9,621,568
	2023 US$	
At start of period	195,030,898	126,620,578
Gross change during the period	15,328,123	(87,995,020)
Foreign exchange movement	5,910,215	2,932,236
At end of period	216,269,237	41,557,794
Reinsurance recoverable	(171,971,205)	(34,949,073)
Net	44,298,032	6,608,721

	2024	**2023**
	US$	**US$**
Known claims reserves	52,363,895	49,197,596
IBNR reserves	199,621,747	167,071,641
Total loss reserves	251,985,642	216,269,237

Uncertainties and contingencies
The uncertainties arising under insurance contracts are characterised under note 3.3 Revenue recognition and note 3.6 Insurance losses and reserve and recoverables - technical provisions.

Claims development
For the year ended 31 December 2024, net unfavourable loss development on prior year contracts amounted to $1,809,825 (2023: $1,843,094 favourable) based on updated data received from the cedants and a reassessment in connection with the quarterly reserve analysis conducted by the Company.

17. RETROCESSION

Loss reserves recoverable from the retrocessionaires are recorded as assets. Retrocession contracts do not relieve the Company from its obligations to insureds. Failure of retrocessionaires to honour their obligations could result in losses to the Company. At 31 December 2024, the Company had loss reserves recoverable of $161,123,578 (2023: $163,223,844) with an affiliated retrocessionaire, Greenlight Reinsurance, Ltd, rated “A- (Excellent)” by A.M. Best. The Company also had loss reserves recoverable of $49,129,759 (2023: $8,747,361) with non-affiliated retrocessionaires rated “A” and above by A.M. Best. The Company regularly evaluates the financial condition of its retrocessionaires to assess the ability of the retrocessionaires to honour their obligations. At 31 December 2024, no provision for uncollectible losses recoverable was considered necessary.

Aggregate stop loss retrocession agreement

The Company has entered into a further retrocession agreement with Greenlight Reinsurance, Ltd, whereby Greenlight Reinsurance, Ltd provides an aggregate stop loss protection to the Company in return for premiums ceded by the Company to Greenlight Reinsurance, Ltd. For the year ended 31 December 2024, the Company ceded $457,471 (2023: $715,717) of

17. RETROCESSION - continued

written premiums to Greenlight Reinsurance, Ltd. The threshold for coverage was not breached for the 2024 year.

18. OTHER RELATED PARTY TRANSACTIONS

The Company undertakes transactions with other group undertakings. Transactions between the Company and other wholly owned subsidiaries Greenlight Capital Re, Ltd are not disclosed as the Company has taken advantage of the exemption under FRS 102 (section 33) not to disclose transactions between two or more members of a group provided that any subsidiary which is a party to the transaction is wholly owned by the ultimate parent undertaking.

19. INSURANCE, REGULATORY AND FINANCIAL RISK MANAGEMENT

INSURANCE RISK

The primary underwriting goal is to build a reinsurance portfolio that maximises profitability, subject to risk and volatility constraints.

The approach to underwriting begins at the class-of-business level. This analysis includes identifying and assessing the structural drivers of risk and emerging loss trends, and understanding the market participants and results, capacity conditions for supply and demand, and other factors. Our underwriting professionals specialise in business lines and our quantitative professionals assist in evaluating all risks we underwrite. Combined with cross-line management, we believe this approach enables us to build and deploy expertise and insight into the business line's risk dynamics and external risk factors that will affect each transaction.

i. ***Underwriting risk***

The principal risk to which the Company is exposed is underwriting risk, which is the risk that the total cost of claims, claims adjustment expenses and premium acquisition expenses will exceed premiums received and can arise as a result of numerous factors, including reserving risk, catastrophe risk and pricing risk. Failure to accurately assess underwriting risk and establish adequate premium rates and terms and conditions as a result of market cycle fluctuations, competition, macroeconomic trends, and regulatory/legal issues can result in reduced earnings and capital.

The Board sets parameters for aggregate property catastrophic caps and limits for maximum loss potential under any individual contract. The Board must approve any exceptions to the established limits. The Board may amend the maximum underwriting authorities periodically and to align with our capital base. The Board designs the underwriting authorities to ensure the underwriting portfolio is appropriate on a risk-adjusted basis.

ii. Reserving risk

Reserve risk is the risk that claims and claim expense reserves subsequently prove to be insufficient to cover eventual claims. Deterioration in reserves can originate from frequency of claims being more than expected, severity of claims being higher than expected and difference between timing of claims payments versus expected. Reserving risk relates to all business earned at the valuation date. Risk relating to claims on unearned and future business is considered as part of underwriting risk. The reserve adequacy of the Company is monitored through quarterly review of reserves by the Actuarial Function as well as through an annual assessment performed by our Independent Actuary.

Reserves represent an estimate rather than an exact quantification. Although the methods for establishing reserves are well established, many assumptions about anticipated loss emergence patterns are subject to unanticipated fluctuation. We base our estimates on our assessment of facts and circumstances known at the time of the estimate, as well as estimates of future trends in claim severity and frequency, judicial theories of liability, and other factors, including the actions of third parties, which are beyond our control.

iii. Pricing Risk

We write reinsurance in the property and casualty markets, which are subject to pricing cycles. Primary insurers' underwriting results, prevailing general economic and market conditions, liability retention decisions of companies and primary insurers and reinsurance premium rates influence the demand for property and casualty reinsurance. Prevailing prices and available surplus to support assumed business influence reinsurance supply. Supply may fluctuate in response to changes in return on capital realised in the reinsurance industry, the frequency and severity of losses and prevailing general

19. INSURANCE, REGULATORY AND FINANCIAL RISK MANAGEMENT

INSURANCE RISK - continued

economic and market conditions.We utilise modelling tools to facilitate our pricing and manage risks in our reinsurance portfolio.

iv. Claims Development Information

Claims developments on all of the coverages are shown below as at 31 December 2024:

	2015 & prior years	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimate of cumulative gross claims											
At December 2015	526,690	—	—	—	—	—	—	—	—	—	526,690
At December 2016	254,360	24,423	—	—	—	—	—	—	—	—	278,783
At December 2017	261,018	70,043	18,598	—	—	—	—	—	—	—	349,659
At December 2018	262,438	74,622	56,390	13,168	—	—	—	—	—	—	406,618
At December 2019	256,170	74,634	43,891	70,462	16,085	—	—	—	—	—	461,242
At December 2020	258,058	76,488	42,207	82,411	39,004	24,068	—	—	—	—	522,236
At December 2021	257,478	75,258	42,063	78,697	40,450	54,238	67,843	—	—	—	616,027
At December 2022	258,492	76,003	42,397	79,518	40,065	58,718	114,973	80,201	—	—	750,367
At December 2023	260,424	75,254	41,430	78,034	40,544	55,694	121,780	152,204	31,977	—	857,341
At December 2024	259,900	74,876	41,231	78,877	40,801	65,332	146,768	165,167	64,343	60,518	997,813
Cumulative payments	(258,627)	(75,859)	(40,694)	(78,935)	(40,139)	(49,934)	(102,776)	(89,932)	(7,565)	(1,366)	(745,827)
Reserve at 31 December 2024	1,273	(983)	537	(58)	662	15,398	43,992	75,235	56,778	59,152	251,986
Estimate of cumulative reinsurance recoveries											
At December 2015	(32,749)	—	—	—	—	—	—	—	—	—	(32,749)
At December 2016	(17,741)	(3,338)	—	—	—	—	—	—	—	—	(21,080)
At December 2017	(23,713)	(14,046)	(8,896)	—	—	—	—	—	—	—	(46,655)
At December 2018	(22,599)	(14,634)	(28,335)	(11,495)	—	—	—	—	—	—	(77,062)
At December 2019	(16,595)	(15,339)	(21,951)	(39,341)	(13,820)	—	—	—	—	—	(107,047)
At December 2020	(19,160)	(16,764)	(21,108)	(45,357)	(23,695)	(20,089)	—	—	—	—	(146,173)
At December 2021	(19,400)	(17,521)	(21,029)	(43,420)	(20,693)	(32,265)	(49,113)	—	—	—	(203,441)
At December 2022	(20,214)	(18,117)	(21,288)	(44,469)	(20,681)	(32,120)	(85,094)	(64,470)	—	—	(306,453)
At December 2023	(21,756)	(17,514)	(20,639)	(43,947)	(21,091)	(29,744)	(90,119)	(122,177)	(25,930)	—	(392,917)
At December 2024	(21,642)	(18,413)	(20,575)	(43,684)	(24,382)	(29,597)	(95,984)	(147,631)	(59,110)	(53,767)	(514,785)
Cumulative payments	20,362	18,041	20,338	44,662	20,301	25,592	76,057	72,032	6,054	1,093	304,532
Reserve at 31 December 2024	(1,280)	(373)	(238)	977	(4,081)	(4,005)	(19,927)	(75,599)	(53,056)	(52,674)	(210,253)

19. INSURANCE, REGULATORY AND FINANCIAL RISK MANAGEMENT

INSURANCE RISK - continued

	2015 & prior years	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimate of cumulative net claims											
At December 2015	493,941	—	—	—	—	—	—	—	—	—	493,941
At December 2016	236,618	21,085	—	—	—	—	—	—	—	—	257,704
At December 2017	237,304	55,997	9,702	—	—	—	—	—	—	—	303,004
At December 2018	239,840	59,989	28,055	1,673	—	—	—	—	—	—	329,556
At December 2019	239,575	59,295	21,940	31,121	2,265	—	—	—	—	—	354,196
At December 2020	238,898	59,724	21,099	37,054	15,310	3,979	—	—	—	—	376,063
At December 2021	238,078	57,737	21,035	35,276	19,757	21,973	18,731	—	—	—	412,585
At December 2022	238,277	57,886	21,109	35,050	19,383	26,598	29,879	15,731	—	—	443,913
At December 2023	238,667	57,741	20,790	34,087	19,453	25,951	31,660	30,028	6,047	—	464,424
At December 2024	238,258	56,463	20,656	35,193	16,419	35,735	50,784	17,536	5,233	6,751	483,028
Cumulative payments	(238,265)	(57,818)	(20,357)	(34,273)	(19,838)	(24,341)	(26,719)	(17,900)	(1,511)	(273)	(441,296)
Total per statement of financial position	(7)	(1,355)	299	920	(3,418)	11,394	24,065	(364)	3,722	6,477	41,732

v. Sensitivity to insurance risk

The principal assumption underlying the claims liabilities estimates is that the Company's future claims development will follow similar pattern to past claims development experience. These estimates are based on various quantitative and qualitative factors including:

- average claim costs including claim handling costs;
- trends in claims severity and frequency, and
- other factors such as inflation, expected or in-force government pricing and coverage reforms, and the level of insurance fraud.

Most or all of the qualitative factors are not directly quantifiable, particularly on a prospective basis, and the effects of these and unforeseen factors could negatively impact the Company's ability to accurately assess the risk of the insurance contracts that the Company underwrites. In addition, there may be significant reporting lags between the occurrence of the insured event and the time it is actually reported to the Company and additional lags between the time of reporting and final settlement of claims.

The company refines its claims liabilities estimates on an ongoing basis as claims are reported and settled. Establishing an appropriate level of claims liabilities is an inherently uncertain process and the policies surrounding this are overseen by the Actuarial department.

REGULATORY RISK

Regulatory risk is the risk of loss and/ or damage to reputation owing to a breach of regulatory requirements or failure to respond to regulatory change. Solvency II was introduced with effect from January 1, 2016 and governs the prudential regulation of insurers and reinsurers, and requires insurers and reinsurers in Europe to meet risk-based solvency requirements. It also imposes group solvency and governance requirements on groups with insurers and/or reinsurers operating in the European Economic Area. A number of European Commission delegated acts and technical standards have been adopted, which set out more detailed requirements based on the overarching provisions of the Solvency II Directive. However, further delegated acts, technical standards and guidance are likely to be published on an ongoing basis.

19. INSURANCE, REGULATORY AND FINANCIAL RISK MANAGEMENT

FINANCIAL RISK

Current and non-current assets and liabilities

The following table provides an analysis of non-technical assets that include amounts expected to be settled no more than twelve months after the statement of financial position date (current) and more than twelve months after the statement of financial position date (non-current).

		2024	
Assets	**Current**	**Non-current**	**Total**
	US $	**US $**	**US $**
Fixed assets	—	—	—
Financial assets			
Investment in related party investment fund	28,153,335	—	28,153,335
Other investments	—	676,116	676,116
Deposits with ceding undertakings	67,587,479	—	67,587,479
Debtors			
Debtor arising out reinsurance operations	173,303,978	—	173,303,978
Amounts owned by group undertakings	2,261,639	—	2,261,639
Cash at bank and in hand	8,321,863	—	8,321,863
Other assets			
Restricted cash and cash equivalents	674,482	—	674,482
Prepayments, general receivables and accrued income	221,846	—	221,846
Due from related party	231,781	—	231,781
Deferred tax asset	—	378,332	378,332
Total	**280,756,403**	**1,054,448**	**281,810,851**
Liabilities			
Accruals and other payables	215,241	—	215,241
Creditors arising out of reinsurance operations	92,948,853	—	92,948,853
Amounts due to group undertakings	688,417	—	688,417
Funds withheld	76,095,250	—	76,095,250
Total	**169,947,761**	**—**	**169,947,761**

19. INSURANCE, REGULATORY AND FINANCIAL RISK MANAGEMENT

FINANCIAL RISK - continued

	2023		
Assets	**Current**	**Non-current**	**Total**
	US $	**US $**	**US $**
Fixed assets	—	—	—
Financial assets			
Investment in related party investment fund	25,396,295	—	25,396,295
Other investments	—	657,141	657,141
Deposits with ceding undertakings	72,140,317	—	72,140,317
Debtors			
Debtor arising out reinsurance operations	196,622,275	—	196,622,275
Amounts owned by group undertakings	911,471	—	911,471
Cash at bank and in hand	6,500,975	—	6,500,975
Other assets			
Restricted cash and cash equivalents	10,433,518	—	10,433,518
Prepayments, general receivables and accrued income	260,181	—	260,181
Due from related party	1,378,120	—	1,378,120
Deferred tax asset	—	1,107,277	1,107,277
Total	**313,643,152**	**1,764,418**	**315,407,570**
Liabilities			
Accruals and other payables	1,023,750	—	1,023,750
Creditors arising out of reinsurance operations	58,985,170	—	58,985,170
Amounts due to group undertakings	—	—	—
Funds withheld	129,173,022	—	129,173,022
Total	**189,181,942**	**—**	**189,181,942**

MARKET RISK

i. Equity Price Risk

As of 31 December 2024, the Company's investment portfolio included an investment in SILP, which holds underlying equity securities and equity-based derivative instruments, the carrying values of which are primarily based on quoted market prices. Generally, market prices of common equity securities are subject to fluctuation, which could cause the amount to be realised upon the closing of the position to differ significantly from the current reported value. This risk is partly mitigated by the presence of both long and short equity securities. As of 31 December 2024, a 10% decline in the price of each of these listed equity securities and equity-based derivative instruments would result in a $1,016,876 or 3.1% reduction of the Company's investment portfolio.

Computations of the prospective effects of hypothetical equity price changes are based on numerous assumptions, including the maintenance of the existing level and composition of investment securities and should not be relied on as indicative of future results.

ii. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in exchange rates and produce an adverse effect of net income and capital when measured in the Company's functional currency.

19. INSURANCE, REGULATORY AND FINANCIAL RISK MANAGEMENT

MARKET RISK - continued

The Company's cash flows and earnings are subject to fluctuations due to exchange rate variations. Foreign currency risk exists by nature of the Company's underwriting and investment strategy. The Company's principal transactions are carried out in US dollars though it has exposure to foreign exchange risk principally with respect to Sterling and Euro.

The Company does not seek to specifically match the liabilities under reinsurance policies that are payable in foreign currencies with investments denominated in such currencies; the Company continually monitors the exposure to potential foreign currency losses and may consider the use of forward foreign currency exchange contracts in an effort to mitigate against adverse foreign currency movements.

The schedule below shows the surplus or deficiency held in each of the main currencies by the Company at the year ended 31 December 2024:

Foreign Currency	**Assets**	**Liabilities and Equity**	**Surplus / (Deficiency)**
	US$	**US$**	**US$**
British Pound	97,889,024	91,056,907	6,832,116
Euro	12,702,741	13,265,372	(562,631)
United States Dollar	430,734,858	438,283,394	(7,548,535)
Other	4,220,440	2,941,390	1,279,050
Total	545,547,063	545,547,063	—

The schedule below shows the surplus or deficiency held in each of the main currencies by the Company at the year ended 31 December 2023:

Foreign Currency	**Assets**	**Liabilities and Equity**	**Surplus / (Deficiency)**
	US$	**US$**	**US$**
British Pound	223,861,769	218,940,944	4,920,825
Euro	12,999,021	14,128,439	(1,129,418)
United States Dollar	280,532,393	285,224,996	(4,692,308)
Other	4,044,257	3,143,060	901,196
Total	521,437,439	521,437,439	—

The following table summarises the net impact that a 10% increase and decrease in the value of the United States dollar against foreign currencies would have on the Company as of 31 December 2024:

19. INSURANCE, REGULATORY AND FINANCIAL RISK MANAGEMENT

MARKET RISK - continued

	10% increase in U.S. dollar	10% decrease in U.S. dollar
Foreign Currency	**Impact on SOCI/Equity**	**Impact on SOCI/Equity**
	US$	**US$**
British Pound	683,212	(683,212)
Euro	(56,263)	56,263
Other	127,905	(127,905)
Total	754,854	(754,854)

Computations of the prospective effects of hypothetical currency price changes are based on numerous assumptions, including the maintenance of the existing level and composition of investment in securities denominated in foreign currencies and related hedges, and should not be relied on as indicative of future results.

iii. Interest Rate Risk

The investment in SILP includes interest rate sensitive securities, such as corporate and sovereign debt instruments and interest rate swaps. The primary market risk exposure for any debt instrument is interest rate risk. As interest rates rise, the fair value of a long fixed-income portfolio generally falls. Similarly, falling interest rates generally lead to increases in the fair value of fixed-income securities. Additionally, some of the derivative investments may also be sensitive to interest rates and their value may indirectly fluctuate with changes in interest rates.

The caption "Debtors arising out of reinsurance operations" in our Statement of Financial Position represents amounts held by cedents, including the Lloyd's syndicates in which we participate. These syndicates invest a portion of the premiums withheld in fixed-income and variable-yield securities, which expose us to interest rate risk. At 31 December 2024, a 100 basis points increase or decrease in interest rates would result in an estimated $136k loss or gain, respectively.

Our "Restricted cash and cash equivalents" earn interest at rates that generally follow the movements of the short-term U.S. Treasury rates. At 31 December 2024, a 100 basis points increase or decrease in U.S. Federal Funds Rate would result in approximately a $6k increase or decrease, respectively, in our interest income on an annualised basis.

As of 31 December 2024, a 100 basis points increase or decrease in interest rates would result in approximately a $15k increase or a decrease of $14k on the value of our Investment Portfolio.

The Company, along with DME Advisors, monitors the net exposure to interest rate risk and generally do not expect changes in interest rates to have a materially adverse impact on our operations.

CREDIT RISK

The Company is exposed to credit risk primarily from the possibility that counterparties may default on their obligations to it. The amount of the maximum exposure to credit risk is indicated by the carrying value of the Company's financial assets. The Company is exposed to credit risk from its business partners and clients relating to balances receivable under the reinsurance contracts, including premiums receivable, losses recoverable and commission adjustments recoverable. The Company monitors the financial strength of its counterparties and assesses the collectability of these balances on a regular basis and obtains collateral in the form of funds withheld, trusts and letters of credit from its counterparties to mitigate their credit risk.

In addition, the securities, commodities, and cash in SILP's investment portfolio are held with several prime brokers and derivative counterparties, subjecting SILP, and indirectly us, to the related credit risk from the possibility that one or more of them may default on their obligations. While the Company has no direct control over SILP, DME Advisors closely and regularly monitors the concentration of credit risk with each counterparty and, if necessary, transfers cash or securities

19. INSURANCE, REGULATORY AND FINANCIAL RISK MANAGEMENT

CREDIT RISK - continued

between counterparties or requests collateral to diversify and mitigate credit risk. Other than the Company's investment in SILP and the fact that SILP's investments and the majority of cash balances are held by prime brokers, the Company has no other significant concentrations of investment credit risk.

The Company retrocedes a significant portion of its reinsurance liabilities via internal reinsurance to its sister Company, Greenlight Reinsurance Ltd., ("GRL") a wholly owned subsidiary of GLRE, which is rated "A-(excellent)" by A.M. Best. The Company closely monitors the financial strength of GRL and while the amount recoverable is material (see note 18) the Company does not regard the recoverability of reinsurance assets as a material credit risk given the financial strength of the group.

The Company holds cash deposits with HSBC Continental Europe which has a A+ credit rating from Standard and Poor's.

LIQUIDITY RISK

As of 31 December 2024, the majority of the Company's investments in SILP were valued based on quoted prices in active markets for identical assets. Given the Company's value-oriented long and short investment strategy, if equity markets decline, the obligations for covering short positions would also decline. Any reduction in the short portfolio would reduce the need for restricted cash and thereby cash would be freed up to be used for any purpose. Additionally, since the majority of the Company's investments in SILP are liquid, even in distressed markets, the invested assets can be liquidated to generate cash to pay claims, hence mitigating any liquidity risk.

EFFECTS OF INFLATION

Global economic performance in 2024 has been steady with inflation reducing from 2023 levels and generally approaching a 2% target. Inflation can be caused by any number of factors including, but not limited to, expansionary monetary policy and deficit spending by the government, a growing economy, rising wages, an imbalance of the supply and demand for goods, supply chain disruptions and the imposition of tariffs. Recently, for instance, the U.S. administration imposed and/ or announced (and in some cases postponed) tariffs on imports from various countries and on certain products, which may lead to unpredictable economic consequences including inflation or trade wars. Higher than anticipated inflation could lead to an increase in loss costs and the need to strengthen loss reserves. The impact of inflation on loss costs will likely be more pronounced for longer tail business lines, where it takes a period of time to finalise and settle claims. In general, the Company's underwriting book is skewed towards shorter tail classes and therefore the impact should be less pronounced.

20. LETTERS OF CREDIT AND TRUSTS

The Company's related company, GRL, issues letters of credit on behalf of the Company under various facilities, for the benefit of the Company's insureds. The collateral pledged as security relating to these letters of credit is also provided by GRL. In the event that the Company's insureds draw upon any letters of credit, the Company shall be obligated to reimburse GRL the amount of the letters of credit drawn down by the insured. As of 31 December 2024, $21,378,417 (2023: $16,948,316) of letters of credit were issued by GRL on behalf of the Company and no letters of credits were drawn by the Company's insureds for the year ended 31 December 2024.

In addition to the letters of credit, the Company has established regulatory trust arrangements for certain cedants. As of 31 December 2024, collateral of $674,482 (2023: $10,433,518) was provided to cedants in the form of regulatory trust accounts (see note 14).

21. COMMITMENTS - OPERATING LEASE

The Company entered into a lease agreement for office space in Dublin, Ireland in October 2021. Under the terms of this lease agreement, the Company is committed to minimum annual rent payments denominated in Euros approximating €116,674 per annum until September 2026. The Company has the option to terminate the lease agreement in 2026. Included in the schedule below are the net minimum lease payment obligations for the remaining years relating to this lease as of 31 December 2024.

	2025	**2026**	**Total**
Operating lease obligations	116,674	87,505	204,179

22. EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events since the statement of financial position date to report.

23. ULTIMATE PARENT UNDERTAKING

The immediate parent and ultimate parent undertaking is GLRE, a company incorporated in the Cayman Islands. The Group financial statements, for which the Company is a member, are available to the public from the registered office at 65 Market Street, Suite 1207 Jasmine Court, Camana Bay, Grand Cayman KY1-1205, Cayman Islands.

24. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the directors on 28th March 2025.