

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31 , 2023

OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission file number 001-33493

Greenlight Capital Re, Ltd.
(Exact Name of Registrant as Specified in Its Charter)

| | |
|---|--|
| Cayman Islands (State or other jurisdiction of incorporation or organization) | N/A (I.R.S. employer identification no.) |
| 65 Market Street | |
| Suite 1207, Jasmine Court | |
| P.O. Box 31110 | |
| Camana Bay | |
| Grand Cayman | |
| Cayman Islands | KY1-1205 |
| (Address of principal executive offices) | (Zip code) |

Registrant's telephone number, including area code: **205 - 291-3440**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of exchange |
|------------------------|-------------------|------------------------------------|
| Ordinary shares | GLRE | The Nasdaq Stock Market LLC |

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐
Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of voting and non-voting ordinary shares held by non-affiliates of the registrant at June 30, 2023, was \$ 277,684,405 , based on the closing price of the registrant's ordinary shares reported on the Nasdaq Global Select Market on June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter. Solely for the purpose of this calculation and for no other purpose, the non-affiliates of the registrant are assumed to be all shareholders of the registrant other than (i) directors of the registrant, (ii) executive officers of the registrant who are identified as "named executives" pursuant to Item 11 of this Form 10-K, (iii) any shareholder that beneficially owns 10% or more of the registrant's common shares and (iv) any shareholder that has one or more of its affiliates on the registrant's board of directors. Such exclusion is not intended, nor shall it be deemed, to be an admission that such persons are affiliates of the registrant.

| | |
|--|--|
| Ordinary Shares, \$0.10 par value (Class) | 35,361,725 Outstanding at March 1, 2024 |
|--|--|

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the registrant's 2024 annual meeting of shareholders, to be filed subsequently with the Securities and Exchange Commission, or the SEC, pursuant to Regulation 14A, under the Securities Exchange Act of 1934, as amended, or the Exchange Act, relating to the registrant's annual general meeting of shareholders scheduled to be held on July 25, 2024 are incorporated by reference in Part III of this Annual Report on Form 10-K.

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PART I

Note About Forward-Looking Statements

This Annual Report on Form 10-K (herein referred as "Form 10-K" or "Annual Report") of Greenlight Capital Re, Ltd. ("Greenlight Capital Re," "Company," "us," "we," or "our") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical facts included in this report, including statements regarding estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements". We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the United States ("U.S.") federal securities laws established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "predict," "expect," "anticipate," "estimate," "intend," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are not historical facts, and are based on current expectations, estimates and projections, and various assumptions, many of which, are inherently uncertain and beyond management's control.

Forward-looking statements contained in this Form 10-K may include, but are not limited to, information regarding our estimates for catastrophes and weather-related losses, measurements of potential losses in the fair market value of our investments, our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, the outcome of our strategic initiatives, our expectations regarding pricing, and other market and economic conditions including inflation, our growth prospects, and valuations of the potential impact of movements in interest rates, equity securities' prices, and foreign currency exchange rates.

Forward-looking statements only reflect our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual events or results to differ materially from those indicated in such statements. We believe that these factors include, but are not limited to:

- a downgrade or withdrawal of our A.M. Best ratings;
- any suspension or revocation of any of our licenses;
- losses from catastrophes and other major events;
- the loss of significant brokers; and
- those described under "Item 1A, [Risk Factors](#)" of this Form 10-K, including the summary below, as those risk factors may be updated from time to time in our periodic and other filings with the Securities and Exchange Commission (the "SEC"), which are accessible on the SEC's website at www.sec.gov.

We undertake no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events, or otherwise. Readers are cautioned not to place undue reliance on the forward-looking statements, which speak only to the dates they were made.

We intend to communicate certain events that we believe may have a material adverse impact on our operations or financial position, including property and casualty catastrophic events and material losses in our investment portfolio, in a timely manner through a public announcement. Other than as required by the Exchange Act, we do not intend to make public announcements regarding underwriting or investment events that we do not believe, based on management's estimates and current information, will have a material adverse impact on our operations or financial position.

Summary of Risk Factors

The following is a summary of the principal risks that we believe could adversely affect our business, operations, and financial results.

Risks Relating to Our Business

- Our results of operations fluctuate from period to period and may not be indicative of our long-term prospects.
- A downgrade or withdrawal of our A.M. Best ratings would materially and adversely affect our ability to implement our business strategy.
- If our losses and loss adjustment expenses ("LAE") greatly exceed our loss reserves, our financial condition may be materially and adversely affected.
- Our property and casualty reinsurance operations make us vulnerable to losses from catastrophes and may cause our results of operations to vary significantly from period to period.
- The loss of significant brokers could materially and adversely affect our business, financial condition and results of operations.

Risks Relating to Insurance and Other Regulations

- Any suspension or revocation of any of our licenses would materially and adversely affect our business, financial condition and results of operations.
- Our reinsurance subsidiaries are subject to minimum capital and surplus requirements, and our failure to meet these requirements could subject us to regulatory action.

Risks Relating to Our SILP Investment Strategy

- Our investment performance depends in part on the performance of Solaglas Investments, LP ("SILP") and may suffer as a result of adverse financial market developments or other factors that impact SILP's liquidity, which could materially and adversely affect our investment results, financial condition and results of operations.
- SILP may be concentrated in a few large positions, which could result in material adverse valuation movements.
- Under the SILP limited partnership agreement ("SILP LPA"), we are contractually obligated to invest substantially all our assets in SILP, with certain exceptions. SILP's performance depends on the ability of its investment advisor, DME Advisors, LP ("DME Advisors"), to select and manage appropriate investments.

Risks Relating to Our Innovations Strategy

- The carrying values of our Innovations investments may differ significantly from those that would be used if we carried these investments at fair value. Additionally, we have a material concentration in our top five holdings at December 31, 2023.
- Our Innovations investments support our underwriting operations and the failure to identify and consummate investment opportunities may materially and adversely affect our ability to implement our business strategy.
- Investments in privately held early-stage companies involve significant risks, and are highly illiquid.

Item 1. BUSINESS

Unless otherwise indicated or unless the context otherwise requires, all references in this Form 10-K to “the Company,” “we,” “us,” “our,” and similar expressions are references to Greenlight Capital Re, Ltd. and its consolidated subsidiaries. Unless otherwise indicated or unless the context otherwise requires, all references in this Annual Report to entity names are as set forth in the following table:

| Reference | Entity's legal name |
|-------------------------------|---|
| Greenlight Capital Re or GLRE | Greenlight Capital Re, Ltd. |
| Greenlight Re | Greenlight Reinsurance, Ltd. |
| GRIL | Greenlight Reinsurance Ireland, Designated Activity Company |
| Verdant | Verdant Holding Company, Ltd. |
| Greenlight Re UK | Greenlight Re Marketing (UK) Limited |
| Syndicate 3456 | Greenlight Innovation Syndicate 3456 |
| GCM | Greenlight Re Corporate Member Ltd. |
| Viridis Re | Viridis Re SPC, Ltd. |

We have included a Glossary of Selected Reinsurance Terms at the end of “Part 1, Item 1. Business” of this Form 10-K.

All dollar amounts referred to in this Form 10-K are in U.S. dollars unless otherwise indicated. Due to rounding, numbers presented in the tables included in this Form 10-K may not add up precisely to the totals provided.

Company Overview

Established in 2004, we are a global specialty property and casualty reinsurer headquartered in the Cayman Islands, with a reinsurance and investment strategy that we believe differentiates us from most of our competitors. We conduct our operations principally through two licensed and regulated entities: Greenlight Re, based in Grand Cayman, Cayman Islands, and GRIL, based in Dublin, Ireland, in addition to our Lloyd’s platform, Syndicate 3456. Greenlight Re provides multi-line property and casualty reinsurance globally, while GRIL focuses mainly on specialty business. Our Syndicate 3456 supports innovative, technology-driven insurance partners (“insurtechs”).

The London market specialty business is central to our underwriting portfolio. In 2020, we established a UK marketing Company, Greenlight Re UK, to increase our London market presence. On January 1, 2023, we acquired a Lloyd’s corporate member, GCM, that provides underwriting capacity for various syndicates (including Syndicate 3456) that underwrite general insurance and reinsurance business at Lloyd’s. Prior to acquiring GCM, we sourced our Funds at Lloyd’s (“FAL”) business through the same corporate member. The ownership of GCM complements our Syndicate 3456 and provides us more control over the FAL business.

Through our Greenlight Re Innovations unit, we also make long-term strategic investments in early-stage insurance companies and managing general agents (“MGAs”) to complement our strategy and strengthen our client relationships. In December 2023, we incorporated Viridis Re as an exempted segregated portfolio company (“SPC”) in the Cayman Islands. Through segregated portfolios of Viridis Re, we plan to offer cost-effective insurance and reinsurance solutions to current and future insurtechs and MGA partners.

Our goal is to build long-term shareholder value by providing risk management products and services to the insurance, reinsurance, and other risk marketplaces. We focus on delivering risk solutions to clients and brokers who value our expertise, analytics, and customer service offerings, while complementing our underwriting activities with a non-traditional investment approach designed to achieve higher rates of return over the long term than reinsurance companies that exclusively employ more traditional investment strategies.

Company Organization and History

Since our inception in 2004, we had two classes of common stock: (i) our Class A ordinary shares, which were traded on the NASDAQ; and (ii) our Class B ordinary shares. The rights of the holders of Class A and Class B shares were identical, except for voting and conversion rights.

On July 25, 2023, at the Company's Annual General Meeting ("2023 AGM"), our shareholders approved the re-designation of Class B ordinary shares as Class A ordinary shares. Such re-designation, alongside the approved reclassification of the Class A ordinary shares as simply "ordinary shares," resulted in the elimination of the dual-class structure. We have one class of common stock, our ordinary shares, which trades on the NASDAQ. Each ordinary share is entitled to one vote per share. However, except upon unanimous consent of our Board pursuant to Section 11(1)(c) of our Fourth Amended and Restated Memorandum and Articles of Association (the "Articles"), no holder is permitted to acquire an amount of shares which would cause any person to own (directly, indirectly or constructively under applicable United States tax attribution and constructive ownership rules) 9.9% or more of the total voting power of the total issued and outstanding ordinary shares. In connection with certain proposals that passed at our 2023 AGM relating to the elimination of our former dual-class share structure, our Board consented pursuant to Section 11(1)(c) of the Articles to David Einhorn beneficially owning more than 9.9% of the total voting power of the total issued and outstanding ordinary shares, up to the amount of ordinary shares beneficially owned by David Einhorn at the time of the consent (i.e., 6,254,715 ordinary shares, which represents 17.7% of the outstanding ordinary shares as of December 31, 2023).

Business Strategy

Overall, we measure our success by long-term growth in book value per share, which we believe is the most comprehensive gauge of our performance. We also measure our short and long-term underwriting performance based on our net underwriting income. We have incorporated these two key performance metrics in our incentive compensation plan to align employee and shareholder interests.

Reinsurance operations:

We strive to grow our diverse book of business by responding timely to changing market conditions, prudently managing our chosen lines of business, and driving sustainable shareholder returns. We execute our reinsurance business through a two-pillar strategy:

Open market underwriting : We offer a diverse range of risk management products and services across market segments and geographies. Our small scale, relative to our global competitors, enables us to be more agile in allocating capacity to the most promising risks and classes. We write business on a non-proportional (or excess of loss) and proportional basis (also known as pro rata reinsurance, quota share reinsurance or participating reinsurance) across a range of classes in the property and casualty market. Our underwriting approach varies by class and type of opportunity:

- Where our expertise is sufficient to evaluate the risk thoroughly, we will generally seek to participate in syndicated placements negotiated and priced by another party that we judge to have market-leading expertise in the class or as a quota share retrocessionaire of a market-leading reinsurer; and
- Where we have domain-specific expertise and a high level of market access, we may seek to act as the lead underwriter to achieve greater influence in negotiating pricing, terms, and conditions.

Further, the size and diversification of our underwriting portfolio will vary based on our perception of the opportunities available in each line of business at each point in time. As our focus on certain lines fluctuates based on market conditions, we may only offer or underwrite a limited number of lines in any given period. We seek to:

- mitigate underwriting volatility over the long term by focusing on short and medium tail risk;
- target markets and lines of business where we believe an appropriate risk/reward profile exists;
- attract and retain clients with expertise in their respective lines of business;
- employ strict underwriting discipline; and
- select reinsurance opportunities with anticipated favorable returns on capital.

Innovations and strategic partnerships: Our strategic investments in insurtech positions us to access a stream of new underwriting business, in addition to potential fee income and investment return on early stage investments. We refer to this pillar as Greenlight Re Innovations ("Innovations"). In evaluating Innovations opportunities, we generally ensure that each investment meets at least one of the following criteria:

- The value we add to a partnership is derived primarily from the application of our risk expertise, not solely capital or reinsurance support;
- The partnership adds expertise to our company in specific risk areas, technology, product innovation, or other areas;
- The partnership approach provides access to a pool of capital, products, or distribution;
- Overall, the partnership approach creates a combined effort that generates a durable strategic or competitive position in one or more markets and increases our opportunities to achieve revenue growth and margin expansion.

In 2022, Syndicate 3456 commenced insurance operations under the Lloyd's syndicate-in-a-box model, with Greenlight Re as the sole capital provider. This enables us to capitalize on global insurtech opportunities, while leveraging Lloyd's strong credit ratings (see *Ratings* below). Further, in late 2023, we incorporated Viridis Re as an SPC in the Cayman Islands. Through segregated portfolios of Viridis Re, we plan to offer cost-effective insurance and reinsurance solutions for current and future insurtech and MGA partners.

Investment:

Our investment strategy is designed to maximize returns over the long term while minimizing the risk of capital loss. Unlike the investment strategies of many of our competitors, which invest primarily in fixed-income securities either directly or through fixed-fee arrangements with one or more investment managers, our investment strategy is focused mainly on long and short positions, primarily in publicly-traded equity and corporate debt instruments. See “[Investments](#)” within this Item 1. Business for further information.

Operations

We have one operating segment: property and casualty reinsurance, which also represents our reporting segment. We analyze our business based on the following lines of business:

- *Property*: covers personal lines, commercial lines exposures and automobile physical damage. Property business includes both catastrophe and non-catastrophe coverage.
- *Casualty*: covers general liability, motor liability, professional liability, and workers' compensation exposures. Our multi-line business includes the FAL business. As our Lloyd's syndicate contracts incorporate property (including incidental catastrophe), casualty, and other exposures, we categorize them as multi-line (and therefore casualty) business. However, these contracts are composed of primarily short-tailed risks.
- *Other*: covers accident and health, financial (including transactional liability, mortgage insurance, surety, and trade credit), marine, energy, as well as other specialty business such as aviation, crop, cyber, political, and terrorism exposures.

The following table presents our gross premiums written by lines of business for the most recent three years:

| | Year ended December 31 | | | | | |
|----------|------------------------|---------|---------|----|---------|---------|
| | 2023 | | 2022 | | 2021 | |
| | (\$ in thousands) | | | | | |
| Property | \$ | 113,291 | 17.8 % | \$ | 85,323 | 15.2 % |
| Casualty | | 351,037 | 55.1 | | 325,103 | 57.7 |
| Other | | 172,482 | 27.1 | | 152,745 | 27.1 |
| Total | \$ | 636,810 | 100.0 % | \$ | 563,171 | 100.0 % |

Refer to “Part II, Item 7. [Management’s Discussion and Analysis of Financial Condition and Results of Operations.](#)” (herein referred as “MD&A”) for additional information relating to our reportable segment and related underwriting performance and Note 17 “[Segment Reporting](#)” to the consolidated financial statements relating to our reportable segment and a breakdown of our gross premiums written by geographic area of risks insured. Our consolidated financial statements are located in Part II, Item 8. [Financial Statements and Supplementary Data.](#)”

Marketing and Distribution

We source a majority of our business through reinsurance brokers. Brokerage distribution channels provide us with access to an efficient, variable cost and global distribution system. In some cases, intermediaries also provide other services, including risk analytics, processing, and clearing.

We aim to build and strengthen long-term relationships with global reinsurance brokers. Our management team has relationships with most primary and specialty broker intermediaries in the reinsurance marketplace. By maintaining close relationships with brokers, we believe that we will continue to obtain access to a broad range of reinsurance clients and opportunities.

We seek to strengthen our broker relationships and become the preferred choice of brokers and clients by providing, where applicable:

- demonstrated expertise in the underlying reinsured exposures and the operation of the contracts;
- rapid responses to risk submissions;
- timely claims payments;
- customized solutions that address the specific business needs of our clients;
- financial security; and
- a clear indication of risks we will and will not underwrite.

We focus on the quality and financial strength of any brokerage firm we conduct business with. Brokers do not have the authority to bind us to any reinsurance contract. Their commissions are generally determined based on a percentage of gross premiums written.

Gross premiums written by broker, shown individually where premiums by broker (including their subsidiaries and affiliates) were 10% or more of the total in any of the last three years, were as follows:

| | Year ended December 31 | | | | | | | | | | | |
|--|------------------------|---------|-------|---|------|---------|-------|---|------|---------|-------|---|
| | 2023 | | | | 2022 | | | | 2021 | | | |
| | (\$ in thousands) | | | | | | | | | | | |
| Guy Carpenter (Marsh) | \$ | 122,766 | 19.3 | % | \$ | 50,626 | 9.0 | % | \$ | 178,336 | 31.5 | % |
| Aon Benfield | | 91,642 | 14.4 | | | 159,421 | 28.3 | | | 139,044 | 24.6 | |
| Gallagher Re | | 57,731 | 9.1 | | | 91,239 | 16.2 | | | 27,596 | 4.9 | |
| BMS Group | | 20,277 | 3.2 | | | 51,435 | 9.1 | | | 63,958 | 11.3 | |
| Total of largest brokers | \$ | 292,416 | 45.9 | % | \$ | 352,721 | 62.6 | % | \$ | 408,934 | 72.3 | % |
| All other brokers, MGAs and direct placements | | 344,394 | 54.1 | | | 210,450 | 37.4 | | | 156,459 | 27.7 | |
| Total | \$ | 636,810 | 100.0 | % | \$ | 563,171 | 100.0 | % | \$ | 565,393 | 100.0 | % |

We frequently meet in the Cayman Islands, Ireland, U.K. and elsewhere with brokers and senior representatives of clients and prospective clients. We review and (when we deem appropriate) approve all contract submissions in the Cayman Islands or Ireland. Due to our dependence on brokers, the inability to obtain business from them could adversely affect our business strategy. See "Item 1A. Risk Factors — [Risks Related to Our Business](#) — **The loss of significant brokers could materially and adversely affect our business, financial condition and results of operations.**" We may assume a degree of the credit risk of our reinsurance brokers. See "Item 1A. Risk Factors — [Risks Related to Our Business](#) — **We are subject to the credit risk of our brokers, cedents, agents and other counterparties.**"

While most of our business is sourced through reinsurance brokers, we also write some insurance and reinsurance business on a direct basis. Our Innovations partnerships are a growing source of directly placed business. Our MGA partners are a key source of premium flow and a vital component of our Innovations strategy. We work closely with our MGA partners

who wish to attain Lloyd's coverholder status, which allows them to conduct business with our Syndicate 3456. We also use MGAs to transact business on other classes of business within the constraints of prescribed underwriting guidelines.

Prior to January 1, 2023, our FAL business was generated through a Lloyd's corporate member, which we subsequently acquired effective January 1, 2023. FAL represented approximately 35%, 33%, and 26% of our gross premiums written for the years ended December 31, 2023, 2022, and 2021, respectively.

Underwriting and Risk Management

We have established an underwriting platform composed of experienced underwriters and actuaries. We have underwriting operations in three locations: the Cayman Islands, Dublin, Ireland, and London, U.K. These platforms provide access to key markets in the U.S., Europe, Middle East, and Asia. Our experienced team allows us to deploy our capital in various lines of business and capitalize on opportunities that we believe offer favorable returns on equity over the long term. Our underwriters and actuaries have expertise in multiple lines of business. We generally apply the following underwriting and risk management principles:

Economics of Results

Our primary underwriting goal is to build a (re)insurance portfolio that maximizes profitability, subject to risk and volatility constraints.

Underwriting Analysis

Our approach to underwriting analysis 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 specialize in business lines, and our quantitative professionals (pricing actuaries) 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 factors that will affect each transaction.

We assign a deal team composed of underwriting and quantitative professionals to evaluate each potential transaction's pricing and structure. Before committing capital to any transaction, the deal team and the regional Chief Underwriting Officer must obtain approval from at least one of, the group Chief Executive Officer, GRIL Chief Executive Officer, or Chief Risk Officer. In seeking this approval, the deal team presents the key components of the proposed transaction, including assumptions and threats, market and individual deal risk factors, market capacity dynamics, transaction structure and pricing, maximum downside, and other factors.

We collaborate with our current and prospective clients and brokers to understand the risks associated with each potential transaction. For most of our business, we follow terms set by recognized market leads. We consider the remainder of our underwriting portfolio, including contracts linked to our Innovations partners or in areas where we have significant market expertise, to be "lead business." When underwriting lead business, we generally structure the reinsurance agreements to ensure that our cedents' interests and ours are aligned. Where appropriate, we conduct or contract for on-site audits or reviews of the clients' underwriting files, systems, and operations. We usually obtain substantial data from our clients to conduct a thorough actuarial modeling analysis. As part of our pricing and underwriting process, we assess, among other factors:

- the client's and industry's historical loss data;
- the expected duration for claims to fully develop;
- the client's pricing and underwriting strategies;
- the geographic areas in which the client is doing business and its market share;
- the reputation and financial strength of the client and its management and underwriting teams;
- the reputation and expertise of the broker; and
- reports provided by independent industry specialists.

We develop proprietary quantitative models and use several commercially available tools to price our business. Our models consider conventional underwriting and risk metrics and incorporate various class-specific and market-specific aspects from our line-of-business analyses. We use models to evaluate the quantitative work's quality and predictive power and undertake a detailed assessment of the data quality.

Underwriting Authorities

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

Refer to "Part II, Item 5. Management's Discussion and Analysis of Financial Condition and Results of Operations - [Financial Condition](#)" for a summary of our catastrophe loss exposure in terms of our probable maximum loss ("PML"), net of retrocession and reinstatement premiums, as at January 1, 2024.

Retrocessional Coverage

We opportunistically purchase retrocessional coverage for one or more of the following reasons: to manage our overall catastrophe events or aggregate exposure, reduce our net liability on individual risks, obtain additional underwriting capacity, and balance our underwriting portfolio.

The retrocessional coverage we purchase varies based on numerous factors, including the inherent volatility and risk accumulation of our underwriting portfolio and capital base. Our portfolio, and by extension our gross risk position, will change in size from year to year depending on market opportunities, so it is difficult to predict the level of retrocessional coverage that we will purchase in any future year.

We generally purchase uncollateralized retrocessional coverage from reinsurers with a minimum financial strength rating of "A- (Excellent)" from A.M. Best Company, Inc. ("A.M. Best") or an equivalent rating from a recognized rating service. For lower-rated or non-rated reinsurers, we endeavor to obtain and monitor collateral in the form of cash, funds withheld, letters of credit, regulatory trusts, or other collateral in the form of guarantees. At December 31, 2023, the aggregate amount due from reinsurers from retrocessional coverages represented 3.9% (2022: 2.4%) of our gross loss reserves. For further details, please see *Note 8 "Retrocession"* to the consolidated financial statements.

Claims Management

Our claims management process begins upon receiving claims notifications from our clients or third-party administrators. We review reserving and settlement authority under the individual contract requirements and, as necessary, discuss with the contract's underwriter. Our in-house claims team oversees claims reviews and approves all claim settlements. Claims above the claims officer's authority are referred to the General Counsel, Chief Financial Officer, Chief Executive Officer, or Chief Risk Officer together with the claims officer's recommendations, for secondary approval. We believe that this process ensures that we pay claims in accordance with each contract's terms and conditions.

Where appropriate, we conduct or contract for on-site claims audits at cedents and third-party administrators, particularly for large accounts, Innovations partners, and those whose performance differs from our expectations. Through these audits, we evaluate and monitor the third-party administrators' and the ceding companies' organization and claims-handling practices. These practices include:

- fact-finding and investigation techniques;
- loss notifications;
- reserving;
- claims negotiation and settlement;
- adherence to claims-handling guidelines.

The results of these claim reserves are shared with the underwriters and actuaries to assist them in pricing products and establishing loss reserves.

We recognize that the fair interpretation of our reinsurance agreements and timely payment of covered claims are essential components of the service we provide to our clients.

Reserves

Our reserving philosophy is to set reserves at the level representing our best estimate of the amount we will ultimately be required to pay in connection with risks we have underwritten. Our actuarial staff performs quarterly reviews of our portfolio and provides reserving estimates according to our stated reserving philosophy. In doing so, our team groups our portfolio into reserving analysis segments based primarily on homogeneity considerations. Currently, this process involves analysis at the individual client or transaction level.

We engage an independent actuarial firm who reviews and provides opinions on these reserve estimates at least once a year. Due to the use of different assumptions and loss experience, the amount we establish as reserves with respect to individual risks, clients, transactions, or business lines may be greater or less than those set by our clients or ceding companies. Reserves include claims reported but not yet paid, claims incurred but not reported, and claims in the process of settlement. Additional underwriting liabilities include unearned premiums, premium deposits, and profit commissions earned but not yet paid.

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, future trends in claim severity and frequency, judicial theories of liability, and other factors, including inflation, interest rate changes, political risks and the actions of third parties, which are beyond our control.

Another significant component of reserving risk relates to the estimation of losses in the aftermath of a major catastrophe event. Accordingly, we believe the most significant accounting judgment made by management is our estimate of loss and loss adjustment expense reserves. For more information on our reserving process and methodology, refer to the "[Critical Accounting Policies and Estimates - Loss and Loss Adjustment Expense Reserves](#)" under "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

See Note 7 "[Loss and Loss Adjustment Expense Reserves](#)" of the consolidated financial statements for a reconciliation of claims reserves, loss development tables by accident year, and explanations of significant prior period loss development movements. For a discussion on risk factors relating to loss reserves, see "Item 1A. Risk Factors — [Risks Relating to Our Business](#) — *If our losses and LAE greatly exceed our loss reserves, our financial condition may be materially and adversely affected.*"

Collateral Arrangements and Letter of Credit Facilities

We are licensed and admitted as a reinsurer only in the Cayman Islands and the European Economic Area (the "EEA"). Many jurisdictions, including the United States, do not permit clients to take credit for reinsurance on their statutory financial statements if they obtain such reinsurance from unlicensed or non-admitted insurers without appropriate collateral. As a result, our U.S. clients and some non-U.S. clients require us to provide collateral for the contracts we bind with them. We provide collateral as funds withheld, trust arrangements, or letters of credit ("LOC"). For further information, see Note 9 - "[Debt and Credit Facilities](#)" of the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data".

Competition

The reinsurance industry is highly competitive. Competition is generally focused on available capacity, service, financial strength, and price. We compete with major global reinsurers, most of which are well-established and have significant operating histories, strong financial strength ratings, and long-standing client relationships. Competitors also provide protection in the form of catastrophe bonds, industry loss warranties, and other risk-linked products that are outside of the traditional reinsurance treaty market. This may lead to reduced pricing and/or reduced participation levels in certain reinsurance products.

Our competitors vary according to the individual market and situation. Generally, they include Arch Capital, AXIS, Everest Re, Hamilton Re, Hannover Re, RenaissanceRe, SiriusPoint, and smaller companies, other niche reinsurers, and Lloyd's syndicates and their related entities. Although we seek to provide coverage where capacity and alternatives are limited, we directly compete with these and other larger companies due to the breadth of their coverage across the property and casualty market in substantially all lines of business. See "Item 1A — Risk Factors — [Risks Relating to Our Business](#) — *Competitors with greater resources may make it difficult for us to effectively market our products or offer our products at a profit.*"

Ratings

On September 29, 2023, A.M. Best re-affirmed our "A- (Excellent)" rating with a stable outlook, the fourth highest of 13 ratings, for our two principal operating subsidiaries: GLRE and GRIL. We believe a strong rating is important to compete and market reinsurance products to clients and brokers. These ratings reflect the rating agency's opinion of our reinsurance subsidiaries' financial strength, operating performance, and ability to meet obligations. It is not an evaluation directed toward the investors' protection or a recommendation to buy, sell or hold our ordinary shares.

Additionally, A.M. Best assessed our Enterprise Risk Management ("ERM") practices as appropriate for the Company's business complexity and overall risk profile.

A.M. Best periodically reviews the financial positions of our operating subsidiaries and therefore our rating may be subsequently revised or revoked by the agency. The failure to maintain our current "A-" A.M. Best rating may significantly and negatively affect our ability to implement our business strategy. See "Item 1A. Risk Factors — [Risks Relating to Our Business](#) — **A downgrade or withdrawal of our A.M. Best ratings would materially and adversely affect our ability to implement our business strategy.**"

Further, by being part of the Lloyd's market, Syndicate 3456 benefits from the following four Lloyd's financial strength ratings: "A" (Excellent) from A.M. Best; AA- (Very Strong) from Fitch Ratings; AA- (Very Strong) from Kroll Bond Rating Agency; and AA- (Very Strong) from Standard & Poor's.

Regulations

Cayman Islands Insurance Regulation

The legislative framework for conducting insurance and reinsurance business in and from within the Cayman Islands is composed of The Insurance Act, 2010 (as amended) and underlying regulations thereto (the "Act"), which became effective in the Cayman Islands on November 1, 2012.

Greenlight Re holds a Class D insurer license issued in accordance with the terms of the Act and is subject to regulation and supervision by the Cayman Islands Monetary Authority ("CIMA").

As the holder of a Class D insurer license, Greenlight Re is permitted to carry on reinsurance business from the Cayman Islands but, except with the prior written approval of CIMA, may not carry on any insurance or reinsurance business where the underlying risk originates and resides in the Cayman Islands.

Greenlight Re is required to comply with the following principal requirements under the Act:

- to maintain capital and a margin of solvency in accordance with the capital and solvency requirements prescribed by the Act;
- to carry on its business in accordance with its business plan and the laws of the Cayman Islands, including the regulatory laws, regulations, rules, and statements of guidance, where applicable;
- to maintain adequate arrangements, including internal controls, for the management of risks and a system of governance as approved by CIMA;
- to maintain a minimum of at least two directors and to seek the prior approval of CIMA in respect of the appointment of directors and officers and to provide CIMA with information in connection therewith and notification of any changes thereto;
- to have a place of business in the Cayman Islands and to maintain such resources, including staff and facilities, books and records as CIMA considers appropriate, having regard for the nature and scale of the business of Greenlight Re;
- to submit to CIMA an annual return in the prescribed form together with:
 - financial statements prepared in accordance with internationally recognized accounting standards, audited by an independent auditor approved by CIMA;
 - an actuarial valuation of Greenlight Re's assets and liabilities, certified by an actuary approved by CIMA;
 - certification of solvency prepared by a person approved by CIMA in accordance with the prescribed requirements;
 - confirmation that the information contained in Greenlight Re's license application, as modified by any subsequent changes, remains correct and up to date;
 - such other information as may be prescribed by CIMA; and
- to pay an annual license fee.

It is the duty of CIMA:

- to maintain a general review of insurance practices in the Cayman Islands;
- to examine the affairs or business of any licensee or other person carrying on, or who has carried on, insurance business to ensure that the Act has been complied with and that the licensee is in a sound financial position and is carrying on its business in a fit and proper manner;
- to examine and report on the annual returns delivered to CIMA in terms of the Act; and
- to examine and make recommendations with respect to, among other things, proposals for the revocation of licenses and cases of suspected insolvency of licensed entities.

Greenlight Re is also required to comply with, amongst other standards, the Rule on Corporate Governance for Insurers, the Rule on Risk Management for Insurers, and the Rule on Investment Activities for Insurers and the associated Statement of Guidance. Respectively, these rules require regulated insurers to establish and maintain (a) a corporate governance framework that provides for the sound and prudent management and oversight of the insurer's business, including outsourcing and internal controls, and which adequately recognizes and protects the interests of its policyholders, and (b) a risk management framework that is capable of promptly identifying, measuring, assessing, reporting, monitoring and controlling all sources of risks that could have a material impact on its operations, and (c) implement investment activities that consider all of Greenlight Re's risks and solvency requirements.

The Act provides that where CIMA believes a licensee is committing, or is about to commit or pursue, an act that is an unsafe or unsound business practice, CIMA may direct the licensee to cease or refrain from committing the act or pursuing the offending course of conduct. Failure to comply with such a CIMA direction may be punishable on summary conviction by a fine of up to 100,000 Cayman Islands dollars (US\$120,000) or to imprisonment for a term of five years or to both, and on conviction on indictment to a fine of 500,000 Cayman Islands dollars (US\$600,000) or to imprisonment for a term of ten years or to both and to an additional 10,000 Cayman Islands dollars (US\$12,000) for every day after conviction that the breach continues.

The Monetary Authority Act ("MAA") also provides CIMA with the authority to impose administrative fines on licensees. The recent Monetary Authority (Administrative Fines) (Amendment) Regulations, 2020 (the "Amendment Regulations") came into force on 26 June 2020. They extended the scope of the fines CIMA may impose for breaches of a range of regulatory laws, including the Act. Breaches are categorized as minor, serious, or very serious, and, depending on the category of the breach, fines range from \$6,100 to \$1,220,000 per breach for very serious breaches. Where a breach is committed by a corporate entity and is shown to have been committed with the consent, connivance, knowledge, or neglect of an individual, that individual may also be subject to an administrative fine.

Whenever CIMA believes that a licensee is or may become unable to meet its obligations as they fall due, is carrying on business in a manner likely to be detrimental to the public interest or the interests of its creditors or policyholders, has contravened the terms of the Act or has otherwise behaved in such a manner to cause CIMA to call into question the licensee's fitness, CIMA may take one of several steps. The steps include requiring the licensee to rectify the matter, suspending the license of the licensee, revoking the license, imposing conditions upon the license and amending or revoking any such condition, requiring the substitution of any director, manager, or officer of the licensee, at the expense of the licensee, appointing a person to advise the licensee on the proper conduct of its affairs and to report to CIMA thereon, at the expense of the licensee, appointing a person to assume control of the licensee's affairs or otherwise requiring such action to be taken by the licensee as CIMA considers necessary. We have not been subject to any such actions from CIMA to date.

Other Regulations in the Cayman Islands

As Cayman Islands exempted companies, Greenlight Capital Re and Greenlight Re may not carry on business or trade locally in the Cayman Islands except in furtherance of their business outside the Cayman Islands and are prohibited from soliciting the public of the Cayman Islands to subscribe for any of their securities or debt. These companies are further required to file a return with the Registrar of Companies in January of each year ("Annual Return") and to pay an annual registration fee at that time. Additionally, these companies must comply with the "Anti-Money Laundering Regulations (2023 Revision)" in the Cayman Islands.

Economic substance law requiring a "relevant entity" conducting "relevant activity" to file notifications and, unless exempt, to report to the Tax Information Authority ("TIA") and maintain economic substance has been introduced in the Cayman Islands.

The International Tax Co-operation (Economic Substance) Act (2021 Revision) and International Tax Co-operation (Economic Substance) Regulations, 2020, were published on February 5, 2021, and August 11, 2020, respectively, and subsequently amended (together, the "ES Act"). The latest version of the Guidance on Economic Substance for Geographically Mobile Activities ("ES Guidance") was published in July 2022.

As of January 2020, Greenlight Capital Re and Greenlight Re must confirm their economic substance classification on an annual basis and submit this classification to the TIA as a prerequisite to the Annual Return filing.

The Cayman Islands has no exchange controls restricting dealings in currencies or securities.

Cayman Islands Status with the European Union ("EU") and Financial Action Task Force ("FATF") Compliance

In February 2021, the Cayman Islands was added to the FATF's "grey list", a list of jurisdictions under increased monitoring to address strategic deficiencies in their Anti-Money Laundering ("AML") / Counter Terrorist Financing regimes, after the FATF identified deficiencies in three main areas. In January 2022 the Cayman Islands was subsequently added to the EU's list of jurisdictions with strategic deficiencies in their Anti-Money Laundering / Counter Terrorist Financing regimes (commonly known as the "EU AML List"), with the FATF recommended actions being cited by the EU Commission at the time as the justification for adding the Cayman Islands to the EU AML List.

On May 17, 2022, the EU confirmed that it would not require any further measures to be taken in order for the Cayman Islands to be removed from the EU AML List once the jurisdiction has addressed the remaining FATF action items. On June 23, 2023, the FATF advised that the Cayman Islands had fulfilled the remaining action items and was eligible for removal from the EU AML List. Following an on-site FATF visit in October 2023, it was announced at the FATF Plenary on October 27, 2023 that the Cayman Islands has been delisted from the FATF grey list. As a result, the Cayman Islands was subsequently removed from the EU AML List on February 7, 2024.

Ireland Insurance Regulations

Our Irish subsidiary, GRIL, is authorized as a non-life reinsurance undertaking by the Central Bank of Ireland "CBI" in accordance with the European Union (Insurance and Reinsurance) Regulations 2015 (the "Irish Regulations"). The Irish Regulations give effect in Ireland to EU Directive 2009/138/EC (known as "Solvency II"), which introduced a new European regulatory regime for insurers and reinsurers with effect from January 1, 2016. Solvency II is supplemented by the European Commission Delegated Regulation (EU) 2015/35, other European Commission "delegated acts" and binding technical standards, and guidelines issued by the European Insurance and Occupational Pensions Authority ("Delegated Acts and Guidelines"). GRIL is required to comply at all times with the Irish Regulations, the Irish Insurance Acts 1909 to 2018, regulations relating to insurance business or reinsurance business promulgated under the European Communities Act 1972, the Irish Central Bank Acts 1942 to 2018 as amended, regulations promulgated thereunder and directions, guidelines and codes of

conduct issued by the CBI (collectively the "Irish Insurance Acts and Regulations"). In addition, GRIL is required to comply with the Delegated Acts and Guidelines and must meet risk-based solvency requirements imposed under Solvency II on insurers and reinsurers across all member states, including Ireland. Solvency II and the Delegated Acts and Guidelines set out classification and eligibility requirements, including the characteristics that capital, including any capital contribution, must display to qualify as regulatory capital.

GRIL is also required to comply with the European Union (Insurance Distribution) Regulations 2018 (the "2018 Regulations"), which apply to distributors of insurance and reinsurance products (including insurers and reinsurers). The 2018 Regulations give effect in Ireland to Directive (EU) 2016/97 (known as the "IDD") and strengthen the regulatory regime applicable to distribution activities through increased transparency, information, and conduct requirements. On May 25, 2018, the General Data Protection Regulation (the "GDPR") came into force across the EU. The GDPR significantly increases organizations' obligations and responsibilities in collecting, using, storing, and protecting personal data. Organizations in breach of the GDPR may incur sizable financial penalties up to, the higher of €20 million or 4% of annual global turnover.

UK Regulations

Lloyd's Oversight

Syndicate 3456 is subject to oversight by Lloyd's, substantially effected through the Lloyd's Council. Our business plan for Syndicate 3456, including maximum underwriting capacity, requires annual approval by Lloyd's. Lloyd's may require changes to any business plan presented to it or additional capital to be provided to support the underwriting plan. We have deposited certain assets with Lloyd's to support GCM's underwriting business at Lloyd's.

By entering into a membership agreement with Lloyd's, GCM has undertaken to comply with all Lloyd's by-laws and regulations as well as the provisions of the Lloyd's Acts and the Financial Services and Markets Act 2000, as amended by the Financial Services Act 2012 and the Financial Services and Markets Act 2023. This arrangement subjects us to the following:

- *Capital Requirements.* The underwriting capacity of a member of Lloyd's must be supported by providing a deposit, referred to as FAL, in an amount determined on the basis of such entity's solvency and capital requirements. The amount of such deposit is calculated for each member through the completion of an annual capital adequacy exercise. In addition, if the FAL are not sufficient to cover all losses, the Lloyd's Central Fund provides an additional level of security for policyholders. Dividends from a Lloyd's managing agent and a Lloyd's corporate member can be declared and paid provided the relevant company has sufficient profits available for distribution.
- *Ratings.* The financial security of the Lloyd's market as a whole is regularly assessed by four independent rating agencies (A.M. Best, S&P, Kroll Bond and Fitch). Syndicates at Lloyd's take their financial security rating from the rating of the Lloyd's market. A satisfactory credit rating issued by an accredited rating agency is necessary for Lloyd's syndicates to be able to trade in certain classes of business at current levels.
- *Intervention Powers.* The Lloyd's Council has wide discretionary powers to regulate members' underwriting at Lloyd's, including, the power to withdraw a member's permission to underwrite business or to underwrite a particular class of business and to change the basis on which syndicate expenses are allocated.
- *Assessments.* If Lloyd's determines that the Central Fund needs to be increased, it has the power to assess premium levies on current Lloyd's members up to 5% of a member's underwriting capacity in any one year.

Prudential Regulation Authority ("PRA") and Financial Conduct Authority ("FCA") Regulation .

The PRA is part of the Bank of England and responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers, and major investment firms authorized in the UK. The FCA has responsibility for market conduct regulation. Lloyd's as a whole is authorized by the PRA and regulated by both the FCA and the PRA, which both have substantial powers of intervention in relation to regulated firms. Lloyd's is required to implement certain rules prescribed by the PRA and the FCA. If it appears to either the PRA or the FCA that either Lloyd's is not fulfilling its delegated regulatory responsibilities or that managing agents are not complying with the applicable regulatory rules and guidance, the PRA or the FCA may intervene at their discretion. To minimize duplication, both regulators have arrangements with Lloyd's for co-operation on supervision and enforcement.

Lloyd's is subject to an annual PRA solvency test which measures whether Lloyd's has sufficient assets in the aggregate to meet all outstanding liabilities of its members, both current and run-off. If Lloyd's fails this test, the PRA may require the entire Lloyd's market to cease underwriting or individual Lloyd's members may be required to cease or reduce their underwriting.

Investments

At December 31, 2023, our total investments were \$332.2 million, of which 77.9% (2022 - 71.7%) was invested in SILP and 22.1% (2022 - 28.3%) in Innovation-related investments.

Investment in SILP

Our investment portfolio is managed by DME Advisors, LP ("DME Advisors"), a value-oriented investment advisor that analyzes companies' available financial data, business strategies, and prospects to identify undervalued and overvalued securities. DME Advisors is a related party as it is controlled by David Einhorn, the Chairman of our Board of Directors and the President of Greenlight Capital, Inc. Refer to Note 15 "[Related Party Transactions](#)" of the consolidated financial statements.

Effective September 1, 2018, we have entered into an amended and restated exempted limited partnership agreement of SILP (the "SILP LPA"), as amended from time to time, with DME Advisors II, LLC ("DME II"), as General Partner, Greenlight Re, GRIL and the initial limited partner (each, a "Partner"). Effective January 1, 2023, we increased the maximum Investment Portfolio, as defined in the SILP LPA, to 60% from 50% of GLRE Surplus, as defined in the SILP LPA. We present our investment in SILP under the caption "Investment in related party investment fund" in our consolidated balance sheets.

On September 1, 2018, SILP entered into an investment advisory agreement (the "IAA") with DME Advisors, with an initial term ending on August 31, 2023, subject to automatic extensions for successive three-year terms. DME Advisors has the contractual right to manage substantially all of our investable assets and is required to follow our investment guidelines and act in a fair and equitable manner in allocating investment opportunities to SILP. However, DME Advisors is not otherwise restricted with respect to the nature or timing of making investments for SILP.

DME Advisors receives a monthly management fee at an annual rate of 1.5% of each limited partner's Investment Portfolio, as provided in the SILP LPA. DME II receives a performance allocation based on the positive performance change of each limited partner's capital account equal to 20% of net profits calculated per annum, subject to a loss carryforward provision.

The loss carryforward provision allows DME II to earn a reduced performance allocation of 10% on net profits in any year after the year in which a limited partner's capital account incurs a loss until the limited partner has recouped all losses and has earned an additional amount equal to 150% of the loss. DME II is not entitled to a performance allocation in a year in which a capital account incurs a loss. At December 31, 2023, we estimate the reduced performance allocation of 10% to continue to be applied until SILP achieves additional investment returns of 113.7%, at which point the performance allocation will revert to 20%.

DME Advisors is required to follow our investment guidelines and act in a manner that it considers fair and equitable in allocating investment opportunities to us and SILP. However, the IAA does not otherwise impose any specific obligations or requirements concerning the allocation of time, effort, or investment opportunities to us and SILP or any restrictions on the nature or timing of investments for our or SILP's account or other accounts that DME Advisors or its affiliates may manage. DME Advisors can outsource to sub-advisors without our consent or approval. If DME Advisors and any of its affiliates attempt to invest in the same opportunity simultaneously, DME Advisors and its affiliates may allocate the opportunity as they determine reasonably. Affiliates of DME Advisors presently serve as the general partner or the investment advisor of Greenlight Capital LP, Greenlight Capital Offshore, Ltd., GCOI Intermediate, LP, Greenlight Capital Offshore Master, Ltd., Greenlight Masters, LP, Greenlight Masters Qualified, LP, Greenlight Masters Offshore, Ltd., Greenlight Masters Offshore I, Ltd., Greenlight Masters Offshore Partners, Greenlight Masters Partners and several separately managed accounts (collectively, the "Greenlight Funds").

We have agreed to use commercially reasonable efforts to cause all our current and future subsidiaries to enter into the SILP LPA. Under the SILP LPA, we are contractually obligated to use commercially reasonable efforts to cause substantially all investable assets of Greenlight Re and GRIL, with limited exceptions, to be contributed to SILP.

We have agreed to release DME II and DME Advisors and their affiliates from any liability arising out of the IAA or the SILP LPA, subject to certain exceptions. Furthermore, DME II has agreed to indemnify us against any liability incurred in connection with certain actions.

Under the SILP LPA, either GLRE Limited Partner may voluntarily withdraw all or part of its capital account for its operating needs by giving DME II at least three business days' notice. Either of the GLRE Limited Partners may withdraw as a partner and fully withdraw all of its capital account from SILP on three business days' notice if the limited partner's board declares that a cause for withdrawal exists as per the SILP LPA.

Investment Strategy

DME Advisors implements a value-oriented investment strategy by taking long positions in perceived undervalued securities and short positions in perceived overvalued securities. DME Advisors aims to achieve high absolute returns while minimizing the risk of capital loss. DME Advisors attempts to determine the risk/return characteristics of potential investments by analyzing factors such as the risk that expected cash flows would not be achieved, the volatility of the cash flows, the leverage of the underlying business, and the security's liquidity, among others.

Our Board of Directors reviews our investment portfolio activities and oversees our investment guidelines to meet our investment objectives. These investment guidelines, which may be amended, modified, or waived from time to time, take into account restrictions imposed on us by regulators, our liability mix, requirements to maintain an appropriate claims-paying rating by ratings agencies and requirements of lenders. We believe our investment approach, while generating returns less predictable than those of traditional fixed-income portfolios, complements our reinsurance business and will achieve higher rates of return over the long term than reinsurance companies that invest predominantly in fixed-income securities. We have designed our investment guidelines to maintain adequate liquidity to fund our reinsurance operations.

DME Advisors is contractually obligated to adhere to our investment guidelines and make investment decisions on our behalf. These decisions may include buying publicly listed equity securities and corporate debt, selling securities short, and investing in private placements, futures, currencies, commodities, credit default swaps, interest rate swaps, sovereign debt, derivatives, and other instruments.

Investment returns for SILP

In accordance with the SILP LPA, DME Advisors constructs a levered investment portfolio as agreed with the Company (the "Investment Portfolio" as defined in the SILP LPA). Investment returns, net of all fees and expenses, by quarter for the last five years are as follows: ⁽¹⁾

| Quarter | 2023 | 2022 | 2021 | 2020 | 2019 |
|-----------|--------|--------|-------|--------|-------|
| 1st | (1.1)% | 1.7 % | 1.5 % | (8.1)% | 6.2% |
| 2nd | 10.9 | 4.9 | (0.9) | 0.3 | 2.7 |
| 3rd | (0.6) | 3.6 | (2.7) | 1.4 | 1.2 |
| 4th | 0.3 | 13.4 | 9.9 | 8.4 | (1.0) |
| Full Year | 9.4 % | 25.3 % | 7.5 % | 1.4 % | 9.3 % |

⁽¹⁾ Investment returns are calculated monthly and compounded to calculate the quarterly and annual returns generated by our Investment Portfolio. Past performance is not necessarily indicative of future results. The monthly investment return is calculated by dividing the investment income/loss (net of fees and expenses) by the Investment Portfolio. Effective January 1, 2021, the Investment Portfolio is calculated on the basis of 50% of GLRE Surplus, or the shareholders' equity of Greenlight Capital Re, Ltd., as reported in Greenlight Capital Re, Ltd.'s then most recent quarterly financial statements prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). It is adjusted monthly for our net profits and net losses as reported by SILP during any intervening period. This basis was increased to 60% effective January 1, 2023. Prior to January 1, 2021, the Investment Portfolio was calculated on the basis of several factors, including the Companies' shares of SILP's net asset value, collateral posted by the Companies, and the Companies' net reserves.

Innovation-related Investments

As previously noted, we make strategic investments in promising private insurtech companies, subject to investment guidelines as approved by our Board of Directors, in addition to providing reinsurance capacity on a case by case basis. These private investments consist primarily of unlisted equities (mostly preferred shares) and debt instruments. See Item 1A. Risk Factors - [Risks Relating to Our Innovations Strategy](#) - **Investments in privately held early-stage companies involve significant risks.** "

For further information about our total investments and investment income, refer to "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - [Financial Condition](#)" and "Note 3 - [Investments in Related Party Investments Fund](#)" and Note 4 - [Other Investments](#)" of the consolidated financial statements.

Enterprise Risk Management

Enterprise risk management ("ERM") is at the core of our corporate culture and is a shared responsibility across all business functions. Our ERM processes are in place to accurately identify, assess, manage, and monitor risks in line with our strategic objectives and risk appetite.

We maintain an Executive Risk Committee (ERC) which oversees the ERM function and is responsible for the design and review of risk management framework (RMF). The ERC is chaired by the Chief Risk Officer (CRO), with the Chief Executive Officer (CEO), Chief Financial Officer (CFO), GRIL Chief Executive Officer Ireland, and Chief Actuary as members. The Board of Directors approves the RMF on an annual basis or as appropriate.

The RMF sets out the risk management roles and responsibilities for all stakeholders across the organization, and sets the quantitative and qualitative metrics of our risk appetite, risk monitoring, and risk mitigation measures. The CRO collates risk metrics from risk owners on at least a quarterly basis and presents a risk grid to the ERC and the Audit Committee of the Board of Directors.

One of the key objectives of our ERM function is to ensure that our underwriting efforts comply with explicitly stated underwriting appetite. We establish limits to balance our risk position size with our expertise while containing the cost of incorrectly assessing risks and rewards. We believe that an informed, disciplined risk selection approach ties directly into our business strategy. To achieve this, we encourage a collaborative, open work environment and group decision making. We closely monitor our accumulations of exposure and frequently review our investment and underwriting portfolios to assess the impact on capital under stressed scenarios. With the assistance of DME Advisors, we analyze our investment assets and liabilities, including the numerous risk components in our portfolio, such as concentration and liquidity risks.

We strive to encourage a culture of operational risk management, providing training and resources to all staff, maintaining robust business continuity protocols, and establishing HR practices to motivate and retain talent. We maintain and closely monitor our outsourcing, regulatory, and anti-money laundering policies and procedures. We recognize the impact of environmental, social, and governance (ESG) risks across the organization and have formed the Sustainability Management Committee to address these, working closely with members of the ERC.

Information Technology ("IT")

We employ a cloud-centric IT strategy, which allow us to scale our infrastructure dynamically based on demand. The strategy prioritizes the use of cloud services for hosting applications, data storage, and other IT resources. With the use of cloud-based services, our security and systems reliability have proven cost-effective and have provided the required levels of service and redundancy.

We have implemented backup procedures to ensure that key services are saved daily and can be restored as needed.

We have a disaster recovery plan for our IT infrastructure that includes data and system snapshots with restore points. We conduct regular disaster recovery testing, and can access our core systems with minor outages and restore our primary systems within our mean time to restore (MTTR).

We protect our information systems with physical, electronic, and software safeguards considered appropriate by our management. We employ a specialist vendor to continuously monitor our systems for security events and risks within our network. We regularly provide security risk awareness education and training to our staff and to the Board of Directors. Despite these efforts, computer viruses, hackers, employee misuse or misconduct, and other internal or external hazards could expose our data systems to security breaches, cyber-attacks, or other disruptions. Refer to "Item 1C. [Cybersecurity](#)" for more information on our cybersecurity risk management.

See "Part I, Item 1A. Risk Factors — [Risks Related to Our Business](#). — *Modeling risks are inherent in our business.*" and "— *Technology breaches or failures, including those resulting from a malicious ransomware or cyber-attack on us or our business partners and service providers, could disrupt or otherwise negatively impact our business.*"

Human Capital Management

Human Capital Resources Oversight

Our employees are our most valuable asset and are core to our success. We are focused on building a performance and results-driven culture, which strives to get the best out of all employees and to help them to maximize their full potential. We believe in fostering an open and collaborative culture that encourages employees to take ownership of their performance and development. Our executive management team is committed to creating an environment where every employee can succeed. The Compensation Committee of our Board of Directors is actively engaged in the oversight of our employees, work environment, and compensation practices and receives regular updates from management on progress and developments.

Diversity, Equity, and Inclusion ("DEI") Initiatives

DEI is core to our culture and business. We believe an inclusive and diverse workforce contributes different perspectives that enable us to continue to succeed. We strive to create an environment of inclusion that is grounded in the strength and diversity of our employees. As of December 31, 2023, 43% of our total global employees were female. In January 2024, we conducted a survey completed by 80% of our employees, with approximately 39% of employees identifying as racially or ethnically diverse.

Employees

At March 1, 2024, we had 64 total employees worldwide, 36 of whom were based in Grand Cayman, Cayman Islands, 16 in Dublin, Ireland, and 12 in London, United Kingdom. From time to time, we also engage consultants and contract with third parties, as needed, to provide additional resources to support our business activities.

Talent Development

We recognize that our strength lies in our people and therefore we strive to hire talented people and invest significantly in our employees' professional development and personal growth. We have implemented an employee training and development policy to encourage our employees to take advantage of training and development opportunities.

We also invest in the professional growth of our leaders through customized executive coaching to build advanced skills and capabilities.

Compensation Practices

We have designed our performance-driven compensation policy to attract, motivate, reward and retain the best people. We use short-term compensation composed of base salary and annual cash bonuses and long-term compensation composed of stock options, restricted share units, and restricted shares, as applicable, to align our employees' and executive officers' interests with those of our shareholders. In addition, from time to time and under certain circumstances, we award sign-on bonuses, retention bonuses, and other bonus opportunities. We also offer welfare benefits and other perquisites, including a defined contribution pension plan and medical insurance coverage for our employees. As part of our commitment to supporting our employees, we match any contributions made by our employees to charities and not-for-profit organizations.

We believe our employees are fairly compensated without regard to gender, race, and ethnicity.

Work Environment

We are committed to the health, safety and wellness of our workforce, including maintaining a workplace free from discrimination and harassment. Each of our employees annually acknowledges complying with our Code of Business Conduct and Ethics, which provides employees with access to an anonymous whistleblower hotline to report any violations. Our Code of Business Conduct and Ethics is available on our website.

Additional Information

Our website address is www.greenlightre.com, and we make available, free of charge, on or through our website, links to our Annual Reports, quarterly reports on Form 10-Q, current reports on Form 8-K, and other documents we file with or furnish to the SEC, as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. Information contained on our website is not incorporated by reference into this Annual Report.

Glossary of Selected Reinsurance Terms

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| Accident & Health insurance | Insurance against loss by illness or bodily injury. Health insurance provides coverage for medicine, visits to the doctor or emergency room, hospital stays, and other medical expenses. |
| Acquisition costs | Ceding commissions, profit commissions, brokerage fees, premium taxes, and other direct expenses relating directly to premium production. |
| Acquisition cost ratio | The acquisition cost ratio is calculated by dividing net acquisition costs by net premiums earned. |
| Actuary | A person professionally trained in the mathematical and technical aspects of insurance and related fields, particularly in calculating premiums, loss reserves, and other values. |
| Broker | An intermediary who negotiates contracts of insurance or reinsurance, receiving a commission for placement and other services rendered, between (1) a policyholder and a primary insurer, on behalf of the policyholder, (2) a primary insurer and a reinsurer, on behalf of the primary insurer, or (3) a reinsurer and a retrocessionaire, on behalf of the reinsurer. |
| Capacity | Capacity is the percentage of surplus that an insurer or reinsurer is willing or able to place at risk or the dollar amount of exposure it is willing to assume. Capacity may apply to a single risk, a program, a business line, or an entire book of business. Capacity may be constrained by legal restrictions, corporate restrictions, or indirect financial restrictions such as capital adequacy requirements. |
| Casualty reinsurance | Casualty reinsurance is primarily concerned with the losses caused by injuries to third persons (persons other than the policyholder) and the legal liability imposed on the policyholder resulting therefrom. Casualty reinsurance includes but is not limited to workers' compensation, automobile liability, and general liability. A greater degree of unpredictability is generally associated with casualty risks known as "long-tail risks," where losses take time to become known, and a claim may be separated from the circumstances that caused it by several years. An example of a long-tail casualty risk includes the use of certain drugs that may cause cancer or birth defects. There tends to be a greater delay in the reporting and settlement of casualty reinsurance claims due to the long-tail nature of the underlying casualty risks and their greater potential for litigation. |
| Catastrophe | A severe loss, typically involving multiple claimants. Common perils include earthquakes, hurricanes, tsunamis, hailstorms, tornados, derechos, severe winter weather, floods, fires, explosions, volcanic eruptions, and other natural or human-made disasters. Catastrophe losses may also arise from acts of war, acts of terrorism, and geopolitical instability. |
| Cede; cedent | When a party reinsures its liability to another party, it "cedes" business to the reinsurer and is referred to as the "client." |
| Claim | Request by an insured or reinsured for indemnification by an insurance or reinsurance company for loss incurred from an insured peril or event. |
| Client | A party whose liability is reinsured by a reinsurer, also known as a cedent. |
| Combined ratio | The combined ratio is the sum of the loss ratio, acquisition cost ratio, and underwriting expense ratio. |
| Composite ratio | The composite ratio is the ratio of underwriting losses incurred, loss adjustment expenses, and acquisition costs, excluding underwriting-related general and administrative expenses, to net premiums earned, or equivalently, the sum of the loss ratio and acquisition cost ratio. |
| Corporate expenses | Corporate expenses include those costs associated with operating as a publicly listed entity and an allocation of other general and administrative expenses. |
| Delegated authority | A contractual arrangement between an insurer or reinsurer or an agent whereby the agent is authorized to bind insurance or reinsurance on behalf of the insurer or reinsurer. The authority is generally limited to a particular class or classes of business and a particular territory. The exercise of the authority to bind insurance or reinsurance is generally subject to underwriting guidelines and other restrictions such as maximum premium income. Under the delegated authority, the agent is responsible for issuing policy documentation, the collection of premium and may also be responsible for the settlement of claims. |
| Deposit assets and liabilities | Assets (or liabilities) representing the consideration paid (or received) in connection with contracts that do not incorporate sufficient risk transfer to merit reinsurance accounting. |

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| Development | The difference between the amount of reserves for losses and loss adjustment expenses initially estimated by an insurer or reinsurer and the amount re-estimated in an evaluation at a later date. |
| Excess of loss reinsurance | Reinsurance that indemnifies the reinsured against all or a specified portion of losses above a specified dollar or percentage loss ratio amount. |
| Financial strength rating | The opinion of rating agencies regarding an insurance or reinsurance company's financial ability to meet its financial obligations under its policies. |
| Funds at Lloyd's (FAL) | Funds of an approved form that are lodged and held in trust at Lloyd's as security for a member's underwriting activities. They comprise the member's deposit, personal reserve fund, and special reserve fund. They may be drawn down if the member's syndicate-level premium trust funds are insufficient to cover its liabilities. The amount of the deposit is related to the member's premium income limit and also the nature of the underwriting account. |
| Gross premiums written | Total premiums for assumed reinsurance during a given period. |
| Health insurance | Insurance against loss by illness or bodily injury. Health insurance covers medicine, visits to the doctor or emergency room, hospital stays, and other medical expenses. |
| Incurred but not reported (IBNR) | Reserves for estimated loss and loss adjustment expenses incurred by insureds and reinsureds but not yet reported to the insurer or reinsurer, including unknown future developments on loss and loss adjustment expenses known to the insurer or reinsurer. |
| Lloyd's | Depending on the context, this term may refer to - (a) the society of individual and corporate underwriting members that insure and reinsure risks as members of one or more syndicates. Lloyd's is not an insurance company; (b) the underwriting room in the Lloyd's Building in which managing agents underwrite insurance and reinsurance on behalf of their syndicate members. In this sense, Lloyd's should be understood as a marketplace; or (c) the Corporation of Lloyd's, which regulates and provides support services to the Lloyd's market. |
| Loss adjustment expenses (LAE) | The expenses of settling claims, including legal and other fees, and the portion of general expenses allocated to claim settlement costs. Also known as claim adjustment expenses. |
| Loss ratio | The loss ratio is calculated by dividing net loss and loss adjustment expenses incurred by net premiums earned. |
| Loss reserves and loss adjustment expense reserves | Liabilities established by insurers and reinsurers to reflect the estimated cost of claims payments and the related expenses that the insurer or reinsurer will ultimately be required to pay in respect of insurance or reinsurance contracts it has written. Reserves are established for losses and loss adjustment expenses and consist of reserves established for individual reported claims and incurred but not reported losses. |
| Multi-line | Contracts that cover more than one line of business. |
| Net financial impact | The net impact of prior period loss development after taking into account net losses and loss expenses incurred, earned reinstatement premiums assumed and ceded, and adjustments to assumed and ceded acquisition costs and profit commissions. |
| Net premiums written | An insurer's gross premiums written, less premiums ceded to reinsurers. |
| Non-admitted insurers | An insurer not licensed to do business in the jurisdiction in question. Also known as an unauthorized insurer and unlicensed insurer. |
| Premiums; written, earned, and unearned | Premiums represent the cost of insurance paid by the cedent or insured to the insurer or reinsurer. Written represents the total amount of premiums received, and earned represents the amount recognized as income over a period of time. Unearned is the difference between written and earned premiums. |
| Probable maximum loss (PML) | PML is the anticipated loss, taking into account contract terms and limits, caused by a natural catastrophe affecting a broad geographic area, such as that caused by an earthquake or hurricane. |
| Professional liability insurance | Professional liability insurance protects a company and its representatives against legal claims arising from error or misconduct in providing or failing to provide professional services. This coverage includes errors and omissions policies, directors and officers coverage, and specialty coverage like employment practices liability insurance. |
| Profit commission | A commission paid by a reinsurer to a ceding insurer based on a predetermined percentage of the profit realized by the reinsurer on the ceded business. |

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| Property insurance | Property insurance covers a business's building and its contents—money and securities, records, inventory, furniture, machinery, supplies, and even intangible assets such as trademarks—when damage, theft, or loss occurs. |
| Property catastrophe reinsurance | Property catastrophe reinsurance contracts are typically “all risk” in nature, protecting against losses from natural and human-made catastrophes. Losses on these contracts typically stem from direct property damage and business interruption. |
| Proportional reinsurance | All forms of reinsurance in which the reinsurer shares a proportional part of the original premiums and losses of the reinsured. In proportional reinsurance, the reinsurer generally pays the client a ceding commission. The ceding commission is generally based on the client's cost of acquiring the business being reinsured (including commissions, premium taxes, assessments, and miscellaneous administrative expenses) and may include a profit component. Frequently referred to as quota-share reinsurance. |
| Quota-share reinsurance | A form of proportional reinsurance in which the reinsurer assumes an agreed percentage of each underlying insurance contract being reinsured. |
| Reinstatement premium | Premium charged for the reinstatement of the amount of reinsurance coverage to its full amount otherwise reduced as a result of a reinsurance loss payment. |
| Reinsurance | An arrangement in which a reinsurer agrees to indemnify an insurance company, the client, against all or a portion of the insurance risks underwritten by the client under one or more policies. Reinsurance can provide a client with several benefits, including reducing net liability on individual risks and catastrophe protection from large or multiple losses. Reinsurance also provides a client with additional underwriting capacity by permitting it to accept larger risks and write more business than would be possible without a related increase in capital and surplus, and facilitates the maintenance of acceptable financial ratios by the client. Reinsurance does not legally discharge the client from its liability with respect to its obligations to the insured. |
| Reinsurer | An insurance company that assumes part of the risk in exchange for part of the premium to a primary insurer. |
| Retrocession; retrocessional coverage | A transaction whereby a reinsurer cedes to another reinsurer, commonly referred to as the retrocessionaire, all or part of the reinsurance that the first reinsurer has assumed. Retrocessional reinsurance does not legally discharge the ceding reinsurer from its liability with respect to its obligations to the reinsured. |
| Risks | A term used to denote the physical units of property at risk or the object of insurance protection that are not perils or hazards. Also defined as chance of loss or uncertainty of loss. |
| Risk-free rate | The interest rate on a riskless or safe asset, usually taken to be a short-term U.S. government security. |
| Risk transfer | The shifting of all or a part of a risk to another party. |
| Severity business | Insurance/reinsurance characterized by contracts containing the potential for significant losses emanating from one event. |
| Surety and fidelity insurance | Surety and fidelity insurance includes (1) insurance guaranteeing the fidelity of persons holding positions of public or private trust; (2) insurance guaranteeing the performance of contracts other than insurance policies and guaranteeing and executing bonds, undertakings, and contracts of suretyship; and (3) insurance indemnifying banks, bankers, brokers, financial or moneyed corporations or associations against loss. |
| System and Organizational Controls (SOC) 2 Type II Report (“SOC 2 Report”) | It is a reporting framework developed by the American Institute of Certified Public Accountants (“AICPA”) for independent audits of controls over information and systems relevant to security, availability, processing integrity, confidentiality, and privacy. |
| Syndicate | A member or group of members underwriting (re)insurance business at Lloyd's through the agency of a managing agent or substitute agent to which a syndicate number is assigned. |
| Treaty | A reinsurance agreement covering a book or class of business that is automatically accepted on a bulk basis by a reinsurer. A treaty contains common contract terms along with a specific risk definition, data on limit and retention, and provisions for premium and duration. |
| Underwriter | An insurance or reinsurance company employee who examines, accepts, or rejects risks and classifies risks to charge an appropriate premium for each accepted risk. |

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| Underwriting | The process of evaluating, defining, and pricing reinsurance risks including, where appropriate, the rejection of such risks, and the acceptance of the obligation to pay the reinsured under the terms of the contract. |
| Underwriting expense | Underwriting expenses include those expenses directly related to underwriting activities that are not eligible to be capitalized and an allocation of other general and administrative expenses. |
| Underwriting expense ratio | The underwriting expense ratio includes those expenses directly related to underwriting activities and an allocation of other general and administrative expenses. Therefore, the underwriting expense ratio is the ratio of underwriting expenses to net premiums earned. The underwriting expense ratio also incorporates interest income and expenses from deposit-accounted contracts. |
| Workers' compensation insurance | Workers' compensation insurance provides medical, disability, and lost-wage benefits to employees for injuries and illness sustained in the course of their employment. |

ITEM 1A. RISK FACTORS

The following risk factors could result in a significant or material adverse effect on our results of operations or financial condition.

Risks Relating to Our Business

Our results of operations fluctuate from period to period and may not be indicative of our long-term prospects.

Our results of operations fluctuate from period to period due to a variety of factors, including:

- our assessment of the quality of available reinsurance and renewal opportunities;
- loss experience on our reinsurance contracts;
- reinsurance contract pricing;
- the volume and mix of reinsurance products we underwrite; and
- our ability to assess and integrate our risk management strategy.

In addition, our SILP investment strategy and Innovations investments are likely to be more volatile than traditional fixed-income portfolios composed primarily of investment-grade bonds. See " — [Risks Relating to Our SILP Investment Strategy](#)" and "— [Risks Relating to Our Innovations Strategy](#)." Accordingly, our short-term results of operations may not be indicative of our long-term prospects.

A downgrade or withdrawal of our A.M. Best ratings would materially and adversely affect our ability to implement our business strategy.

If A.M. Best downgrades or withdraws either of our ratings, we could be severely limited or prevented from writing any new reinsurance contracts, which would materially and adversely affect our ability to implement our business strategy. Additionally, if A.M. Best downgrades or withdraws our ratings, we cannot provide assurance that our regulators, CIMA and the Central Bank of Ireland, would continue to authorize our current business strategy and investment strategy. See "—[Risks Relating to Insurance and Other Regulations](#) – Any suspension or revocation of our reinsurance licenses would materially and adversely impact our ability to do business and implement our business strategy ."

Greenlight Re's A.M. Best rating of "A- (Excellent)" with a stable outlook is the fourth highest of 13 ratings that A.M. Best issues. A.M. Best periodically reviews our ratings and may revise one or more of our ratings downward or revoke them at its sole discretion based primarily on its analysis of our balance sheet strength, operating performance, and business profile. Potential developments that may affect such an analysis include:

- if A.M. Best alters its capital adequacy assessment methodology in a manner that would adversely affect the rating of our reinsurance entities;
- if A.M. Best alters its approach regarding our SILP investment strategy or our Innovations investments;
- if our actual losses significantly exceed our loss reserves;
- if unfavorable financial or market trends impact us;
- if we change our business practices from our organizational business plan in a manner that no longer supports our A.M. Best ratings;
- if we are unable to retain our senior management and other key personnel or implement succession plans; or
- if our investments incur significant losses.

Substantially all of our assumed reinsurance contracts contain provisions that permit our clients to cancel the contract or require additional collateral in the event of a downgrade in our A.M. Best ratings below specified levels or a reduction of our capital or surplus below specified levels over the course of the agreement. Contracts containing such cancellation rights represented approximately 26% of gross premiums written during 2023. Additional collateral in the event of a downgrade in our A.M. Best ratings would be approximately \$133.2 million at December 31, 2023.

We expect that similar provisions will also be included in future contracts. Whether a client would exercise such cancellation rights would likely depend on, among other things, the prevailing market conditions, the degree of unexpired coverage, and the pricing and availability of replacement reinsurance coverage. We cannot predict how many of our clients would ultimately exercise such rights. The exercise of such rights in the aggregate could significantly affect our financial condition, results of operations, and our underwriting capacity.

If our losses and LAE greatly exceed our loss reserves, our financial condition may be materially and adversely affected.

Our results of operations and financial condition depend upon our ability to accurately assess the potential losses and loss adjustment expenses associated with the risks we reinsure. Reserves are liabilities established by insurers and reinsurers to reflect the estimated cost of claims payments and the related expenses that the insurer or reinsurer will ultimately be required to pay in respect of insurance or reinsurance contracts it has written. The Company estimates these reserves based upon facts and circumstances then known, estimates of future trends in claim severity, and other variable factors. The inherent uncertainties associated with estimating loss reserves are generally greater for reinsurance companies than for primary insurance companies due primarily to:

- the lapse of time from the occurrence of an event to the reporting of the claim and the ultimate resolution or settlement of the claim;
- the settlement delays associated with the reporting delays;
- the diversity of development patterns among different types of reinsurance treaties;
- the necessary reliance on clients for information regarding claims; and
- other macro-economic changes which may impact reserves generally.

Our reserve estimates may be less reliable than the reserve estimations of a reinsurer with a greater volume of business and more established loss history. Actual losses and loss adjustment expenses paid may deviate substantially from the estimates of our loss reserves contained in our financial statements and could negatively affect our results of operations. If we determine our loss reserves to be inadequate, we will increase our loss reserves with a corresponding reduction in our net income and capital in the period in which we identify the deficiency. If our losses and loss adjustment expenses greatly exceed our loss reserves, our financial condition may be materially and adversely affected. For a summary of the effects of reserve re-estimation on prior year reserves and net income, see "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - [Critical Accounting Estimates](#), *Loss and Loss Adjustment Expense Reserves*".

We may need additional capital in the future in order to operate our business, and such capital may not be available to us or may not be available to us on favorable terms.

We may need to raise additional capital in the future through public or private equity or debt offerings or otherwise in order to:

- repay our debt;
- fund liquidity needs or replace lost capital resulting from underwriting or investment losses;
- meet rating agency capital requirements;
- satisfy collateral requirements that may be imposed by our clients or by regulators;
- meet applicable statutory jurisdiction requirements; or
- respond to competitive pressures.

Additional capital may not be available on terms favorable to us, or at all. Increases in interest rates could result in higher interest expense on our outstanding debt. Further, any additional capital raised through the sale of equity could dilute existing ownership interest in our company and may cause the market price of our ordinary shares to decline. Additional capital raised through the issuance of debt may result in creditors having rights, preferences, and privileges senior or otherwise superior to those of our ordinary shares.

Competitors with greater resources may make it difficult for us to effectively market our products or offer our products at a profit.

The reinsurance industry is highly competitive. We compete with major reinsurers, many of which have substantially greater financial, marketing, and management resources than we do, including Arch Capital, AXIS, Everest Re, Hamilton Re, Hannover Re, Renaissance Re, and Sirius Point, as well as smaller companies, other niche reinsurers, and Lloyd's syndicates and their related entities. Competition in the types of business that we underwrite is based on many factors, including:

- the perceived financial strength and general reputation of the reinsurer, including its level of service, trustworthiness, business practices, and other subjective matters;
- ratings assigned by independent rating agencies;
- relationships with reinsurance brokers;
- pricing;
- terms and conditions of products offered;
- speed of claims payment; and
- the experience and reputation of the members of our underwriting team in the particular lines of reinsurance we seek to underwrite.

We cannot assure you that we will be able to compete successfully in the reinsurance market. Our failure to compete effectively could materially and adversely affect our financial condition and results of operations, and may increase the likelihood that we will be deemed a passive foreign investment company or an investment company. See "[Risks Relating to Taxation](#) — *United States persons who own ordinary shares may be subject to United States federal income taxation on our undistributed earnings and may recognize ordinary income upon disposition of ordinary shares.*" and "[Risks Relating to Insurance and Other Regulations](#) — *We are subject to the risk of possibly becoming an investment company under U.S. federal securities law.*"

Consolidation in the reinsurance industry could adversely affect us.

The reinsurance industry, including our competitors, customers, and insurance and reinsurance brokers, has experienced significant consolidation over the last several years. Consolidated entities may try to use their enhanced market power to negotiate price reductions for our products and services. If competitive pressures reduce our prices, we would expect to write less business. If the insurance industry further consolidates, competition for customers may intensify, and the importance of acquiring and servicing each customer may become greater. We could incur greater expenses relating to customer acquisition and retention, further reducing our operating margins. In addition, insurance companies that merge may be able to spread their risks across a larger capital base so that they require less reinsurance. The number of companies offering retrocessional reinsurance may decline. Reinsurance intermediaries could also consolidate, potentially adversely impacting our ability to access business and distribute our products. We could also experience more robust competition from larger, better-capitalized competitors. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Challenging economic or political conditions may adversely impact our results of operations or financial condition.

Our results of operations and financial condition may be materially adversely affected by a challenging economic market, such as a highly inflationary environment. Our operations are susceptible to inflation, and underestimating inflation levels could result in underpricing the risks we reinsure because premiums are established before the ultimate amounts of losses and LAE are known. While we consider the potential effects of inflation when setting premium rates, our premiums may not fully offset the ultimate effects of inflation. Additionally, our reserving models include assumptions about future payments for the settlement of claims and claims-handling expenses, such as the value of replacing property, associated labor costs for the property business we write, and litigation costs. The global inflationary environment in the last couple years has resulted in an increase in our projected future claim costs, resulting in adverse loss reserve development. While the global inflationary pressures have abated from their recent highs, any subsequent increase in inflation may lead to an increase in our loss reserves with a corresponding reduction in net income in the period the deficiency is identified, which may have a material adverse effect on our results of operations and financial condition. Unanticipated higher inflation could also lead to higher interest rates, potentially negatively impacting the value of any rate-sensitive financial instruments held by SILP and could also impact our Innovations investments and cause us to incur higher interest expense on our debt. See "[Risks Related to Our SILP Investment Strategy](#)" and "[Risks Related to Our Innovations Investments](#)."

Further, our results of operations and financial condition may also be materially adversely affected by a challenging political climate, including events such as military actions, invasions, wars, civil unrest and terrorist activities and the imposition of sanctions and importation limitations. For example, the ongoing conflict between Russia and Ukraine and the resulting responses have led to disruption, instability and volatility in global markets and industries. Although the severity and duration of the ongoing Ukraine conflict is impossible to predict, the continuing active conflict could lead to further economic uncertainty, represented by significant and prolonged volatility in commodity prices, credit and capital markets, as well as supply chain interruptions. Due to the widespread impact of the ongoing conflict, it is likely to indirectly impact the markets in which we operate.

The effect of emerging claim and coverage issues on our business is uncertain.

As industry practices and social, political, legal, judicial, and regulatory conditions change, unexpected issues related to claims and coverage have emerged and adversely affected our results. Examples of emerging claims and coverage issues include, but are not limited to:

- new theories of liability and disputes regarding medical causation with respect to certain diseases;
- assignment-of-benefits agreements, where rights of insurance claims and benefits of the insurance policy are transferred to third parties, which can result in inflated repair costs and legal expenses to insurers and reinsurers;
- claims related to political unrest, geopolitical instability, or other politically driven events, such as the conflict in the Middle East, and the military conflict between Russia and Ukraine, including loss claims relating to expropriation, forced abandonment, license cancellation, trade embargo, contract frustration, non-payment, war on land or political violence (including terrorism, revolution, insurrection, and civil unrest);
- claims related to data security breaches, information system failures, or cyber-attacks; and
- claims related to business interruption including protocols enlisted by governments in connection with pandemics, and ransomware and cyber-attacks.

Additionally, various provisions of our contracts, such as limitations or exclusions from coverage or choice of forum, may be difficult to enforce in the manner we intend due to, among other things, disputes relating to coverage and choice of legal forum. These issues may adversely affect our business by either extending coverage beyond the period that we intended or by increasing the number or size of claims. In some instances, these changes may not manifest themselves until many years after we have issued reinsurance contracts that are affected by these changes. As a result, we may not be able to ascertain the full extent of our liabilities under our reinsurance contracts for many years following the issuance of our contracts.

The property and casualty reinsurance market may be affected by cyclical trends.

We write reinsurance in the property and casualty markets, which are subject to pricing cycles. These cycles, as well as other factors that influence aggregate supply and demand for property and casualty reinsurance products, are outside our control. 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 realized in the reinsurance industry, the frequency and severity of losses, and prevailing general economic and market conditions.

As a result, the reinsurance business historically has been a cyclical industry characterized by periods of intense price competition due to high levels of available underwriting capacity and periods when shortages of capacity have permitted favorable premium levels and changes in terms and conditions. The supply of available reinsurance capital could increase in future years, either due to capital provided by new entrants or by the commitment of additional capital by existing insurers or reinsurers.

Continued increases in the supply of reinsurance may have consequences for the reinsurance industry generally and for us, including fewer contracts written, lower premium rates, increased expenses for customer acquisition and retention, less favorable policy terms and conditions, and/or lower premium volume. The effects of cyclicity could materially and adversely affect our financial condition and results of operations.

Modeling risks are inherent in our business.

We believe that our modeling is critical to our business. We utilize modeling tools to facilitate the pricing, reserving, and risk management of our reinsurance portfolio. These models help us to control risk accumulation, inform management and other stakeholders of capital requirements and to improve the risk/return profile or minimize the amount of capital required to cover the risks in each reinsurance contract. However, given the inherent uncertainty of modeling techniques and the application of such techniques, these models and databases may not accurately address the emergence of a variety of matters that might be deemed to impact certain of our coverages. These models have been developed internally, and in some cases, they make use of third-party software. The construction of these models and the selection of assumptions require significant actuarial judgment. Furthermore, these models typically rely on either cedent or industry data, which may be incomplete or may be subject to errors. Accordingly, these models, and the assumptions and judgements made in connection therewith, may understate the exposures we are assuming, and our financial results may be materially and adversely impacted.

Technology breaches or failures, including those resulting from a malicious ransomware or cyber-attack on us or our business partners and service providers, could disrupt or otherwise negatively impact our business.

Our information technology and application systems have been an important part of our underwriting process and our ability to compete successfully. We have also licensed certain systems and data from third parties. We cannot be certain that we will have access to these service providers or that our information technology or application systems will continue to operate as intended. In addition, we cannot be certain that we would be able to replace these systems without slowing our underwriting response time. Like all companies, we have information technology and application systems that are vulnerable to data breaches, interruptions or failures due to events that may be beyond our control, including, but not limited to, natural disasters, theft, terrorist attacks, malicious ransomware cyber-attacks, computer viruses, hackers and general technology failures.

A major defect or failure in our internal controls or information technology and application systems could result in management distraction, a violation of applicable privacy or other laws, harm our reputation, a loss of customers, or monetary fines or penalties or otherwise increased expenses. We believe appropriate controls and mitigation procedures are in place to prevent significant data breaches, interruptions, or failures in, information technology and application systems. However, internal controls provide only a reasonable, not absolute, assurance as to the absence of errors or irregularities, and the ineffectiveness of such controls and procedures could have a material adverse effect on our business.

The cybersecurity regulatory environment is evolving, and we expect the costs of complying with new or developing regulatory requirements to increase. These laws and regulations vary country to country and state to state, but they generally require the establishment of programs to detect and prevent unauthorized access to personal data and to mitigate theft of personal data. For example, the General Data Protection Regulation ("GDPR"), which establishes uniform data privacy laws across the European Union ("EU") is effective for all EU member states. The GDPR anticipates the processing of data for reinsurance and other purposes and applies standards and rules that covered entities must establish and monitor with respect to such processing and use. As our operations expand to other jurisdictions, we will be required to comply with cybersecurity laws in those jurisdictions, which will further increase our cost of compliance. See "Part 1, Item 1. Business - [Regulations](#)" and "Part 1C. [Cybersecurity](#)."

Our property and casualty reinsurance operations make us vulnerable to losses from catastrophes and may cause our results of operations to vary significantly from period to period.

Certain of our reinsurance operations expose us to claims arising out of unpredictable catastrophic events, including losses from severe weather and other natural catastrophes and man-made disasters such as acts of war or terrorism. The incidence and severity of catastrophes are inherently unpredictable, with climate change continuing to add to that inherent unpredictability as well as increasing the frequency and severity of events. To the extent climate change produces extreme changes in temperatures and weather patterns, it could impact the frequency or severity of weather including, but not limited to, hurricanes, tornadoes, freezes, droughts, other storms, and wildfires. These changes in weather patterns could also affect the frequency and severity of other natural catastrophe events to which we may be exposed. Further, such catastrophes could impact the affordability and availability of homeowners insurance, which could impact pricing. Additionally, increases in the value and geographic concentration of insured property, particularly along coastal regions, could cause the cost of such losses to increase.

Catastrophic losses are a function of the insured exposure in the affected area and the event's severity. Claims from catastrophic events could cause substantial volatility in our financial results for any fiscal quarter or year and could materially and adversely affect our business, financial condition and results of operations.

Finally, given the scientific uncertainty of predicting the effect of climate cycles and global climate change on the frequency and severity of natural catastrophes and the lack of adequate predictive tools, we may not be able to adequately model the associated exposures and potential losses in connection with such catastrophes which could have a material adverse effect on our business, financial condition or operating results.

The loss of significant brokers could materially and adversely affect our business, financial condition and results of operations.

A significant portion of our business is placed through brokered transactions, which involve a limited number of reinsurance brokers, which has continued to decrease in recent years as a result of consolidation in the broker sector. Our two largest brokers each accounted for more than 10% of our gross written premiums, and in the aggregate, they accounted for approximately 33.7% of our gross premiums written in 2023. Because broker-produced business is concentrated with a small number of brokers, we are exposed to concentration risk. To lose or fail to expand all or a substantial portion of the business provided through brokers could materially and adversely affect our business, financial condition and results of operations.

We depend on our clients' evaluations of the risks associated with their insurance underwriting, which may subject us to reinsurance losses.

In our proportional reinsurance business, we do not expect to separately evaluate each of the original individual risks assumed under these reinsurance contracts. Therefore, we are largely dependent on the original underwriting decisions made by ceding companies. We are subject to the risk that the clients may not have adequately evaluated the insured risks and that the premiums ceded may not adequately compensate us for the risks we assume. We also do not separately evaluate each of the individual claims made on the underlying insurance contracts under quota share contracts, rendering us dependent on the claims decisions our clients make.

We are subject to the credit risk of our brokers, cedents, agents and other counterparties.

In accordance with industry practice, we frequently pay amounts owed on claims under our policies to reinsurance brokers, and these brokers, in turn, remit these amounts to the ceding companies that have reinsured a portion of their liabilities with us. In some jurisdictions, if a broker fails to make such a payment, we might remain liable to the client for the deficiency, notwithstanding the broker's obligation to make such payment. Conversely, in certain jurisdictions, when the client pays premiums for policies to reinsurance brokers for payment to us, these premiums are considered to have been paid, and the client will no longer be liable to us for these premiums, whether or not we have actually received them. Consequently, we assume a degree of credit risk associated with brokers.

We are also exposed to the credit risk of our cedents and agents, who, pursuant to their contracts with us, may be required to pay us profit commission, additional premiums, reinstatement premiums, and adjustments to ceding commissions over a period of time, which in some cases may extend beyond the initial period of risk coverage. Insolvency, liquidity problems, distressed financial condition, or the general effects of an economic recession may increase the risk that our cedents or agents may not pay some or all of their obligations to us. To the extent our cedents or agents become unable to pay us, we would be required to recognize a downward adjustment to our reinsurance balances receivable or loss and loss expenses recoverable, as applicable, in our financial statements. While we generally seek to mitigate this risk through, among other things, collateral agreements, funds withheld, corporate guarantees, and the right to offset receivables against any losses payable, an increased inability of customers to fulfill their obligations to us could have an adverse effect on our financial condition and results of operations.

Our reinsurance balances receivable from brokers and cedents at December 31, 2023 totaled \$619.4 million, which included premiums, ceding commissions receivable, and funds at Lloyd's, a majority of which are not collateralized. We cannot provide assurance that such receivables will be collected or that valuation allowances or write-downs for uncollectible balances will not be required in future periods.

We may not successfully alleviate risk through reinsurance arrangements. Additionally, we may be unable to collect, which could adversely affect our business, financial condition, and results of operations.

As part of our risk management, from time to time, we seek to purchase reinsurance for certain liabilities we reinsure to mitigate the effect of a potential concentration of losses upon our financial condition. The insolvency or inability or refusal of a retrocessionaire to make payments under the terms of its agreement with us could have an adverse effect on us because our obligations to our clients would remain. At certain times, market conditions have limited, and in some cases have prevented, reinsurers from obtaining the types and amounts of retrocessional coverage they consider necessary for their business needs. Accordingly, we may not be able to obtain our desired amounts of retrocessional coverage, negotiate terms that we deem

appropriate or acceptable, or obtain retrocessional coverage from entities with satisfactory creditworthiness. Our inability to establish adequate retrocessional arrangements or the failure of our retrocessional arrangements to protect us from overly concentrated risk exposure could materially and adversely affect our business, financial condition, and results of operations.

Our failure to comply with restrictive covenants contained in our current or future credit facilities could trigger prepayment obligations, which could adversely affect our business, financial condition, and results of operations.

Our credit facility requires us and/or certain of our subsidiaries to comply with certain covenants, including restrictions on our ability to place a lien or charge on pledged assets, issue debt, and in certain circumstances, on the payment of dividends. For more details, see “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - [Liquidity](#)”. Our failure to comply with these or other covenants could result in an event of default under the credit facility or any credit facility we may enter into in the future, which, if not cured or waived, could result in us being required to repay the amounts outstanding under these facilities prior to maturity. As a result, our business, financial condition, and results of operations could be materially and adversely affected.

We may not successfully obtain the necessary credit facilities to support our business strategy.

As noted in “Part 1, Item 1. Business - [Regulations](#)”, we are required to provide letters of credit or collateral to jurisdictions in which we are not licensed or admitted as a reinsurer. While we have expanded our credit facilities with the addition of the CIBC LOC facility in late 2023, there is no assurance that the Citi LOC facility will be renewed in 2024 (see Note 16 “[Commitments and Contingencies](#) - *Letters of Credit and Trusts*” of the consolidated financial statements).

If we lose or are unable to retain or implement succession plans for our senior management and other key personnel, our ability to implement our business strategy could be delayed or hindered, which, in turn, could materially and adversely affect our business, financial condition and results of operations.

Our success depends, to a significant extent, on the efforts of our senior management and other key personnel to implement our business strategy. We believe there are only a limited number of available qualified executives with substantial experience in our industry and we currently do not maintain key life insurance with respect to any of our senior management. We could face challenges and incur expenses in attracting and retaining personnel in the Cayman Islands, U.K., and Ireland. Accordingly, the loss of the services of one or more of the members of our senior management or other key personnel, or our inability to implement succession plans or hire and retain other key personnel, could prevent us from continuing to implement our business strategy and, consequently, materially and adversely affect our business.

Our ability to implement our business strategy could be adversely affected by Cayman Islands employment restrictions.

Under Cayman Islands law, persons who are not Caymanian, do not possess Caymanian status, or are not otherwise entitled to reside and work in the Cayman Islands pursuant to provisions of the Immigration Act (as amended) of the Cayman Islands, which we refer to as the Immigration Act, may not engage in any gainful occupation in the Cayman Islands without an appropriate governmental work permit. Such a work permit may be granted or extended on a continuous basis for a maximum period of nine years (after having been legally and ordinarily resident in the Cayman Islands for a period of eight years a person may apply for permanent residence in accordance with the provisions of the Immigration Act) upon showing that, after proper public advertisement, no Caymanian or person of Caymanian status, or other person legally and ordinarily resident in the Cayman Islands who meets the minimum standards for the advertised position is available. The failure of these work permits to be granted or extended could prevent us from continuing to implement our business strategy.

We may face risks arising from future strategic transactions such as acquisitions, dispositions, mergers, or joint ventures.

We may pursue strategic transactions from time to time, which could involve acquisitions or dispositions of businesses or assets. Any strategic transactions could have an adverse impact on our reputation, business, results of operation, or financial condition. Sources of risk arising from these types of transactions include financial, accounting, tax, and regulatory challenges; difficulties with integration, business retention, execution of strategy, unforeseen liabilities or market conditions; and other managerial or operating risks and challenges. Any future transactions could also subject us to risks such as failure to obtain appropriate value, post-closing claims being levied against us, and disruption to our other businesses during the negotiation or execution process or thereafter. Accordingly, these risks and difficulties may prevent us from realizing the expected benefits from such strategic transactions. For example, businesses that we acquire or our strategic alliances or joint ventures may underperform relative to the price paid or resources committed by us; we may not achieve anticipated cost savings; we may otherwise be adversely affected by transaction-related charges; we may assume unknown or undisclosed business, operational, tax, regulatory and other liabilities; fail to accurately assess known contingent liabilities; or assume businesses with internal control deficiencies. Risk-mitigating provisions that we put in place in the course of negotiating and executing these

transactions, such as due diligence efforts and indemnification provisions, may not be sufficient to fully address these risks and contingencies.

Non-compliance with laws, regulations, and taxation regarding transactions with international counterparties may adversely affect our business.

As we provide reinsurance on a worldwide basis, we are subject to an expanding legal, regulatory, and tax environment intended to help detect and prevent anti-trust activity, money laundering, terrorist financing, proliferation financing, fraud, tax avoidance, and other illicit activity. These requirements include, among others, regulations promulgated and administered by CIMA, the U.S. Department of the Treasury's Office of Foreign Assets Control, The Foreign Corrupt Practices Act of 1977, the Iran Freedom and Counter-Proliferation Act of 2012, and the Foreign Account Tax Compliance Act. These and other programs prohibit or restrict dealings with certain persons, entities, countries, governments and, in certain circumstances, their nationals and may require detailed reporting to various administrative parties. Non-compliance with any of these regulations could have a material adverse effect on our ability to conduct our business.

Currency fluctuations could result in exchange rate losses and negatively impact our business.

Our functional currency is the U.S. dollar. However, we expect to write a portion of our business in currencies other than the U.S. dollar. We may incur foreign currency exchange gains or losses as we ultimately receive premiums and settle claims in foreign currencies. In addition, SILP may invest in securities or cash denominated in currencies other than the U.S. dollar. Consequently, we may experience exchange rate losses to the extent that our foreign currency exposure is not hedged, which could materially and adversely affect our business. If we or SILP hedge our foreign currency exposure through forward foreign currency exchange contracts or currency swaps, we will be subject to the risk that the hedging counterparties to such arrangements may fail to perform.

Risks Relating to Insurance and Other Regulations

Any suspension or revocation of any of our licenses would materially and adversely affect our business, financial condition and results of operations.

Greenlight Re is licensed as a reinsurer in the Cayman Islands and the EEA. We are also licensed to write insurance business in the U.K. and the EEA through our Syndicate 3456. The suspension or revocation of any of our licenses to do business in either of these jurisdictions for any reason would mean that we would not be able to enter into any new reinsurance contracts in that jurisdiction until the suspension ended or we became licensed in another jurisdiction. The process of obtaining licenses is time-consuming and costly, and we may not be able to become licensed in another jurisdiction in the event we choose to. Any such suspension or revocation of our license would negatively impact our reputation in the (re)insurance marketplace, could have a material adverse effect on any potential license application and would materially and adversely affect our business, financial condition and results of operations.

CIMA and the CBI may take a number of actions, including suspending or revoking a reinsurance license whenever the regulatory body believes that a licensee is or may become unable to meet its financial obligations, is carrying on business in a manner likely to be detrimental to the public interest or the interest of its creditors or policyholders, has contravened the terms of the Act, or has otherwise behaved in such a manner so as to cause such regulatory body to call into question the licensee's fitness to conduct regulated activity.

Further, based on statutes, regulations, and policies in their respective jurisdictions, CIMA and CBI may suspend or revoke our licenses if certain events occur, including without limitation:

- we cease to carry on reinsurance business;
- the direction and management of our reinsurance business have not been conducted in accordance with laws and regulations;
- we cease to meet certain capital and surplus requirements;
- a person holding a position as a director, manager or officer is not deemed to be a fit or proper person to hold the respective position; or
- we become bankrupt, go into liquidation, or are wound up or otherwise dissolved.

Similarly, if either CIMA or the CBI suspended or revoked our licenses, we could lose our exemption under the Investment Company Act of 1940, as amended (the "Investment Company Act") (See " — ***We are subject to the risk of possibly becoming an investment company under U.S. federal securities law.***")

Our reinsurance subsidiaries are subject to minimum capital and surplus requirements, and our failure to meet these requirements could subject us to regulatory action.

The Insurance (Capital and Solvency) (Classes B, C, and D Insurers) Regulations (2018 Revision) (the "Capital and Solvency Regulations") impose on Greenlight Re to maintain minimum statutory capital and surplus equal to the greater of: a) the minimum capital requirement of \$50 million and b) the prescribed capital requirement (the "Capital Requirements"). At December 31, 2023, Greenlight Re was in compliance with the Capital Requirements - see Note 18 "[Statutory Requirements](#)" of the consolidated financial statements.

GRIL, our Irish subsidiary, is required to comply with risk-based solvency requirements under the European legislation known as "Solvency II," including calculating and maintaining a minimum capital requirement and solvency capital requirement. At December 31, 2023, GRIL's minimum capital requirement and solvency capital requirement was approximately \$9.8 million and \$39.4 million, respectively. At December 31, 2023, GRIL was in compliance with the capital requirements required under the Irish Insurance Acts and Regulations.

Any failure to meet applicable requirements or minimum statutory capital requirements could subject us to further examination or action by regulators, including restrictions on dividend payments, limitations on our writing of additional business or engaging in financial or other activities, enhanced supervision, financial or other penalties, or liquidation. Further, any changes in existing risk-based capital requirements or minimum statutory capital requirements may require us to increase our statutory capital levels, which we might be unable to do.

We are a holding company that depends on the ability of our subsidiaries to pay dividends.

We are a holding company and do not have any significant operations or assets other than our ownership of the shares of our subsidiaries. Dividends and other permitted distributions from our subsidiaries are our primary source of funds to meet ongoing cash requirements, including future debt service payments, if any, and other corporate expenses, and to repurchase shares or pay dividends to our shareholders if we choose to do so. Some of our subsidiaries are subject to significant regulatory restrictions limiting their ability to declare and pay dividends. The inability of our subsidiaries to pay dividends in an amount sufficient to enable us to meet our cash requirements at the holding company level could have an adverse effect on our operations and our ability to repurchase shares or pay dividends to our shareholders if we choose to do so and/or meet our debt service obligations, if any.

To the extent any of our subsidiaries located in jurisdictions other than the Cayman Islands consider declaring dividends, such subsidiaries are required to comply with restrictions set forth under applicable law and regulations in such other jurisdictions. These restrictions could adversely impact the Company.

We are subject to the risk of possibly becoming an investment company under U.S. federal securities law.

In the United States, the Investment Company Act regulates certain companies that invest in or trade securities. We rely on an exemption under the Investment Company Act for an entity organized and regulated as a foreign insurance company which is engaged primarily and predominantly in the reinsurance of risks on insurance agreements. As we hold ourselves out as a global specialty property and casualty reinsurer and we do not propose to engage primarily in the business of investing or trading in securities, we believe the exemption applies. Accordingly, we do not believe that we are, or are likely to become in the future, an investment company under the Investment Company Act. Nonetheless, the law in this area is not well developed, and there is a lack of definitive guidance as to the meaning of "primarily and predominantly" under the relevant exemption to the Investment Company Act. If this exemption were deemed inapplicable, we would have to register under the Investment Company Act as an investment company. Registered investment companies are subject to extensive, restrictive, and potentially adverse regulation relating to, among other things, operating methods, management, capital structure, leverage, dividends, and transactions with affiliates. Registered investment companies are not permitted to operate their business in the manner in which we operate our business, nor are registered investment companies permitted to have many of the relationships that we have with our affiliated companies. Any changes to our investment strategy necessitated by being labeled a registered investment company could materially and adversely impact our investment results, financial condition, and ability to implement our business strategy.

If at any time it were established that we had been operating as an investment company in violation of the registration requirements of the Investment Company Act, there would be a risk, among other material adverse consequences, that we could become subject to monetary penalties or injunctive relief, or both, or that we would be unable to enforce contracts with third parties or that third parties could seek to obtain rescission of transactions with us undertaken during the period in which it was established that we were an unregistered investment company.

To the extent that the laws and regulations change in the future so that contracts we write are deemed not to be reinsurance contracts, we will be at greater risk of not qualifying for the Investment Company Act exception. Additionally, it is possible that our classification as an investment company would result in the suspension or revocation of our reinsurance license.

Insurance regulations to which we are, or may become, subject, and potential changes thereto, could have a significant and negative effect on our business.

We currently are admitted to do reinsurance business in the Cayman Islands and the European Economic Area. We are also licensed to write insurance business in the U.K. and the EEA through our Syndicate 3456. Our operations in these jurisdictions are subject to varying degrees of regulation and supervision. The laws and regulations of the jurisdictions in which our subsidiaries are domiciled require that, among other things, these subsidiaries maintain minimum levels of statutory or regulatory capital, surplus, and liquidity, meet solvency standards, submit to periodic examinations of their financial condition, and restrict payments of dividends and reductions of capital. Statutes, regulations, and policies that our subsidiaries are subject to may also restrict the ability of these subsidiaries to write insurance and reinsurance policies, make certain investments, and distribute funds.

More specifically, with respect to GRIL, Solvency II 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.

Although we presently are admitted to do business in the Cayman Islands, U.K. and the EEA, we cannot provide assurance that insurance regulators in the United States or elsewhere will not review our activities and claim that we are subject to such jurisdiction's licensing requirements. In addition, we are subject to indirect regulatory requirements imposed by jurisdictions that may limit our ability to provide reinsurance. For example, our ability to write reinsurance may be subject, in certain cases, to arrangements satisfactory to applicable regulatory bodies, and proposed legislation and regulations may have the effect of imposing additional requirements upon, or restricting the market for, non-U.S. reinsurers such as Greenlight Re and GRIL, with whom domestic companies may place business. We do not know of any such proposed legislation pending at this time.

We may not be able to comply fully with, or obtain desired exemptions from, revised statutes, regulations, and policies that currently, or may in the future, govern the conduct of our business. Failure to comply with, or to obtain desired authorizations and/or exemptions under, any applicable laws could result in restrictions on our ability to do business or undertake activities that are regulated in one or more of the jurisdictions in which we operate and could subject us to fines and other sanctions. The MAA includes amendments that provide for a specific administrative fines framework whereby CIMA has been granted the power to issue monetary penalties of up to 1 million Cayman Islands Dollars for a very serious breach.

In addition, governmental authorities worldwide have become increasingly interested in potential risks posed by the insurance industry as a whole, and to the commercial and financial systems in general. While we cannot predict the exact nature, timing, or scope of possible governmental initiatives, there may be increased regulatory intervention in our industry in the future. Changes in the laws or regulations to which our subsidiaries are subject or may become subject, or in the interpretations thereof by enforcement or regulatory agencies, could have a material adverse effect on our business.

There are differences between Cayman Islands corporate law and Delaware corporate law with respect to interested party transactions, which may benefit certain of our shareholders at the expense of other shareholders.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that they owe certain duties to the company, including: a duty to act in good faith and in what they consider to be in the best interests of the company; a duty not to make a profit out of their position as director (unless the company permits them to do so); a duty to exercise their powers for the purposes for which they are conferred; and a duty not to put themselves in a position where the interests of the company conflict with their personal interest or their duty to a third party. A director of a Cayman Islands company owes to the company a duty to act with skill and care. A director will need to exhibit in the performance of their duties both the degree of skill that may reasonably be expected from a subjective perspective determined by reference to their knowledge and experience and the skill and care objectively to be expected from a person occupying office as a director of the company.

Under Cayman Islands corporate law and pursuant to our Articles, a director may vote on a contract or transaction where the director has an interest as a shareholder, director, officer, or employee, provided such interest is duly disclosed to the Board. In exercising any such vote, such director's duties remain as described above. Pursuant to our Articles none of our contracts will be deemed to be void purely because any director is an interested party in such transaction and in such circumstances, interested parties will generally not be held liable for monies owed to the Company. Under Delaware law, interested party transactions are voidable.

A failure by our Syndicate 3456 to comply with rules and regulations could materially and adversely interfere with our business strategy.

Syndicate 3456 is subject to Lloyd's oversight. The PRA and the FCA regulate all financial services firms in the U.K., including Lloyd's and Syndicate 3456. Both the PRA and the FCA have substantial powers of intervention in relation to Lloyd's Syndicates, including the power to remove Lloyd's authorization to manage such Syndicates. See "— Item 1. Business — [Regulations](#) — *UK Regulations*" for further discussion of such regulations.

Failure to comply with, or any future regulatory changes or rulings to, the regulations of the PRA and/or the FCA could interfere with the business strategy of Syndicate 3456, which could materially and adversely affect our business, financial condition and results of operations.

Risks Relating to Our SILP Investment Strategy

Our investment performance depends in part on the performance of SILP and may suffer as a result of adverse financial market developments or other factors that impact SILP's liquidity, which could materially and adversely affect our investment results, financial condition and results of operations.

Our operating results depend in part on the performance of SILP. We cannot provide assurance that DME Advisors, on behalf of SILP, will successfully structure investments in relation to our liquidity needs or liabilities. Failure to do so could force us to make redemptions from SILP that cause DME Advisors to liquidate investments at a significant loss or at prices that are not optimal, which could materially and adversely affect our financial results.

The risks associated with the value-oriented investment strategy expected to be employed by SILP may be substantially greater than the risks associated with traditional fixed-income investment strategies. In addition, long equity investments may generate losses if the market declines. Similarly, short equity investments may generate losses in a rising market. The success of the investment strategy may also be affected by general economic conditions. Unexpected market volatility and illiquidity associated with our investment in SILP could materially and adversely affect our investment results, financial condition, or results of operations.

SILP may be concentrated in a few large positions, which could result in material adverse valuation movements.

Our Board of Directors has adopted our investment guidelines, which provide that SILP may commit up to, but not more than, 10% of Greenlight Re Surplus (as defined in the SILP LPA) and 7.5% of GRIL Surplus (as defined in the SILP LPA) to any single investment, unless a waiver has been obtained by the board of directors of Greenlight Re or GRIL, as applicable. At December 31, 2023, SILP, along with certain affiliates of DME Advisors, collectively owned 27.1% of Green Brick Partners, Inc., a publicly traded company (NYSE: GRBK), or the "GRBK Shares", which was subsequently reduced by approximately 2% in January 2024. At December 31, 2023, SILP had invested more than 10% of Greenlight Re Surplus in GRBK. Under applicable securities laws, DME Advisors may be unable to, or limited in its ability to trade GRBK Shares on behalf of SILP. As of the date of this filing, the board of directors of Greenlight Re had waived the applicable investment guidelines to allow SILP's investment in the GRBK Shares to exceed the 10% threshold. The board of directors of Greenlight Re and GRIL may grant future waivers relating to the GRBK Shares.

In addition, GRIL's investment guidelines require that the ten largest investments shall not constitute more than 40% of the GRIL Surplus, and GRIL's investment portfolio shall at all times, unless waived by the GRIL board of directors, be composed of a minimum of 50 debt or equity securities of publicly traded companies. From time to time, SILP may hold a small number of relatively large security positions in relation to our capital accounts. Since SILP may not be widely diversified by security or by industry, it may be subject to more rapid changes in value than would be the case if our investment portfolio were required to maintain a wide diversification among companies, securities industries, and types of securities.

Under the SILP LPA, we are contractually obligated to invest substantially all our assets in SILP with certain exceptions. SILP's performance depends on the ability of DME Advisors to select and manage appropriate investments.

DME Advisors acts as the exclusive investment advisor for SILP. Apart from funds required for collateral purposes, funds allocated to our Innovations investment strategy, risk management, and other operational needs, we are contractually obligated to use commercially reasonable efforts to cause substantially all investable assets of Greenlight Re and GRIL to be contributed to SILP. Additionally, we are restricted from making additional contributions of assets that would cause the capital account balances of Greenlight Re and GRIL to represent more than 90% of the aggregate capital account balances of all of the partners of SILP. Although DME Advisors is contractually obligated to follow the investment guidelines of both Greenlight Re and GRIL, we cannot provide assurance as to how DME Advisors will allocate our investable assets to different investment opportunities. DME Advisors may allocate our capital accounts to long and short equity positions, debt, and derivatives, which could increase the level of risk to which our investment portfolio will be exposed.

The performance of the SILP investment portfolio depends to a great extent on the ability of DME Advisors to select and manage appropriate investments for SILP. We cannot assure you that DME Advisors will successfully meet our investment objectives. The diminution or loss of the services of DME Advisors' principals (or loss or diminution of their market reputation) or the failure of DME Advisors to perform adequately could materially and adversely affect our business, results of operations, and financial condition. In addition, the loss of DME Advisors' key personnel, or DME Advisors' inability to hire and retain other key personnel, over which we have no control, could delay or prevent DME Advisors from fulfilling its obligations, which could materially and adversely affect SILP's performance and, correspondingly, our business and financial performance.

Under our investment management structure, we have limited control over SILP.

Under the SILP LPA, subject to our investment guidelines and certain other conditions, DME II, as the general partner of SILP, has complete and exclusive power and responsibility for all investment and investment management decisions to be undertaken on behalf of SILP and for managing and administering the affairs of SILP. DME II has the power and authority to do all things that it considers necessary or desirable to carry out its duties thereunder, including the power to delegate its authorities. While SILP is not, and is not expected to be registered as an "investment company" under the Investment Company Act or any comparable U.S. regulatory requirements, the general partner, or its designee, may resign or withdraw from SILP and may admit new limited partners to SILP without our consent, which may cause SILP to be deemed an "investment company" under the Investment Company Act.

The SILP LPA limits our ability to use another investment manager.

The SILP LPA contains exclusivity and limited termination provisions. Accordingly, we are unable to use other investment managers for so long as Greenlight Re and GRIL are limited partners in SILP. Greenlight Re and GRIL, as limited partners of SILP may withdraw upon notice only on the Greenlight Re Relevant Date or the GRIL Relevant Date or "for cause" (each as defined in the SILP LPA). Additionally, while GRIL may withdraw as a limited partner in SILP due to unsatisfactory long-term performance of DME II or DME Advisors, as determined solely by the Board of Directors of GRIL at the end of each fiscal year during the term of the SILP LPA, Greenlight Re may not.

The historical performance of DME Advisors and its affiliates should not be considered indicative of the future results of the SILP investment portfolio, our future results, or any returns expected on our ordinary shares.

The historical returns of SILP and other funds managed by DME Advisors and its affiliates are not directly linked to our ordinary shares. Results for the SILP investment portfolio could differ from those of other funds managed by DME Advisors and its affiliates due to restrictions imposed by our investment guidelines and other factors.

Potential conflicts of interest with DME Advisors and its affiliates may exist that could adversely affect us.

DME Advisors and its affiliates, in addition to managing SILP, may engage in investment and trading activities for their own accounts and/or for the accounts of third parties. None of DME Advisors or its affiliates, including David Einhorn, Chairman of our Board of Directors and the President of Greenlight Capital, Inc., is obligated to devote any specific amount of time, effort or allocation, or prioritize any investment opportunity, to SILP or to address possible or actual conflicts among the accounts they may manage, which may adversely affect SILP's investment returns, and, correspondingly, our investment returns.

In addition, under Cayman Islands laws, Mr. Einhorn is not legally restricted from participating in making decisions with respect to Greenlight Re's investment guidelines. Accordingly, his involvement as a member of the Boards of Directors of Greenlight Capital Re, Ltd. and Greenlight Re may lead to a conflict of interest.

DME Advisors and its affiliates may also manage accounts whose advisory fee schedules, investment objectives, and policies differ from those of SILP, which may cause DME Advisors and its affiliates to effect trading in one account that may have an adverse effect on another account, including SILP. We do not have the contractual right to inspect the trading records of DME Advisors or its principals.

Certain investments made by SILP may have limited liquidity and lack valuation data which could create a conflict of interest.

Our investment guidelines allow SILP to invest in certain securities with limited liquidity or no public market. This lack of liquidity may adversely affect the ability of SILP to execute trade orders at desired prices and may impact our ability to fulfill our underwriting payment obligations. To the extent that SILP invests in securities or instruments for which market quotations are not readily available, the valuation of such securities and instruments for purposes of compensation will be determined by DME Advisors, whose determination, subject to audit verification, will be conclusive and binding in the absence of bad faith or manifest error.

In addition, for all securities traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities it lists. Such a suspension could render it impossible to liquidate positions and thereby expose SILP and, correspondingly us, to losses.

If DME Advisor's risk management methodologies are ineffective, we may be exposed to material unanticipated losses.

DME Advisors and its affiliates continually refine its risk management techniques, strategies, and assessment methods. However, its risk management techniques and strategies do not fully mitigate the risk exposure of its funds and managed accounts, including SILP, in all economic or market environments or against all types of risk, including risks that it might fail to identify or anticipate. Any failures in DME Advisors' risk management techniques and strategies to accurately quantify risk exposure could affect the risk-adjusted returns of SILP. In addition, any risk management failures could cause losses to be significantly greater than historical measures predict. DME Advisors' approach to managing those risks could prove insufficient, exposing SILP, and correspondingly our SILP investment portfolio, to material unanticipated or material losses.

The compensation arrangements of SILP may create an incentive to effect transactions that are risky or speculative.

Pursuant to the SILP LPA, each of Greenlight Re and GRIL is obligated to pay a performance allocation of 20% to DME II at the end of each performance period based on its positive performance change to its capital account, subject to a modified loss carry forward provision.

The loss carry forward provision contained in the SILP LPA allows DME II to earn a reduced performance allocation of 10% of profits in any year subsequent to the year in which SILP has incurred a loss until all losses are recouped and an additional amount equal to 150% of the loss is earned.

While the performance compensation arrangement contained in the SILP LPA provides that losses will be carried forward as an offset against net profits in subsequent periods, DME II and DME Advisors generally will not otherwise be penalized for losses or decreases in the value of our portfolio under the SILP LPA. These performance compensation arrangements may incentivize DME Advisors to engage in transactions that focus on the potential for short-term gains rather than long-term growth or that are particularly risky or speculative.

DME Advisors' representatives' service on boards and committees may place trading restrictions on our investments and may subject us to indemnification liability.

DME Advisors may, from time to time, place its or its affiliates' representatives on creditors' committees and/or boards of certain companies in which SILP has invested. While such representation may enable DME Advisors to enhance the sale value of SILP's investments, it may also prevent SILP from freely disposing of investments. The IAA provides for the indemnification of DME Advisors or any other person designated by DME Advisors for claims arising from such board representation.

The ability to use "soft dollars" may provide DME Advisors with an incentive to select certain brokers that may take into account benefits to be received by DME Advisors.

DME Advisors is entitled to use so-called "soft dollars" generated by commissions paid in connection with transactions for SILP to pay for certain of DME Advisors' operating and overhead costs, including the payment of all or a portion of its costs and expenses of operation. "Soft dollars" are a means of paying brokerage firms for their services through commission revenue rather than through direct payments. DME Advisors only uses soft dollars to pay for expenses that would otherwise be borne by SILP and certain other co-managed funds. However, DME Advisors' right to use soft dollars may give DME Advisors an incentive to select brokers or dealers for our transactions or to negotiate commission rates or other execution terms in a

manner that takes into account the soft dollar benefits received by DME Advisors rather than giving exclusive consideration to the interests of our investment portfolio and, accordingly, may create a conflict.

Increased regulation or scrutiny of alternative investment advisors may affect DME Advisors' ability to manage SILP or affect our business reputation.

The regulatory environment for investment managers is evolving, and changes in the regulation of managers may adversely affect the ability of DME Advisors to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. The SEC, other regulators, and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. Any future regulatory change could have a significant negative impact on our financial condition and results of operations.

We and SILP are exposed to credit risk from counterparties that may default on their obligations to us.

We and SILP are exposed to credit risk from counterparties that may default on their obligations to us or it. The amount of the maximum exposure to credit risk is indicated by the carrying value of our and SILP's financial assets. In addition, SILP holds the securities of our investment portfolio with prime brokers and has credit risk from the possibility that one or more of them may default on their obligations to SILP. Other than our investment in derivative contracts and corporate debt, if any, and the fact that our investments are held by prime brokers and custodians on our behalf, we have no other significant concentrations of credit risk in our investment portfolio.

Issuers or borrowers whose securities or debt SILP holds, customers, reinsurers, clearing agents, exchanges, clearing houses, and other financial intermediaries and guarantors may default on their obligations to us and/or SILP due to bankruptcy, insolvency, lack of liquidity, adverse economic conditions, operational failure, fraud or other reasons. Such defaults could have a significant and negative effect on us and/or SILP and, correspondingly, our investment portfolio and our results of operations, financial condition, and cash flows.

SILP effectuates short sales that subject our capital accounts to material and adverse loss potential.

SILP enters into transactions in which it sells a security it does not own, which we refer to as a short sale, in anticipation of a decline in the market value of the security. Short sales subject our capital accounts in SILP to material and adverse loss potential since the market price of securities sold short may continuously increase.

Short-sale transactions have been subject to increased regulatory scrutiny, including the imposition of restrictions on short selling certain securities and reporting requirements. SILP's ability to execute a short selling strategy may be materially and adversely impacted by new temporary and/or permanent rules, interpretations, prohibitions, and restrictions adopted in response to these adverse market events. Temporary restrictions and/or prohibitions on short selling activity may be imposed by regulatory authorities with little or no advance notice and may impact prior and future trading activities of our investment portfolio. Additionally, the SEC, its non-U.S. counterparts, other governmental authorities, and/or self-regulatory organizations may at any time promulgate permanent rules or interpretations consistent with such temporary restrictions or that impose additional or different permanent or temporary limitations or prohibitions.

Further, regulatory authorities may, from time to time, impose restrictions that adversely affect SILP's ability to borrow certain securities in connection with short sale transactions. As a result, SILP may be unable to effectively pursue a short-selling strategy which may adversely affect SILP's investment returns, and correspondingly, our investment returns.

SILP may trade on margin and use other forms of financial leverage, which may increase the risk of our investment portfolio.

Our investment guidelines allow SILP to trade on margin and use other forms of financial leverage. SILP relies on prime brokers to extend leverage and such prime brokers may elect not to provide leverage to SILP. Fluctuations in the market value of our investment in SILP could have a disproportionately large effect in relation to our capital. Any event which may adversely affect the value of positions SILP holds could materially and adversely affect the net asset value of our investment portfolio and our results of operations.

SILP may transact in derivatives trading, which may increase the risks associated with our investment portfolio.

Derivative instruments, or derivatives, include futures, options, swaps, structured securities, and other instruments and contracts that derive their value from one or more underlying securities, financial benchmarks, currencies, commodities, or indices. There are a number of risks associated with derivatives trading. Because many derivatives are leveraged, a relatively small adverse market movement may result in a substantial loss and may expose us to a loss exceeding the original amount invested. Derivatives may also expose SILP, and correspondingly, our investment portfolio, to liquidity risk as there may not be a liquid market within which to close or dispose of outstanding derivative contracts. The counterparty risk lies with each party with whom SILP contracts for the purpose of making derivative investments. In the event of the counterparty's default, SILP will generally only rank as an unsecured creditor and risk the loss of all or a portion of the amounts SILP is contractually entitled to receive.

SILP may invest in securities based outside the United States, which may be riskier than securities of United States issuers.

Under our investment guidelines, SILP may invest in securities of issuers organized or based outside the United States. These investments may be subject to a variety of risks and other special considerations not affecting securities of U.S. issuers. Many foreign securities markets are not as developed or efficient as those in the United States. Securities of some foreign issuers are less liquid and more volatile than securities of comparable U.S. issuers. Similarly, volume and liquidity in many foreign securities markets are less than in the United States and, at times, price volatility can be greater than in the United States. Non-U.S. issuers may be subject to less stringent financial reporting and informational disclosure standards, regulatory oversight, practices, and requirements than those applicable to U.S. issuers.

Risks Relating to Our Innovations Strategy

The carrying values of our Innovations investments may differ significantly from those that would be used if we carried these investments at fair value. Additionally, we have a material concentration in our top five holdings at December 31, 2023.

Our Innovations investments include private investments and unlisted equities in early-stage or start-up entities for which no active market may exist. We carry these investments on our consolidated balance sheets at cost, less impairment, plus or minus observable price changes (see "[Critical Accounting Estimates](#) - *Investments*" under "Part II, Item 8. Management Discussion and Analysis of Financial Condition and Results of Operations"). These carrying values may differ significantly from those that would be used if we carried them at fair value. If we were required to liquidate all or a portion of these investments quickly, we could realize significantly less than the carrying value. The carrying value of our Innovations investments may become concentrated in a limited number of entities as a result of subsequent remeasurement and/or have significant exposure to certain geographic areas or economic sectors. The concentration of investments can increase investment risk and volatility. At December 31, 2023, our top five holdings accounted for 67% of the total carrying value. Any of the foregoing could result in a decline in our investment performance and capital resources and, accordingly, could materially and adversely affect our financial results and results of operations.

Our Innovations investments carry higher risks due to illiquidity.

We invest in illiquid equity and debt instruments of early-stage companies in our Innovations investments portfolio. Furthermore, our Innovations investments are generally subject to restrictions on redemptions and sales that limit our ability to liquidate these investments in the short term. As such, there is a high liquidity risk due to the lack of active markets. We may not be able to sell timely, or at all, illiquid holdings of early-stage companies facing significant challenges operationally and financially subsequent to our initial investment (see below "*Investments in privately held early-stage companies involve significant risks*"). Accordingly, this could materially and adversely affect our business, financial condition and results of operations.

Our Innovations investments support our underwriting operations and the failure to identify and consummate investment opportunities may materially and adversely affect our ability to implement our business strategy.

We operate in a competitive market for Innovations investment opportunities. Many of our competitors have considerably greater resources than we do. If we fail to compete for or otherwise lose the opportunity to make Innovations investments, which support our underwriting strategy, our ability to implement our business strategy may be materially and adversely impacted.

Investments in privately held early-stage companies involve significant risks.

Our Innovations unit primarily invests in privately held early-stage companies. Investments in privately held early-stage companies involve a number of significant risks, including the following:

- these companies may have limited financial resources and may be unable to meet their operating obligations;
- they typically have limited operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- they typically depend on the management talents and efforts of a small group of persons. Therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse effect on such investment and, in turn, on us;
- they may not have adequate internal controls which would make them susceptible to fraud or mismanagement;
- there is generally little public information about these companies. These companies and their financial information are generally not subject to the Exchange Act and other regulations that govern public companies, and we may be unable to uncover all material information about these companies, which may prevent us from making a fully informed investment decision and cause us to lose money on our investments;
- they generally have less predictable operating results and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
- changes in laws and regulations (including applicable tax laws), as well as their interpretations, may adversely affect their business, financial structure or prospects; and
- they may have difficulty accessing the capital markets to meet future capital needs.

Economic recessions or downturns could impair our Innovations investment and harm our operating results.

The current macroeconomic environment is characterized by record-high inflation, supply chain challenges, labor shortages, high interest rates, foreign currency exchange volatility, volatility in global capital markets and growing recession risk. The risks associated with our Innovations investments and the businesses of the entities in which we have invested are more severe during periods of economic slowdown or recession.

Many of our Innovations investments may be susceptible to economic downturns or recessions. Therefore, during these periods the carry values of our Innovations portfolio may decrease if we are required to write down the values of our investments. Adverse economic conditions may also decrease the value of our investments. Economic slowdowns or recessions could lead to financial losses in our Innovations portfolio and a decrease in revenues, net income and assets.

Our Innovations investments are made in entities that may incur debt or issue equity securities that rank equally with, or senior to, our investments in such companies.

Our Innovations investments are made in entities that have, or may be permitted to incur, other debt, or issue other equity securities, that rank equally with, or senior to, our investments. By their terms, such instruments may provide that the holders are entitled to receive payment of dividends, interest or principal on or before the dates on which we are entitled to receive payments in respect of our investments. These debt instruments would usually prohibit the investments from paying interest on or repaying our investments in the event and during the continuance of a default under such debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of an entity, holders of securities ranking senior to our investment typically are entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying such holders, the entity may not have any remaining assets for repaying its obligation to us. In the case of securities ranking equally with our investments, we would have to share on an equal basis any distributions with other security holders in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant entity.

As a minority equity investor, we are often not in a position to influence the entity, and other equity holders and management of such entity may make decisions that could decrease the value of our investment in such entity.

When we make a minority equity investment through our Innovations unit, we are subject to the risk that an entity may make business decisions with which we disagree. The other equity holders and management of the entity may take risks or otherwise act in ways that do not serve our interests. As a result, an entity may make decisions that could decrease the value of our investment.

Our Innovations investments are in entities that may be highly leveraged.

Some of our Innovations investments are made in entities that may be highly leveraged, which may have adverse consequences for those companies and for us as a shareholder. The entity may be subject to restrictive financial and operating covenants and their leverage may impair the ability to finance their future operations and capital needs. As a result, such

entity's flexibility to respond to changing business and economic conditions and to take advantage of business opportunities may be limited.

Our failure to make follow-on investments in our existing Innovations investments could impair the value of our portfolio.

Following an initial investment in an entity, we may make additional investments in the entity as "follow-on" investments to: (1) increase or maintain in whole or in part our equity ownership percentage; (2) exercise warrants, options or convertible securities that we acquired in the original or subsequent financing or (3) attempt to preserve or enhance the value of our investment.

We may elect not to make follow-on investments, be constrained in our ability to employ available funds, or otherwise lack sufficient funds to make those investments. We have the discretion to make any follow-on investments, subject to the availability of capital resources. The failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of an entity, dilute our investment, or result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a follow-on investment, we may elect not to make it because we may not want to increase our concentration of risk, we prefer other opportunities, or we are constrained under the Investment Company Act. See *"—Risks Relating to Insurance and Other Regulations – We are subject to the risk of possibly becoming an investment company under U.S. federal securities laws."*

Risks Relating to Our Ordinary Shares

Our ability to achieve our business objectives depends on our ability to manage and deploy capital.

Our ability to achieve our business objectives depends on our ability to manage and deploy capital, which depends, in turn, on our management's ability, with oversight from our Board of Directors, to identify, evaluate and monitor our underwriting and investment results, our liquidity and competing needs for capital. We cannot assure you that our management and deployment of capital will enable us to achieve our business objectives, and our failure to effectively manage and deploy our capital could materially and adversely affect our financial condition and results of operations.

Our level of debt may have an adverse impact on our liquidity, restrict our current and future operations, particularly our ability to respond to business opportunities, and increase our vulnerability to adverse economic and industry conditions.

At December 31, 2023, we had \$73.3 million of debt outstanding (December 31, 2022: \$80.5 million) that matures on August 1, 2026. Our level of debt and the provisions of such debt could have significant consequences, which include, but are not limited to, the following:

- limit our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, or other general corporate purposes;
- require a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions, and other general corporate purposes;
- discourage an acquisition of us by a third party;
- place us at a competitive disadvantage to competitors carrying less debt; and
- make us more vulnerable to economic downturns and limit our ability to withstand competitive pressures or take advantage of new opportunities to grow our business.

We cannot assure you that we will be able to refinance our indebtedness debt upon maturity on acceptable terms or at all.

A shareholder may be required to sell its ordinary shares.

Our Articles provide that we have the option, but not the obligation, to require a shareholder to sell its ordinary shares for their fair market value to us, to other shareholders or to third parties if our Board of Directors determines that ownership of our ordinary shares by such shareholder may result in adverse tax, regulatory or legal consequences to us, any of our subsidiaries or any of our shareholders and that such sale is necessary to avoid or cure such adverse consequences.

Provisions of our Articles, the Companies Act of the Cayman Islands (the "Companies Act") and our corporate structure may each impede a takeover, which could adversely affect the value of our ordinary shares.

Our Articles contain certain provisions that could make it difficult for a third party to acquire us, even if doing so would be beneficial to our shareholders. Our Articles provide that a director may only be removed for "cause" as defined in the Articles, upon the affirmative vote of not less than 50% of the votes cast at a meeting at which more than 50% of our issued and outstanding ordinary shares are represented. Further, under the Amended and Restated Memorandum and Articles of Association of Greenlight Re, a director may only be removed without cause upon the affirmative vote of not less than 80% of the votes cast at a meeting at which more than 50% of our issued and outstanding ordinary shares are represented.

Our Articles permit our Board of Directors to issue preferred shares from time to time, with such rights and preferences as they consider appropriate. Our Board of Directors may authorize the issuance of preferred shares with terms and conditions and under circumstances that could have an effect of discouraging a takeover or other transaction, deny shareholders the receipt of a premium on their ordinary shares in the event of a tender or other offer for ordinary shares and have a depressive effect on the market price of the ordinary shares.

As compared to mergers under corporate law in the United States, it may be more difficult to consummate a merger of two or more companies in the Cayman Islands or the merger of one or more Cayman Islands companies with one or more overseas companies, even if such transaction would be beneficial to our shareholders. For example, a merger or consolidation generally requires the consent of each holder of a fixed or floating security interest, unless the court waives such requirement, and a formal declaration must be made, meeting enumerated requirements, if the transaction involves a foreign company or where the surviving company is the Cayman Islands exempted company.

The Companies Act also includes statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that such a scheme of arrangement is approved by (i) in respect of shareholders, 75% in value of the shareholders or each class of shareholder who attend and vote, either in person or by proxy, at a meeting or meetings convened for that purpose; or (ii) in respect of creditors, a majority in number representing 75% in value of creditors or each class of creditors who attend and vote, either in person or by proxy, at a meeting or meetings convened for that purpose.

The convening of the scheme meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the company is not proposing to act illegally or beyond the scope of its corporate authority and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question and the classes properly delineated;
- the scheme of arrangement is such as a businessperson would reasonably approve; and
- the scheme of arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act or that would amount to a "fraud on the minority".

If a scheme of arrangement is thus approved, the dissenting shareholders would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of a Delaware corporation.

Holders of ordinary shares may have difficulty obtaining or enforcing a judgment against us, and they may face difficulties in protecting their interests because we are incorporated under Cayman Islands law.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands and conduct a majority of our operations outside the United States. A significant amount of our assets are located outside the United States. A majority of our officers and directors reside outside the United States and substantial portion of the assets of those persons are located outside of the United States. As a result, it could be difficult or impossible for you to bring an action against us or against these individuals outside of the United States in the event that you believe that your rights have been infringed upon under the applicable securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands could render you unable to enforce a judgment against our assets or the assets of our directors and officers.

Our corporate affairs are governed by our Articles, the Companies Act and the common law of the Cayman Islands. The rights of shareholders to take legal action against our directors and us, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from judicial precedent in the Cayman Islands as

well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under the laws of the Cayman Islands are not as clearly defined as under statutes or judicial precedent in existence in jurisdictions in the United States. Therefore, you may have more difficulty protecting your interests than would shareholders of a corporation incorporated in a jurisdiction in the United States, due to the comparatively less well developed Cayman Islands law in this area.

Shareholders of Cayman Islands exempted companies such as ours have no general rights under Cayman Islands law to inspect corporate records and accounts or to obtain copies of lists of shareholders. Our directors have discretion under our Articles to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

The courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or any state; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the federal securities laws of the United States or any state, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

We are not aware nor have we been advised of any reported class action having been brought in a Cayman Islands court. Derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed the availability for such actions. In most cases, we will be the proper plaintiff in any claim based on a breach of duty owed to us, and a claim against (for example) our officers or directors usually may not be brought by a shareholder. However, based both on Cayman Islands authorities and on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more
- than the number of votes which have actually been obtained; or
- those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against us where the individual rights of that shareholder have been infringed or are about to be infringed.

Subject to limited exceptions, under Cayman Islands law, a minority shareholder may not bring a derivative action against our Board of Directors.

We do not intend to pay dividends on our ordinary shares and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common shares.

We do not intend to declare and pay dividends on our ordinary shares for the foreseeable future. Therefore, you are not likely to receive any dividends on your ordinary shares for the foreseeable future. The success of an investment in our ordinary shares will depend upon any future appreciation in their value. There is no guarantee that our ordinary shares will appreciate in value or even maintain the price at which our shareholders have purchased their shares.

In the event that we did declare a dividend, such dividends and other distributions on issued and outstanding ordinary shares may only be paid out of the funds of the Company lawfully available for such purpose. Dividends and other distributions will be distributed among the holders of our ordinary shares on a pro rata basis.

Risks Relating to Taxation

We may become subject to taxation in the Cayman Islands, which would negatively affect our results.

Under current Cayman Islands law, we are not obligated to pay any taxes in the Cayman Islands on either income or capital gains. The Governor-in-Cabinet of Cayman Islands has granted us an exemption from the imposition of any such tax on us until February 1, 2025. We cannot be assured that after such date we would not be subject to any such tax. As the law currently stands, upon the expiration of the current exemption, it will be possible for us to apply for another 20 year exemption, which we plan to do. If we were to become subject to taxation in the Cayman Islands, our financial condition and results of operations could be materially and adversely affected.

We may be subject to United States federal income taxation.

Greenlight Capital Re and Greenlight Re are incorporated under the laws of the Cayman Islands, and GRIL is incorporated under the laws of Ireland. These entities intend to operate in a manner that will not cause us to be treated as engaging in a trade or business within the United States and will not cause us to be subject to current United States federal income taxation on Greenlight Capital Re's, Greenlight Re's and/or GRIL's net income. However, because there are no definitive standards provided by the Internal Revenue Code, regulations or court decisions as to the specific activities that constitute being engaged in the conduct of a trade or business within the United States, and as any such determination is essentially factual in nature, we cannot provide assurance that the United States Internal Revenue Service (the "IRS"), will not successfully assert that Greenlight Capital Re, Greenlight Re and/or GRIL are engaged in a trade or business within the United States. If the IRS were to successfully assert that Greenlight Capital Re, Greenlight Re, and/or GRIL have been engaged in a trade or business within the United States in any taxable year, various adverse tax consequences could result, including the following: Greenlight Capital Re, Greenlight Re and/or GRIL may become subject to current United States federal income taxation on its net income from sources within the United States; Greenlight Capital Re, Greenlight Re and/or GRIL may be subject to United States federal income tax on a portion of its net investment income, regardless of its source; and Greenlight Capital Re, Greenlight Re and/or GRIL may be subject to United States branch profits tax on profits deemed to have been distributed out of the United States.

United States persons who own ordinary shares may be subject to United States federal income taxation on our undistributed earnings and may recognize ordinary income upon disposition of ordinary shares.

Passive Foreign Investment Company. Potential adverse United States federal income tax consequences, including certain reporting requirements, generally apply to any United States person who owns shares in a passive foreign investment company, or a "PFIC". We believe that based upon implementation of our business plan, none of Greenlight Capital Re, Greenlight Re, or GRIL will be, or should be, a PFIC for the current taxable year or for any foreseeable future years.

In general, any of Greenlight Capital Re, Greenlight Re or GRIL would be a PFIC for a taxable year if either (i) 75% or more of its income constitutes "passive income" or (ii) 50% or more of its assets produce "passive income", or are held for the production of passive income. Passive income generally includes interest, dividends and other investment income. However, under an "active insurance" exception, income is not treated as passive if it is derived in the active conduct of an insurance business by a qualifying insurance corporation. A qualifying insurance corporation is an insurance company which has applicable insurance liabilities, as reported on its annual financial statement, exceeding 25% of its total assets. Applicable insurance liabilities means, with respect to our property and casualty reinsurance business, reserves for loss and loss adjustment expenses, and excluding unearned premium reserves.

The exception for insurance companies is intended to ensure that a qualifying insurance entity's income is not treated as passive income, except to the extent such income is attributable to financial reserves in excess of the reasonable needs of the insurance business. We intend to operate our business with financial reserves and applicable insurance liabilities at levels that should not cause us to be deemed PFICs, although we cannot provide definitive assurance that we will be successful in structuring our operations to meet such levels nor can we ensure that the IRS will not successfully challenge our status. If we are unable to underwrite sufficient amount of risks and maintain a sufficient amount of applicable insurance liabilities, any of Greenlight Capital Re, Greenlight Re or GRIL may become a PFIC.

In addition, sufficient risk must be transferred under an insurance entity's contracts with its insureds in order to qualify for the insurance exception. Whether our insurance contracts possess adequate risk transfer for purposes of determining whether income under our contracts is insurance income, and whether we are predominantly engaged in an insurance business, are subjective in nature and there is little authoritative tax guidance on these issues. We cannot provide assurance that the IRS will not successfully challenge our interpretation of the scope of the active insurance company exception and our qualification for

the exception. Further, the IRS may issue regulatory or other guidance that causes us to fail to qualify for the active insurance company exception on a prospective or retroactive basis. Therefore, we cannot provide definitive assurance that we will satisfy the exception for insurance companies and will not be treated as PFICs currently or in the future.

Controlled Foreign Corporation ("CFC"). United States persons who, directly or indirectly or through attribution rules, own 10% or more of the total combined voting power or value of our shares, which we refer to as United States 10% shareholders, may be subject to the controlled foreign corporation, or CFC, rules. Under the CFC rules, each United States 10% shareholder must annually include their pro-rata share of the CFC's "subpart F income" and "global intangible low-tax income" in their gross income in the year earned by the CFC, even if no distributions are made. In general, a foreign insurance company will be treated as a CFC only if during the taxable year United States 10% shareholders collectively own more than 25% of the total combined voting power or total value of the entity's shares. We believe that the dispersion of our ordinary shares among holders and the restrictions placed on transfer, issuance or repurchase of our ordinary shares, will in most cases prevent shareholders who acquire ordinary shares from being United States 10% shareholders. We cannot provide assurance, however, that these rules will not apply to you if you are or become a United States 10% shareholder. In particular, recent changes to the definition of a United States 10% Shareholder, whereby both vote and value are tested, and recent changes to the constructive ownership rules, whereby shares owned by non-United States persons can be attributed to United States persons, may increase the likelihood of these rules applying. If you are a United States person, we strongly urge you to consult your own tax advisor concerning the CFC rules.

Related Person Insurance Income. If:

- our gross income attributable to insurance or reinsurance policies where the direct or indirect insureds are our direct or indirect United States shareholders or persons related to such United States shareholders equals or exceeds 20% of our gross insurance income in any taxable year; and
- direct or indirect insureds and persons related to such insureds owned directly or indirectly 20% or more of the voting power or value of our stock,

a United States person who owns ordinary shares directly or indirectly on the last day of the taxable year would most likely be required to include their pro-rata share of our related person insurance income for the taxable year in their income. This amount would be determined as if such related person insurance income were distributed proportionally to United States persons at that date. We do not expect that we will knowingly enter into reinsurance agreements in which, in the aggregate, the direct or indirect insureds are, or are related to, owners of 20% or more of the ordinary shares. We do not believe that the 20% gross insurance income threshold will be met. However, we cannot provide assurance that this is or will continue to be the case. Consequently, we cannot provide assurance that a person who is a direct or indirect United States shareholder will not be required to include amounts in its income in respect of related person insurance income in any taxable year.

If a United States shareholder is treated as disposing of shares in a foreign insurance corporation that has related person insurance income and in which United States persons own 25% or more of the voting power or value of the entity's shares, any gain from the disposition will generally be treated as a dividend to the extent of the United States shareholder's portion of the corporation's undistributed earnings and profits that were accumulated during the period that the United States shareholder owned the shares. In addition, the shareholder will be required to comply with certain reporting requirements, regardless of the amount of shares owned by the direct or indirect United States shareholder. Although not free from doubt, we believe these rules should not apply to dispositions of ordinary shares because Greenlight Capital Re is not directly engaged in the insurance business and because proposed United States Treasury regulations applicable to this situation appear to apply only in the case of shares of corporations that are directly engaged in the insurance business. We cannot provide assurance, however, that the IRS will interpret the proposed regulations in this manner or that the proposed regulations will not be promulgated in final form in a manner that would cause these rules to apply to dispositions of ordinary shares.

United States tax-exempt organizations who own ordinary shares may recognize unrelated business taxable income.

If you are a United States tax-exempt organization you may recognize unrelated business taxable income if a portion of our subpart F insurance income is allocated to you. In general, subpart F insurance income will be allocated to you if we are a CFC as discussed above and you are a United States 10% shareholder or there is related person insurance income and certain exceptions do not apply. Although we do not believe that any United States persons will be allocated subpart F insurance income, we cannot provide assurance that this will be the case. If you are a United States tax-exempt organization, we advise you to consult your own tax advisor regarding the risk of recognizing unrelated business taxable income.

The Tax Cuts and Jobs Act ("TCJA") may cause us to undertake changes to the manner in which we conduct our business and could subject United States persons who own ordinary shares to United States income taxation on our undistributed earnings.

On December 22, 2017, the TCJA was signed into law. The TCJA provides a bright-line test that a non-U.S. insurance company only will receive the benefit, for passive foreign investment company purposes, of being engaged in the active conduct of an insurance business if its applicable insurance liabilities constitute more than 25% of its total assets. For this purpose, the term "applicable insurance liabilities" does not include unearned premium reserves. One of the TCJA's potential impacts is that this limitation could result in the treatment of offshore insurers or reinsurers that write business on a low frequency/high severity basis, such as property catastrophe companies and financial guaranty companies, as PFICs, as significant reserves for losses may not be recorded until a catastrophic event actually occurs. Accordingly, subject to any future corrections or clarifications that may be made to the TCJA, or any additional regulations that may be promulgated thereunder, the Company will be treated as a PFIC for any taxable year in which it does not meet the bright-line applicable insurance liabilities requirement of the TCJA.

At December 31, 2023, we met the bright-line applicable insurance liabilities test. However, there is still substantial uncertainty regarding the application of the test. We cannot guarantee that we will continue to meet the bright-line applicable insurance liabilities test in future periods. In the event that we cannot meet this test, shareholders that are United States persons will be subject to United States income taxation on our undistributed earnings.

Further changes in United States tax regulations and laws including the rules regarding passive foreign investment companies could have a material impact on our ability to qualify for the insurance company exemption and/or change our status for United States persons who own ordinary shares.

A non-U.S. corporation will generally be considered a passive foreign investment company ("PFIC"), for U.S. federal income tax purposes, in any taxable year if either (i) at least 75% of its gross income for such year is passive income or (ii) at least 50% of the value of its assets is attributable to assets that produce or are held for the production of passive income.

Based on our past and current projections of our income and assets, we do not expect the Company to be a PFIC for the 2023 taxable year or for the foreseeable future. However, since our projections may differ from our actual business results and our market capitalization and value of our assets may fluctuate, we cannot definitively assure you that we will not be or become a PFIC in the current taxable year or any future taxable year.

We are monitoring developments with respect to both the applicable insurance liabilities test and the IRS regulations. At this time, we cannot predict whether or what, if any, additional regulations will be adopted or additional legislation will be enacted. If regulations are adopted or legislation enacted that cause us to fail to meet the requirements of the insurance company exception, or if we fail to meet the applicable insurance liabilities test such failure could have a material adverse effect on the taxation of our shareholders who are U.S. persons. In that event we may undertake further changes to the manner in which we conduct our business, which also could have a material effect on our results of operations.

The tax laws and interpretations regarding whether an entity is engaged in a United States trade or business, is a CFC, has related party insurance income or is a PFIC are subject to change, possibly on a retroactive basis. New regulations or pronouncements interpreting or clarifying such rules may be forthcoming from the IRS. We are not able to predict if, when or in what form such guidance will be provided and whether such guidance will have a retroactive effect.

The TCJA may have a detrimental effect on the Company and its assets.

The regulatory and tax environment globally is evolving, and changes in the regulation or taxation of the Company and its assets may materially adversely shareholders. The TCJA among other things, made significant changes to the rules applicable to the taxation of the Company and its assets, such as changing the rules applicable to active insurance income for passive foreign investment company purposes (discussed above), changing rules applicable to controlled foreign investment company purposes, new base erosion rules, changing the general corporate tax rate to a flat 21% rate, modifying the rules regarding limitations on certain deductions, introducing a capital investment deduction in certain circumstances, placing certain limitations on the interest deduction, modifying the rules regarding the usability of certain net operating losses, and the migration from a worldwide system of taxation to a modified territorial system. At this time the ultimate outcome of the legislation on the Company and its shareholders is uncertain and could be adverse. Shareholders should consult their own tax advisors regarding potential changes in tax laws.

If investments held by GRIL are determined not to be integral to the reinsurance business carried on by GRIL, additional Irish tax could be imposed and our business and financial results could be materially adversely affected.

Based on administrative practice, taxable income derived from investments made by GRIL is generally taxed in Ireland at the rate of 12.5% on the grounds that such investments either form part of the permanent capital required by regulatory authorities, or are otherwise integral to the reinsurance business carried on by GRIL. GRIL intends to operate in such a manner so that the level of investments held by GRIL does not exceed the amount that is integral to the reinsurance businesses carried on by GRIL. If, however, investment income earned by GRIL exceeds these thresholds or if the administrative practice of the Irish Revenue Commissioners changes, Irish corporation tax could apply to such investment income at a higher rate (currently 25%) instead of the general 12.5% rate, and our results of operations could be materially adversely affected.

The impact of the initiative of the OECD and the EU to eliminate harmful tax practices is uncertain and could adversely affect our tax status in the Cayman Islands where we are exempt from income taxes.

The OECD has published reports and launched a global dialogue among member and non-member countries on measures to limit harmful tax competition. These measures are largely directed at counteracting the effects of tax neutral jurisdictions and preferential tax regimes in countries around the world. The Cayman Islands was removed from the EU's list of non-cooperative jurisdictions for tax purposes in October 2020 following the introduction of economic substance and private funds legislation and it is considered to be a country which co-operates with the EU with no pending commitments. While the Cayman Islands is currently on the list of co-operative jurisdictions, we are not able to predict if additional requirements will be imposed, and if so, whether changes arising from such additional requirements will subject us to additional taxes. The Cayman Islands' economic substance legislation had already been evaluated in June 2019 by the OECD's Forum on Harmful Tax Practices as "not harmful", which is the highest rating possible. There are no immediate regulatory, tax, trade or other legal impacts to the Company, but we are not able to predict any future EU actions.

On October 8, 2021, the OECD announced an accord endorsing and providing an implementation plan for a global minimum tax rate of at least 15% for large multinational corporations on a jurisdiction-by-jurisdiction basis, known as the "two pillar plan." While the Company is not currently aware of any definitive actions being taken in the Cayman Islands to implement a minimum tax, in Ireland, a bill implementing the two pillar plan was signed into law on December 18, 2023, including an "undertaxed profit rule" that will come into effect in 2025. In the United Kingdom, there was an announcement on November 17, 2023 that the government intends to implement an "undertaxed profit rule" with effect no earlier than 2025 as part of its legislation implementing the two pillar plan. If the Cayman Islands does not adopt a minimum tax, the undertaxed profits rule may allow Irish or United Kingdom tax authorities to collect more tax from our Irish or United Kingdom companies. The global minimum tax rules implemented in different jurisdictions (including the undertaxed profit rule) would apply to overseas profits of multinational firms with annual revenue of more than €750 million. While these global minimum tax rules are not expected to apply to the Company as currently proposed and being implemented in jurisdictions applicable to the Company's operations, due to the Company's revenues currently falling below the proposed annual revenue threshold, adjustments to the threshold or continued growth of the Company's revenues could impact the Company in future periods. Further, even if the Company did eventually meet the applicable threshold due to continued revenue growth or otherwise, then given the size and structure of the Company, the Company may be eligible to meet an initial phase transitional safe harbor provided for in the model rules of the accord (and incorporated into the Irish legislation), which provides relief from taxation under the accord for a period of up to five additional years after the Company comes within the scope of the rules.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity is a complex and constantly evolving risk that we are committed to understanding and mitigating. The foundation of our information security practices is rooted in the principles set forth by the National Institute of Standards and Technology ("NIST"), ensuring a robust and comprehensive approach to safeguarding our digital assets. This program provides standards, guidelines, and best practices for improving our cybersecurity risk management. To effectively manage our cybersecurity risk, we employ a comprehensive approach encompassing risk assessment, identification, and mitigation, all aligned with the rigorous standards and principles. Cybersecurity and IT compliance risk metrics are monitored regularly to assess, identify, manage and protect our environment. Periodic audits of IT and Cybersecurity are carried out as part of internal and external audits and are performed by professionals.

Our approach to third-party cybersecurity underscores a commitment to robust risk management and adherence to industry best practices. By implementing comprehensive measures in line with recognized standards, we ensure that our third-party cybersecurity protocols are aligned with rigorous standards. Regular assessments, SOC reviews, and collaborative efforts

are integral components of our strategy, aimed at fostering a secure and resilient ecosystem that safeguards sensitive information and maintains the integrity of our digital infrastructure in partnership with external entities.

We have a Chief Information Security Officer ("CISO") and have an IT Steering Committee ("ITSC"). Our CISO is responsible for establishing the cybersecurity vision for the Company, determining and prioritizing cybersecurity initiatives, and keeping abreast of developing security threats. The ITSC reports to the Board and Audit Committee, is chaired by our Chief Risk Officer ("CRO"), and has our CISO, Chief Financial Officer ("CFO"), and GRIL Chief Executive Officer, and SEC Reporting Officer as some of its members. Our CISO brings over three decades of expertise in the IT industry and is a member of ISACA, showcasing a rich portfolio of industry certifications like the Certified Information Security Manager ("CISM"), Certified Data Privacy Solutions Engineer ("CPDSE"), and Microsoft Certified Systems Engineer ("MCSE"). The CISO also holds accreditations from vendors such as CISCO and Microsoft. Our CRO has over 20 years' experience in the property and casualty reinsurance industry, and significant expertise in the field of risk management. He holds a CISM certification, as well as a B.Sc. in Mathematics and a Ph.D. in Computer Science from the University of Salford. Other members of the ITSC hold relevant qualifications and collectively, the ITSC has substantial experience and expertise in cybersecurity, risk, strategy, and management.

The ITSC meets at least quarterly to discuss and approve IT and Cybersecurity matters. The ITSC produces and approves an annual IT budget, as well as an Incident Management and Response plan through which the CISO and the ITSC are informed about cybersecurity incidents.

To assist with mitigating the risks of cybersecurity threats, periodic cybersecurity training is provided to employees, vendors, and members of the Board. Further, to mitigate risk arising from our relationships with third-parties, key vendors must be SOC 2 compliant, as determined in accordance with the framework developed by the American Institute of Certified Public Accountants, or undertake the Company's enhanced due diligence process. Periodic testing is performed, and all material incidents are reported to the Board.

IT and cybersecurity are a standing Board agenda item, with quarterly presentations to the Board from the IT leadership quarterly. Our Audit Committee assists the Board in its oversight responsibilities regarding our systems, policies, and procedures relating to technology and cybersecurity. The Audit Committee's charter mandates that the Audit Committee reviews our technology and cybersecurity systems, policies, and procedures (including those relating to our assessment of third-party provider cybersecurity controls) with management. The Audit Committee is further tasked with discussing with management the policies with respect to risk assessment and risk management, including those related to technology and cybersecurity. The CRO presents an IT and Cybersecurity update to the Audit Committee on a quarterly basis and additionally as needed, to inform it of any new or emerging cybersecurity threats or risks.

For the year ended December 31, 2023, we have not identified or experienced any cybersecurity threats or incidents likely to materially affect our business strategy, results of operations, or financial conditions.

See "Item 1A. Risk Factors — [Risks Relating to Our Business](#) — *Technology breaches or failures, including those resulting from a malicious ransomware or cyber-attack on us or our business partners and service providers, could disrupt or otherwise negatively impact our business.*"

ITEM 2. PROPERTIES

We lease office space in Grand Cayman, Cayman Islands, where our principal executive office is located. Additionally, we lease office spaces in the United Kingdom and Ireland. We renew and enter into new leases in the ordinary course of business.

We believe that our office space is sufficient for us to conduct our operations for the foreseeable future. For further discussion of our lease commitments at December 31, 2023, refer to Note 16 " [Commitments and Contingencies](#)" of the consolidated financial statements.

ITEM 3. LEGAL PROCEEDINGS

From time to time, in the normal course of business, we may be involved in formal and informal dispute resolution procedures, which may include arbitration or litigation, the outcomes of which determine our rights and obligations under our reinsurance contracts and other contractual agreements. In some disputes, we may seek to enforce our rights under an agreement or to collect funds owing to us. In other matters, we may resist attempts by others to collect funds or enforce alleged rights. While the final outcome of legal disputes cannot be predicted with certainty, we do not believe that any of our existing contractual disputes, when finally resolved, will have a material adverse effect on our business, financial condition or operating results.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and number of holders

Our ordinary shares are listed on the Nasdaq Global Select Market under the symbol "GLRE." During 2023, we eliminated our dual-class share structure (see Note 10 " [Share Capital](#)" of the consolidated financial statements).

On March 1, 2024, there were 57 holders of record of our ordinary shares. This figure does not include the beneficial owners of our ordinary shares held in "street name" or held through participants in depositories, such as the Depository Trust Company.

Dividends

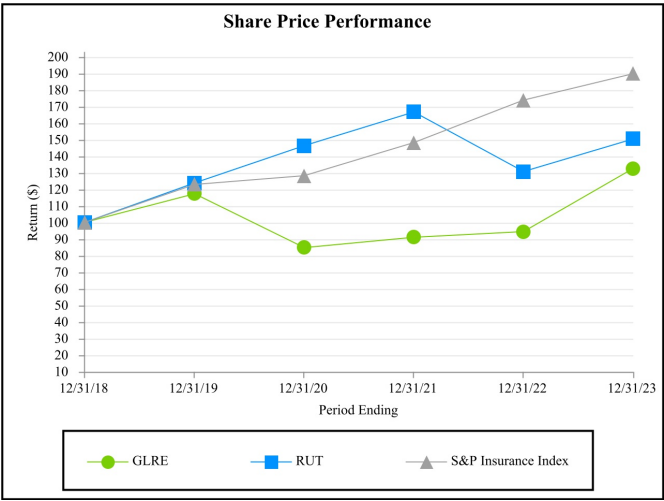
Since inception, we have not paid any cash dividends on our ordinary shares.

Holders of ordinary shares are entitled to receive dividends when, as, and if declared by the Board of Directors in accordance with the provisions of our Articles and the Companies Law. In the event of a liquidation, dissolution, or winding-up of the Company, the holders of ordinary shares are entitled to share equally and ratably in our assets, if any remain after the payment of all of our debts and liabilities and the liquidation preference of any outstanding preferred shares.

We currently do not intend to declare and pay dividends on our ordinary shares in the foreseeable future. Our Board of Directors would only approve a dividend after taking into account our capital and liquidity position. In addition, a letter of credit facility prohibits us from paying dividends during an event of default as defined in the letter of credit agreement. Our future dividend policy will also depend on the requirements of any future financing agreements to which we may be a party and other factors considered relevant by our Board of Directors, such as our results of operations and cash flows, our financial position, and capital requirements, general business conditions, rating agency guidelines, legal, tax, regulatory and any contractual restrictions on the payment of dividends. Further, any future declaration and payment of dividends are discretionary, and our Board of Directors may, at any time, modify or revoke our dividend policy on our ordinary shares. Finally, our ability to pay dividends also depends on the ability of our subsidiaries to pay dividends to us. Although Greenlight Capital Re is not subject to any significant legal prohibitions on the payment of dividends, Greenlight Re and GRIL are subject to regulatory constraints that affect their ability to pay dividends and include minimum net worth requirements. At December 31, 2023, Greenlight Re and GRIL both exceeded the minimum statutory capital requirements. Any dividends we pay will be declared and paid in U.S. dollars.

Performance Graph

Presented below is a line graph comparing the yearly change in the cumulative total shareholder return on our ordinary shares for the five year period commencing December 31, 2018 through December 31, 2023 against the total return index for the Russell 2000 Index, or RUT, and the S&P 500 Property & Casualty Insurance Index, or S&P Insurance Index, for the same period. The performance graph assumes \$100 invested on December 31, 2018 in the ordinary shares of Greenlight Capital Re, the RUT and the S&P Insurance Index. The performance graph also assumes that all dividends are reinvested.



The performance reflected in the graph above is not necessarily indicative of future performance.

This graph and related information presented is not "soliciting material," is not deemed filed with the SEC, is not subject to Regulation 14A or 14C or to the liabilities of Section 18 of the Securities Exchange Act of 1934 and is not to be incorporated by reference in any filing by us under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Our Board has adopted a share repurchase plan. The timing of such repurchases and the actual number of shares repurchased will depend on various factors, including price, market conditions, and applicable regulatory and corporate requirements. On May 2, 2023, our Board of Directors re-approved the share repurchase plan effective from July 1, 2023 until June 30, 2024, authorizing us to repurchase up to \$25.0 million of ordinary shares or securities convertible into ordinary shares in the open market, through privately negotiated transactions or Rule 10b5-1 stock trading plans. Any shares repurchased are canceled immediately upon repurchase. We are not required to repurchase any of the ordinary shares. The repurchase plan may be modified, suspended, or terminated at the election of our Board of Directors at any time without prior notice.

There were no share repurchases made under the plan during the fourth quarter and year ended December 31, 2023.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis ("MD&A") of our results of operations for the years ended December 31, 2023, and 2022, and our financial condition at December 31, 2023 and 2022. This discussion should be read in conjunction with "Part II, Item 8. [Financial Statements and Supplementary Data](#)" of this Annual Report.

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For the discussion and analysis of our results of operations and changes in financial condition for the year ended December 31, 2022 compared to the year ended December 31, 2021, refer to our 2022 Annual Report.

All amounts are reported in U.S. dollars, unless otherwise noted. Tabular dollars are presented in thousands, with the exception of per share amounts or as otherwise noted.

Overview

Business Overview

We are a global specialty property and casualty reinsurer headquartered in the Cayman Islands, with an underwriting and investment strategy that we believe differentiates us from most of our competitors. Our goal is to build long-term shareholder value by providing risk management solutions to the insurance, reinsurance, and other risk marketplaces. Refer to "[Part 1, Item 1, Business](#)" for additional information.

We earned a net income of \$86.8 million for the year ended December 31, 2023, an increase of \$61.5 million, or 243% over the prior year, as a result of favorable reinsurance pricing conditions with lower losses from catastrophe and weather-related events (collectively referred as "CAT losses"), coupled with favorable rising interest rate environment for our cash and fixed maturity investments (relating to the Lloyd's syndicates) as well as favorable foreign exchange movement in 2023.

The following is a summary of our financial performance for the year ended December 31, 2023, compared to the prior year:

- Gross premiums written was \$636.8 million, an increase of 13.1%;
- Net premiums earned was \$583.1 million, an increase of 24.2%;
- Net underwriting income ⁽¹⁾ was \$32.0 million, compared to an underwriting loss of \$10.7 million;
- Total investment income was \$66.1 million, a decrease of 4.2% (include 9.4% net return from our investment in SILP, compared to 25.3%);
- Diluted EPS was \$2.50, an increase of 242%; and
- Fully diluted book per share⁽¹⁾ was \$16.74, an increase of 16.8%.

⁽¹⁾ See "[Key Financial Measures and Non-GAAP Measures](#)" section of this MD&A.

Outlook and Trends

Following strong pricing improvements at the January 1, 2023 renewal season and throughout 2023 (primarily in property catastrophe, aviation, war and terror and marine), we witnessed a more disciplined but still attractive January 1, 2024 renewal season. In the property market we noted additional capacity entering the market, but we still saw favorable market conditions to grow our book. On our Specialty and FAL books, we noted a healthy amount of competitive interest but we were successful in securing the accounts we targeted for both renewal and new business with some modest rate increases.

The global inflationary pressures have abated from their recent highs. However, we believe loss cost inflation will continue to be a significant concern within the (re)insurance industry, as it can add uncertainty to the cost of claims, particularly for classes of business with long payout tails. As a result, it creates pricing challenges for new business and valuation challenges in claims reserves. We continue to manage these concerns and risks in multiple ways:

- Our underwriting strategy focuses on relatively shorter-tailed business, which is inherently less exposed to inflation than longer-tailed lines. We estimate the payout duration of our existing reserves at less than three years.
- We incorporate inflation assumptions in all our pricing and reassess these assumptions frequently.
- We are minimizing our exposure to classes that are experiencing severe supply-chain-driven inflation.

The rising interest rate environment over the last two years has had a mixed impact on our financial results. The Term Loans we secured in 2023 are partially exposed to fluctuations in the SOFR interest rate, and we stand to benefit if the interest rates start decreasing. The higher interest rates have improved the yield on our restricted cash and cash equivalents and our funds held at Lloyd's. To the extent interest rates begin to decrease, we may see some of these trends reverse. The SILP investment portfolio is positioned to benefit from an inflationary environment.

Revenues and Expenses

Revenues

We derive our revenues from two principal sources:

- premiums from reinsurance on property and casualty business assumed (net of any premiums ceded) - see "[Critical Accounting Estimates](#)" section of this MD&A; and

- income from investments, including:
 - income (or loss) generated from our investment in SILP, net of management fee and performance compensation;
 - gains (or losses) from our other investments, including Innovations-related investments; and
 - interest income on our cash and cash equivalents and FAL.

In addition, we may from time to time derive other income from foreign exchange gains (or losses) relating to underwriting balances, net investment income from Lloyd's syndicates, fees generated from advisory services, and fees relating to overrides, profit commissions, and fees due upon the early termination of contracts.

Expenses

Our expenses consist primarily of the following:

- underwriting losses and LAE;
- acquisition costs;
- general and administrative ("G&A") expenses; and
- interest expense on deposit-accounted contracts and debt.

The extent of our net losses and LAE incurred is a function of the amount and type of reinsurance contracts we write and the loss experience of the underlying coverage. Refer to " [Critical Accounting Estimates](#)" section of this MD&A.

Acquisition costs consist primarily of brokerage fees, ceding commissions, premium taxes, profit commissions, letters of credit and trust fees, and federal excise taxes. We amortize deferred acquisition costs relating to successfully bound reinsurance contracts over the related contract term.

General and administrative expenses consist primarily of salaries and benefits and related costs, including costs associated with our incentive compensation plan, bonuses, and stock compensation expenses. General and administrative expenses also include professional fees (non-claim related), travel and entertainment, information technology, rent, and other general operating costs. General and administrative expenses reported in our consolidated statements of operations include both underwriting and corporate expenses.

Deposit interest expense relates to the accretion costs for deposit-accounted contracts that did not meet the risk transfer condition for reinsurance accounting under U.S. GAAP.

Interest expense consists of interest paid and accrued on our debt and the amortization of the related deferred financing costs.

Key Financial Measures and Non-GAAP Measures

Management uses certain key financial measures, some of which are not prescribed under U.S. GAAP rules and standards ("non-GAAP financial measures"), to evaluate our financial performance, financial position, and the change in shareholder value. Generally, a non-GAAP financial measure, as defined in SEC Regulation G, is a numerical measure of a company's historical or future financial performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented under U.S. GAAP. We believe that these measures, which may be calculated or defined differently by other companies, provide consistent and comparable metrics of our business performance to help shareholders understand performance trends and facilitate a more thorough understanding of the Company's business. Non-GAAP financial measures should not be viewed as substitutes for those determined under U.S. GAAP.

The key non-GAAP financial measures used in this Annual Report are:

- Fully diluted book value per share; and
- Net underwriting income (loss).

These non-GAAP financial measures are described below.

Fully Diluted Book Value Per Share

Our primary financial goal is to increase fully diluted book value per share over the long term. We use fully diluted book value as a financial measure in our incentive compensation plan.

We believe that long-term growth in fully diluted book value per share is the most relevant measure of our financial performance because it provides management and investors a yardstick to monitor the shareholder value generated. Fully diluted book value per share may also help our investors, shareholders, and other interested parties form a basis of comparison with other companies within the property and casualty reinsurance industry. Fully diluted book value per share should not be viewed as a substitute for the most comparable U.S. GAAP measure, which in our view is the basic book value per share.

We calculate basic book value per share as (a) ending shareholders' equity, divided by (b) the total ordinary shares issued and outstanding, as reported in the consolidated financial statements. In prior years, we calculated the basic book value per share by modifying the denominator to exclude unearned performance-based restricted shares granted after December 31, 2021. We have revised this calculation in 2023 to eliminate the basic book value per share non-GAAP financial measure and have restated the 2022 comparative basic book value per share in the table below and elsewhere in this Annual Report to conform with the current presentation.

Fully diluted book value per share represents basic book value per share combined with any dilutive impact of in-the-money stock options and all outstanding restricted stock units "RSUs". We believe these adjustments better reflect the ultimate dilution to our shareholders.

The following table presents a reconciliation of the fully diluted book value per share to basic book value per share (the most directly comparable U.S. GAAP financial measure):

| | December 31, 2023 | December 31, 2022 |
|---|-------------------|-------------------|
| Numerator for basic and fully diluted book value per share: | | |
| Total equity as reported under U.S. GAAP | \$ 596,095 | \$ 503,120 |
| Denominator for basic and fully diluted book value per share: | | |
| Ordinary shares issued and outstanding as reported and denominator for basic book value per share | 35,336,732 | 34,824,061 |
| Add: In-the-money stock options and all outstanding RSUs | 264,870 | 277,960 |
| Denominator for fully diluted book value per share | 35,601,602 | 35,102,021 |
| Basic book value per share | \$ 16.87 | \$ 14.45 |
| Increase in basic book value per share (\$) | \$ 2.42 | \$ 0.40 |
| Increase in basic book value per share (%) | 16.8 % | 2.8 % |
| Fully diluted book value per share | \$ 16.74 | \$ 14.33 |
| Increase in fully diluted book value per share (\$) | \$ 2.41 | \$ 0.34 |
| Increase in fully diluted book value per share (%) | 16.8 % | 2.4 % |

Net Underwriting Income (Loss)

One way that we evaluate the Company's underwriting performance is by measuring net underwriting income (loss). We do not use premiums written as a measure of performance. Net underwriting income (loss) is a performance measure used by management to evaluate the fundamentals underlying the Company's underwriting operations. We believe that the use of net underwriting income (loss) enables investors and other users of the Company's financial information to analyze our performance in a manner similar to how management analyzes performance. Management also believes this measure follows industry practice and allows the users of financial information to compare the Company's performance with that of our industry peer group.

Net underwriting income (loss) is considered a non-GAAP financial measure because it excludes items used to calculate net income before taxes under U.S. GAAP. We calculate net underwriting income (loss) as net premiums earned less net loss and loss adjustment expenses, acquisition costs, underwriting expenses (including related G&A expenses), and deposit interest expense. The measure excludes, on a recurring basis: (1) investment income (loss); (2) other income (expense) not related to underwriting, including foreign exchange gains or losses, and Lloyd's interest income and expense; (3) corporate G&A expenses; and (4) interest expense. We exclude total investment income or loss, foreign exchange gains or losses, and Lloyd's interest income or expense as we believe these items are influenced by market conditions and other factors unrelated to underwriting decisions. Additionally, we exclude corporate G&A and interest expenses because these costs are generally fixed and not incremental to or directly related to our underwriting operations. We believe all of these amounts are largely independent of our underwriting process, and including them could hinder the analysis of trends in our underwriting operations. Net underwriting income (loss) should not be viewed as a substitute for U.S. GAAP net income before income taxes.

The reconciliations of net underwriting income (loss) to income (loss) before income taxes (the most directly comparable U.S. GAAP financial measure) on a consolidated basis are shown below:

| | Year ended December 31 | |
|---|------------------------|-------------|
| | 2023 | 2022 |
| Income (loss) before income tax | \$ 86,930 | \$ 24,526 |
| Add (subtract): | | |
| Total investment (income) loss | (66,063) | (68,983) |
| Other non-underwriting (income) expense | (17,872) | 11,777 |
| Corporate expenses | 23,653 | 17,793 |
| Interest expense | 5,344 | 4,201 |
| Net underwriting income (loss) | \$ 31,992 | \$ (10,686) |

Consolidated Results of Operations

The table below summarizes our consolidated operating results for the years ended December 31:

| | 2023 | 2022 |
|--|------------------|------------------|
| Underwriting revenue | | |
| Gross premiums written | \$ 636,810 | \$ 563,171 |
| Gross premiums ceded | (42,762) | (33,429) |
| Net premiums written | 594,048 | 529,742 |
| Change in net unearned premium reserves | (10,901) | (60,265) |
| Net premiums earned | 583,147 | 469,477 |
| Underwriting related expenses | | |
| Net loss and loss adjustment expenses incurred: | | |
| Current year | 348,798 | 316,367 |
| Prior year ⁽¹⁾ | 11,206 | 118 |
| Net loss and loss adjustment expenses incurred | 360,004 | 316,485 |
| Acquisition costs | 168,877 | 143,148 |
| Underwriting expenses | 19,587 | 13,813 |
| Deposit interest expense | 2,687 | 6,717 |
| Net underwriting income (loss) ⁽²⁾ | 31,992 | (10,686) |
| Income from investment in SILP | 28,696 | 54,844 |
| Net investment income | 37,367 | 14,139 |
| Total investment income | 66,063 | 68,983 |
| Corporate expenses | 23,653 | 17,793 |
| Foreign exchange (gains) losses | (11,566) | 5,988 |
| Other (income) expense, net | (6,306) | 5,789 |
| Interest expense | 5,344 | 4,201 |
| Income tax expense (benefit) | 100 | (816) |
| Net income | \$ 86,830 | \$ 25,342 |
| Earnings per share: | | |
| Basic | \$ 2.55 | \$ 0.75 |
| Diluted | \$ 2.50 | \$ 0.73 |
| Underwriting ratios: | | |
| Loss ratio - current year | 59.8 % | 67.4 % |
| Loss ratio - prior year | 1.9 % | — % |
| Loss ratio | 61.7 % | 67.4 % |
| Acquisition cost ratio | 29.0 % | 30.5 % |
| Composite ratio | 90.7 % | 97.9 % |
| Underwriting expense ratio | 3.8 % | 4.4 % |
| Combined ratio | 94.5 % | 102.3 % |

¹ The net financial impacts associated with changes in the estimate of losses incurred in prior years, which incorporate earned reinstatement premiums assumed and ceded, adjustments to assumed and ceded acquisition costs, and deposit interest expense, were a loss of \$15.7 million in 2023 (2022: \$12.2 million).

² Net underwriting income (loss) is a non-GAAP financial measure. See ["Key Financial Measures and Non-GAAP Measures"](#) above for discussion and reconciliation of non-GAAP financial measures.

The following provides further details on the significant variances for the year ended December 31, 2023, compared to 2022.

Overview

For the year ended December 31, 2023, fully diluted book value per share increased by \$2.41, or 16.8%, to \$16.74 per share and basic book value per share increased by \$2.42, or 16.8%, to \$16.87 per share since December 31, 2022 driven by strong underwriting performance.

For the year ended December 31, 2023, our net income increased by \$61.5 million to \$86.8 million, driven mainly by the following:

- **Underwriting income:** Increased by \$42.7 million to \$32.0 million, primarily driven by combined ratio improving 7.8 percentage points mainly due to lower CAT losses and favorable pricing in 2023, partially offset by an increase in adverse loss development from prior years. For further information on CAT losses and prior year loss development, refer to Note 7 - [Loss and Loss Adjustment Expense Reserves](#) of the consolidated financial statements.
- **Investment income:** Declined by \$2.9 million to \$66.1 million. While we benefited from the rising U.S. interest rates on our cash and short-term investment holdings, this was offset by a decline in SILP's net income. SILP generated a net return of 9.4% in 2023, compared to 25.3% in 2022.
- **Foreign exchange gains:** Increased by \$17.6 million driven mainly by the strengthening of the U.S. dollar over the pound sterling.
- **Other income:** Increased by \$12.1 million driven primarily by an increase in 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 and investment funds. We record our 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.
- **Corporate expenses:** Increased by \$5.9 million primarily driven by \$4.3 million of severance relating to the separation agreement entered with our former CEO. For further details, see "Separation Agreement with CEO" in [Note 15 - "Related Party Transactions"](#) in the consolidated financial statements.

Underwriting Results by Segment

For our Property and Casualty Reinsurance segment, we analyze it based on three lines of business: "property," "casualty," and "other."

Gross Premiums Written

Details of gross premiums written are provided in the following table:

| | Year ended December 31 | | | |
|----------|------------------------|---------|---------|--------------------|
| | 2023 | | 2022 | |
| Property | \$ | 113,291 | 17.8 % | \$ 85,323 15.2 % |
| Casualty | | 351,037 | 55.1 | 325,103 57.7 |
| Other | | 172,482 | 27.1 | 152,745 27.1 |
| Total | \$ | 636,810 | 100.0 % | \$ 563,171 100.0 % |

As a result of our underwriting philosophy, the total premiums we write and the mix of premiums between property, casualty, and other business, may vary significantly from period to period depending on the market opportunities we identify.

Our gross premiums written increased by \$73.6 million, or 13.1%, compared to the same period in 2022. The following table provides a further analysis of this overall increase:

Gross Premiums Written

Year ended December 31, 2023

| | Increase (decrease) (\$ in millions) | % change | Explanation |
|----------|---|-----------------|--|
| Property | \$28.0 | 32.8% | The increase was driven from growth in our Commercial class, mainly due to new quota share treaties bound in mid-2022 and new Innovations contracts via Syndicate 3456 in 2023. This resulted in a change in business mix for Property, predominantly with Commercial and Personal which accounted for 46% and 54%, respectively, of total Property, compared to 17% and 80%, respectively, for the same period in 2022. |
| Casualty | \$25.9 | 8.0% | The increase was driven mainly from growth in General Liability, Professional Liability, and Motor Liability from new contracts and premiums written from quota share treaties bound in 2022. This growth was partially offset by a reduction in the Workers' Compensation class, where we have significantly reduced our appetite for quota share treaties beginning in 2022, coupled with a premium decrease in the Multi-line class. As a result, the business mix within our Casualty line of business has shifted between General Liability and Multi-line classes, accounting for 27% and 62% of total Casualty, respectively, compared to 19% and 69%, respectively, in same period in 2022. |
| Other | \$19.7 | 12.9% | The increase was driven mainly by new contracts within our Marine class and Other Specialty class, primarily in energy, aviation and cyber risk. This was partially offset by a reduction in premiums from our Financial class, predominantly due to lower merger and acquisition activity in 2023 impacting premium from transactional liability programs, partially offset by new premiums from credit and surety contracts. As a result, the change in business mix was follows: Other Specialty, Financial, and Marine represented 45%, 33%, and 18%, respectively, compared to 36%, 44%, and 15%, respectively, for the same period in 2022. |

Premiums Ceded

For the year ended December 31, 2023, ceded premiums were \$42.8 million, or 6.7% of gross premiums written, compared to \$33.4 million, or 5.9% of gross premiums written, for the year ended December 31, 2022. The increase was mainly due to purchasing an aviation quota share retrocession coverage, as well as an additional \$10.0 million excess of loss coverage to manage our exposure to marine and energy.

Net Premiums Written

Details of net premiums written are provided in the following table:

| | Year ended December 31 | | | |
|----------|-------------------------------|---------|-------------|--------------------|
| | 2023 | | 2022 | |
| Property | \$ | 94,651 | 15.9 % | \$ 67,680 12.8 % |
| Casualty | | 337,111 | 56.7 | 315,935 59.6 |
| Other | | 162,286 | 27.3 | 146,127 27.6 |
| Total | \$ | 594,048 | 100.0 % | \$ 529,742 100.0 % |

Our net premiums written increased by \$64.3 million, or 12.1%, compared to the year ended December 31, 2022. The movement in net premiums written resulted from the changes in gross premiums written and ceded during the periods.

Net Premiums Earned

Details of net premiums earned are provided in the following table:

| | Year ended December 31 | | | |
|----------|------------------------|---------|---------|--------------------|
| | 2023 | | 2022 | |
| Property | \$ | 86,539 | 14.8 % | \$ 52,397 11.2 % |
| Casualty | | 331,196 | 56.8 | 289,820 61.7 |
| Other | | 165,412 | 28.4 | 127,260 27.1 |
| Total | \$ | 583,147 | 100.0 % | \$ 469,477 100.0 % |

Net premiums earned increased by \$113.7 million or 24.2%, compared to the prior year. The change in net premiums earned is primarily a function of the amount and timing of net premiums written during the current and prior periods, coupled with the mix of business written in the form of excess of loss versus proportional contracts.

Loss and LAE Incurred, Net

The components of the loss ratio were as follows:

| | Year ended December 31 | | |
|--------------------------------------|------------------------|--------|--|
| | 2023 | 2022 | Increase / (decrease) in loss ratio points |
| Current accident year loss ratio | 59.8 % | 67.4 % | (7.6) |
| Prior year reserve development ratio | 1.9 % | — % | 1.9 |
| Loss ratio | 61.7 % | 67.4 % | (5.7) |

Current accident year loss ratio improved by 7.6 points for the year ended December 31, 2023, compared to the same period in 2022 primarily due to 3.6 points in lower CAT losses, coupled with favorable pricing and change in business mix in 2023.

For the year ended December 31, 2023, prior year adverse loss development was 1.9%, compared to a negligible amount in 2022. Refer to Note 7 [Loss and Loss Adjustment Expense Reserves](#), to the consolidated financial statements for further details on prior year loss developments.

The following table provides a breakdown of net losses incurred by lines of business:

| | Year ended December 31 | | | |
|----------|------------------------|---------|---------|--------------------|
| | 2023 | | 2022 | |
| Property | \$ | 62,266 | 17.3 % | \$ 40,885 12.9 % |
| Casualty | | 225,314 | 62.6 | 205,641 65.0 |
| Other | | 72,424 | 20.1 | 69,959 22.1 |
| Total | \$ | 360,004 | 100.0 % | \$ 316,485 100.0 % |

The loss ratios by lines of business were as follows:

| | Year ended December 31 | | Increase / (decrease) in loss ratio points |
|----------|------------------------|--------|--|
| | 2023 | 2022 | |
| Property | 72.0 % | 78.0 % | (6.0) % |
| Casualty | 68.0 | 71.0 | (3.0) |
| Other | 43.8 | 55.0 | (11.2) |
| Total | 61.7 % | 67.4 % | (5.7) % |

The following provides further details on the change in 2023 vs. 2022:

| | Increase (decrease) (\$ in millions) | Increase / (decrease) in loss ratio points | Explanation |
|----------|---|---|---|
| Property | \$21.4 | (6.0)% | <p>The increase in losses incurred is primarily due to 65.2% increase in net premiums earned, and to a lesser degree due to a higher dollar amount of current year CAT losses.</p> <p>However, our loss ratio improved mainly due to a decrease of 4.7 loss ratio points from current CAT losses, in part due to higher premiums earned. In 2023, the U.S. severe storms losses and other CAT events contributed 19.3 loss ratio points to the Property loss ratio. During the comparable period in 2022, CAT losses from Hurricane Ian, Typhoons Nanmadol and Hinnamnor, and Tennessee wildfires contributed 24.0 percentage points to the Property loss ratio.</p> <p>Additionally, the Property loss ratio benefited by 2.1 percentage points due to an increase in favorable prior year CAT loss development for various underwriting years (2017 to 2022).</p> |
| Casualty | \$19.7 | (3.0)% | <p>The increase in losses incurred was primarily driven by the 14.3% increase in net premiums earned, coupled with an increase of \$19.7 million or 5.5 loss ratio points in prior year loss development predominantly driven by attritional losses relating to motor, general liability, multiline, workers' compensation and professional liability programs.</p> <p>However, our Casualty business benefited by 5.1 loss ratio points from lower current year CAT losses, compared to 2022 when the Multi-line class was adversely impacted by Hurricane Ian. Further, the overall decrease in loss ratio was also driven by the change in business mix. We significantly grew General Liability and Multi-line classes at much lower loss ratios than the Workers' Compensation class.</p> |
| Other | \$2.5 | (11.2)% | <p>Despite the 30.0% increase in net premiums earned, driven from growth in our Marine and Other Specialty classes, we had only a marginal increase in losses incurred for Other, primarily due to 8.2 loss ratio point improvement from prior year favorable loss development, and to a lesser extent, from lower CAT losses. The prior year favorable loss development was predominantly from the following classes of business: Mortgage, Transactional Liability, and Whole Account Marine and Energy.</p> |

See "Critical Accounting Estimates, Loss and Loss Adjustment Expense Reserves" in this MD&A and "Note 7. [Loss and Loss Adjustment Expense Reserves](#) " to the consolidated financial statements for additional discussion of our reserving techniques and prior year development of net claims and claim expenses.

Acquisition Costs, Net

Our total acquisition costs increased by 18.0% to \$168.9 million, compared to 2022, mainly due to growth in net premiums earned, offset partially by lower broker commissions from excess of loss contracts compared to proportional treaties. For the year ended December 31, 2023, net profit commission expense of \$14.8 million, (2022: \$16.0 million) was included in our total acquisition costs.

The acquisition cost ratios by line of business were as follows:

| | 2023 | 2022 | Increase / (decrease) |
|----------|--------|--------|-----------------------|
| Property | 18.7 % | 22.2 % | (3.5) % |
| Casualty | 30.5 | 29.0 | 1.5 |
| Other | 31.3 | 37.4 | (6.1) |
| Total | 29.0 % | 30.5 % | (1.5) % |

The following provides further details on the change in 2023 vs. 2022:

| | Increase / (decrease) in acquisition cost ratio points | Explanation |
|----------|--|--|
| Property | (3.5)% | The decrease was due primarily to the higher proportion of excess of loss contracts that have a lower ceding commission rate than proportional treaties. Based on net premiums earned for Property, excess of loss contracts accounted for 10% compared to 6% in 2022. |
| Casualty | 1.5% | The marginal increase was due primarily to changes in our business mix, particularly with an increase in net premiums earned from General Liability, Professional Liability and Multi-line (including FAL) classes, which have higher ceding commission rates than the Workers' Compensation business. |
| Other | (6.1)% | The decrease was driven primarily by change in business mix, coupled with a higher proportion of excess of loss contracts than proportional treaties. Based on net premiums earned for Other, excess of loss contracts accounted for 23% compared to 18% in 2022. |

Ratio Analysis

The following table provides our underwriting ratios by line of business:

| | Year ended December 31 | | | | | | | | Year ended December 31 | | | | | | | |
|----------------|------------------------|---|----------|---|-------|---|-------|---|------------------------|---|----------|---|-------|---|-------|--|
| | 2023 | | | | | | | | 2022 | | | | | | | |
| | Property | | Casualty | | Other | | Total | | Property | | Casualty | | Other | | Total | |
| Loss ratio | 72.0 | % | 68.0 | % | 43.8 | % | 61.7 | % | 78.0 | % | 71.0 | % | 55.0 | % | 67.4 | |
| Acquisition | | | | | | | | | | | | | | | | |
| cost ratio | 18.7 | | 30.5 | | 31.3 | | 29.0 | | 22.2 | | 29.0 | | 37.4 | | 30.5 | |
| Composite | | | | | | | | | | | | | | | | |
| ratio | 90.7 | % | 98.5 | % | 75.1 | % | 90.7 | % | 100.2 | % | 100.0 | % | 92.4 | % | 97.9 | |
| Underwriting | | | | | | | | | | | | | | | | |
| expense ratio | | | | | | | 3.8 | | | | | | | | 4.4 | |
| Combined ratio | | | | | | | 94.5 | % | | | | | | | 102.3 | |

Our underwriting expense ratio decreased by 0.6 points, compared to the same period in 2022, mainly due to 0.8 point reduction from lower interest expense on deposit-accounted contracts based on revised expectations of ultimate cash flows in 2023.

G&A Expenses

The breakdown of our G&A expenses between under underwriting and corporate functions was as follows:

| | Year ended December 31 | |
|-----------------------|------------------------|-----------|
| | 2023 | 2022 |
| Underwriting expenses | \$ 19,587 | \$ 13,813 |
| Corporate expenses | 23,653 | 17,793 |
| Total G&A expenses | \$ 43,240 | \$ 31,606 |

G&A expenses increased by \$11.6 million, or 36.8%, compared to the prior year. The increase was driven by:

- *Underwriting expenses:* Increased by \$5.8 million, or 41.8%, mainly due to scaling up as we added to our talent pool, which contributed to the growth in gross premiums written in 2023. Increase in allowance for credit losses relating to certain reinsurance balances receivable and loss recoverable also accounted for the increase in underwriting expenses. The increase was partially offset by lower legal and other professional fees. See above "Ratio Analysis" for a discussion on our underwriting expense ratio.
- *Corporate expenses:* Increased by \$5.9 million or 32.9%, driven mainly by \$6.4 million of severance related costs compared to \$1.1 million in the prior year. The 2023 severance costs included a \$1.5 million non-cash charge relating to the accelerated vesting of the former CEO's restricted shares as well as the modified grant relating to his unvested performance-based restricted shares. The remaining increase was mainly due to an increase in personnel costs, including an increase in accrued incentive compensation costs in light of the Company's performance in 2023. The incentive compensation cost for 2022 was nil due to the net underwriting loss. This increase in corporate expenses was partially offset by lower D&O insurance expense.

Total Investment Income

Total investment income incorporates (i) changes in the net asset value of our investment in SILP, (ii) interest income earned on cash and cash equivalents, including the restricted funds pledged as collateral to our clients, and (iii) gains (or losses) and interest on our portfolio of Innovations investments. We expect our total investment income, including any change in the net asset value of our investment in SILP, to fluctuate from period to period.

A summary of our total investment income is as follows:

| | Year ended December 31 | |
|---|------------------------|-----------|
| | 2023 | 2022 |
| Interest and dividend income, net of withholding taxes and other expenses | \$ 35,629 | \$ 4,466 |
| Net realized and unrealized gains on other investments (see Note 4) | 1,738 | 9,673 |
| Net investment-related income | \$ 37,367 | \$ 14,139 |
| Share of SILP's net income (see Note 3) | 28,696 | 54,844 |
| Total investment income | \$ 66,063 | \$ 68,983 |

Net investment-related income

Our net investment-related income increased by \$23.2 million or 164.3% compared to 2022 mainly due to rising U.S. interest rates, which resulted in an increase in interest income from our cash and cash equivalent (including restricted cash), partially offset by lower average outstanding balance in 2023. The U.S. Federal Reserve hiked its benchmark rate 11 times for a total of 5.25 percentage points since March 2022. Our Innovations-related investments had less gains in 2023 in part due to less favorable pricing conditions from completed financing rounds by some of our Innovation investees compared to 2022.

Share of SILP's Net Income

Our share of SILP's net income decreased by \$26.1 million in 2023 compared to 2022. For the year ended December 31, 2023, SILP reported a net investment return of 9.4%, compared to 25.3% for 2022. The following table provides a breakdown of the gross and net investment returns:

| | Year ended December 31 | |
|--|------------------------|--------|
| | 2023 | 2022 |
| Long portfolio gains (losses) | 32.1 % | — % |
| Short portfolio gains (losses) | (22.1) | 26.1 |
| Macro gains (losses) | 3.7 | 3.8 |
| Other income and expenses ¹ | (3.2) | (1.8) |
| Gross investment return | 10.5 % | 28.1 % |
| Net investment return ¹ | 9.4 % | 25.3 % |

¹ "Other income and expenses" excludes performance compensation but includes management fees. "Net investment return" incorporates both of these amounts. For further information about management fees and performance compensation, refer to Note 15 ["Related Party Transactions"](#) of the consolidated financial statements.

The most significant contributors to SILP's net investment return for the year ended December 31, 2023 were long positions in Green Brick Partners Inc., CONSOL Energy Inc., and a S&P 500 / U.S. interest rate derivative position. For the same period, the most significant detractors were three single-name short positions.

Each month, we post on our website (www.greenlightire.com) the returns from our investment in SILP.

Interest Expense

Our interest expense for the year ended December 31, 2023 increased by \$1.1 million to \$5.3 million compared to 2022. The increase was driven primarily by the increase in borrowing cost for new Term Loans, which were partially used to repay the outstanding Convertible Notes (see Note 9 ["Debt and Credit Facilities"](#) to the consolidated financial statements). The interest expense for the year ended December 31, 2023 included \$0.6 million of unrealized loss on the interest rate swaps used to partially hedge the Term Loans.

Income Taxes

For the year ended December 31, 2023, we incurred net income tax expense of \$0.1 million, net of a \$2.3 million reversal of deferred tax asset provision based on management's conclusion that it was more likely than not that the Company will fully realize the deferred tax asset. For the year ended December 31, 2022, we had a net income tax recovery of \$0.8 million primarily due to a tax refund relating to Verdant. For further information, see Note 14 ["Income Taxes"](#) to the consolidated financial statements.

Financial Condition

Investments

The following table provides a breakdown of our total investments:

| | December 31 | | | |
|--|-------------|---------|------------|---------|
| | 2023 | | 2022 | |
| Investment in related party investment fund (SILP) | \$ 258,890 | 78.0 % | \$ 178,197 | 71.7 % |
| Other investments: | | | | |
| Private investments and unlisted equities | 71,157 | 21.4 | 62,433 | 25.1 |
| Debt and convertible debt securities | 2,136 | 0.6 | 1,846 | 0.8 |
| Certificates of deposit | — | — | 6,000 | 2.4 |
| Total other investments | \$ 73,293 | 22.0 % | \$ 70,279 | 28.3 % |
| Total investments | \$ 332,183 | 100.0 % | \$ 248,476 | 100.0 % |

At December 31, 2023, our total investments increased by \$83.7 million, or 33.7%, to \$332.2 million from December 31, 2022. The increase was primarily driven from net additional contributions into SILP, coupled with the net investment return in 2023.

Investments in SILP

DME Advisors reports the composition of SILP's portfolio on a delta-adjusted basis, which it believes is the appropriate manner to assess the exposure and profile of investments and reflects how it manages the portfolio. An option's delta is the option price's sensitivity to the underlying stock (or commodity) price. The delta-adjusted basis is the number of shares or contracts underlying the option multiplied by the delta and the underlying stock (or commodity) price.

The following table represents the composition of SILP's investments:

| | December 31 | | | |
|--|-------------|---------|--------|---------|
| | 2023 | | 2022 | |
| | Long % | Short % | Long % | Short % |
| Equities and related derivatives | 90.2 | 53.8 | 84.4 | 49.7 |
| Private and unlisted equity securities | 2.0 | — | 3.2 | — |
| Debt instruments | 0.3 | — | 0.6 | — |
| Total | 92.5 % | 53.8 % | 88.2 % | 49.7 % |

The above exposure analysis does not include cash (U.S. dollar and foreign currencies), gold and other commodities, credit default swaps, sovereign debt, foreign currency derivatives, interest rate derivatives, inflation swaps and other macro positions. Under this methodology, a total return swap's exposure is reported at its full notional amount and options are reported at their delta-adjusted basis. At December 31, 2023, SILP's exposure to gold on a delta-adjusted basis was 11.2% (2022: 15.2%).

The following table represents the composition of SILP by industry sector at December 31, 2023:

| Sector | Long % | | Short % | | Net % |
|------------------------|--------|---|---------|---|-------|
| Communication Services | — | % | (3.7) | % | (3.7) |
| Consumer Discretionary | 38.7 | | (11.9) | | 26.8 |
| Consumer Staples | — | | (1.0) | | (1.0) |
| Energy | 14.2 | | — | | 14.2 |
| Financial | 15.5 | | (11.7) | | 3.8 |
| Healthcare | 7.2 | | (1.8) | | 5.4 |
| Industrials | 3.7 | | (7.6) | | (3.9) |
| Materials | 6.6 | | (0.6) | | 6.0 |
| Real Estate | — | | (4.0) | | (4.0) |
| Technology | 4.5 | | (8.2) | | (3.7) |
| Utilities | 1.3 | | (3.3) | | (2.0) |
| Other | 0.8 | | — | | 0.8 |
| Total | 92.5 | % | (53.8) | % | 38.7 |

The following table represents the composition of SILP, by the market capitalization of the underlying issuer, at December 31, 2023:

| Capitalization | Long % | | Short % | | Net % |
|--|--------|---|---------|---|--------|
| Mega Cap Equity (≥\$25 billion) | 0.6 | % | (16.4) | % | (15.8) |
| Large Cap Equity (≥\$10 billion and <\$25 billion) | 5.7 | | (6.3) | | (0.6) |
| Mid Cap Equity (≥\$2 billion and <\$10 billion) | 80.5 | | (25.3) | | 55.2 |
| Small Cap Equity (<\$2 billion) | 3.4 | | (5.8) | | (2.4) |
| Debt Instruments | 0.3 | | — | | 0.3 |
| Other | 2.0 | | — | | 2.0 |
| Total | 92.5 | % | (53.8) | % | 38.7 |

At December 31, 2023, 95.0% of SILP's portfolio was valued based on quoted prices in actively traded markets (Level 1), 3.6% was composed of instruments valued based on observable inputs other than quoted prices (Level 2), and a nominal amount was composed of instruments valued based on non-observable inputs (Level 3). At December 31, 2023, 1.4% of SILP's portfolio consisted of private equity funds valued using the funds' net asset values as a practical expedient.

Other Investments

The other investment holdings relate to private investments made by Innovations. During 2023, we made \$7.1 million of new private investments compared to \$13.2 million in the prior year. While we manage a diversified Innovations-related investment portfolio with approximately 40 holdings, our top five holdings accounted for 67% of the total carrying value as a result of favorable fair value remeasurement since our initial investments, net of impairment charges. For further information, see Note 4 "[Other Investments](#)" of the consolidated financial statements.

The certificate of deposit was redeemed in 2023 to provide cash collateral for the new Loan Facility (see "Debt" below).

Restricted cash and cash equivalents

We use our restricted cash and cash equivalents primarily for funding trusts and letters of credit issued to our ceding insurers. Our restricted cash decreased by \$63.7 million, or 9.5%, from \$668.3 million at December 31, 2022, to \$604.6 million at December 31, 2023, primarily due to release of collateral from our ceding insurers relating to legacy contracts in run-off. During the year ended December 31, 2023, we also pledged \$10.0 million collateral as security for the new Loan Facility (see "Debt" below).

Reinsurance balances receivable

Our reinsurance balances receivable increased by \$113.8 million, or 22.5%, to \$619.4 million from \$505.6 million at December 31, 2022. This increase was driven primarily by premiums held by Lloyd's syndicates through GCM. See "Concentration of Credit Risk - Reinsurance Balances Receivable, net" in Note 16 ["Commitments and Contingencies"](#) to the consolidated financial statements.

Loss and LAE Reserves; Loss and LAE Recoverable

Our reserves for loss and LAE by lines of business were as follows:

| | December 31, 2023 | | | December 31, 2022 | | |
|----------|-------------------|------------|------------|-------------------|------------|------------|
| | Case Reserves | IBNR | Total | Case Reserves | IBNR | Total |
| Property | \$ 24,181 | \$ 41,056 | \$ 65,237 | \$ 20,354 | \$ 41,361 | \$ 61,715 |
| Casualty | 136,713 | 299,933 | 436,646 | 146,702 | 227,979 | 374,681 |
| Other | 28,156 | 131,515 | 159,671 | 17,700 | 101,372 | 119,072 |
| Total | \$ 189,050 | \$ 472,504 | \$ 661,554 | \$ 184,756 | \$ 370,712 | \$ 555,468 |

Our total gross loss and LAE reserves increased by \$106.1 million, or 19.1%, to \$661.6 million from \$555.5 million at December 31, 2022. See Note 7 " [Loss and Loss Adjustment Expense Reserves](#)" of the consolidated financial statements for a summary of changes in outstanding loss and LAE reserves and a description of prior period loss developments.

Our total loss and LAE recoverable increased by \$12.4 million, or 94.0%, to \$25.7 million from \$13.2 million at December 31, 2022. See Note 8 " [Retrocession](#)" of the consolidated financial statements for a description of the credit risk associated with our retrocessionaires.

PML

For most of the contracts we write, defined limits of liability limit our risk exposure. Once each contract's limit of liability has been reached, we have no further exposure to additional losses from that contract. However, certain contracts, particularly quota share contracts covering first-dollar exposure, do not contain aggregate limits.

Our property and Lloyd's business, and to a lesser extent our casualty and other business, incorporate contracts that contain natural peril loss exposure. We currently monitor our catastrophe loss exposure in terms of our PML (net of retrocession and reinstatement premiums). We anticipate that our PMLs will vary from period to period depending upon the modeled simulated losses and the composition of our in-force book of business.

We monitor our natural peril PMLs on a worldwide basis, with a particular focus on our peak peril regions. When these perils consist of a large geographic area, we split them into sub-regions, where the underlying geographic components can also be considered individual peril zones.

For our natural catastrophe PMLs, we utilize the output of catastrophe models at the 1-in-250-year return period. The 1-in-250-year return period PML means that we believe there is a 0.4% probability that, in any given year, an occurrence of a natural catastrophe will lead to losses exceeding the stated estimate.

It is important to note that PMLs are best estimates based on the modeled data available for each underlying risk. As a result, we cannot provide assurance that any actual event will align with the modeled event or that actual losses from events similar to the modeled events will not vary materially from the modeled event PML.

Our PML estimates incorporate all significant exposure from our reinsurance operations, including coverage for property, marine and energy, motor, and catastrophe workers' compensation exposures.

At January 1, 2024, our estimated largest PML at a 1-in-250-year return period for a single event and in aggregate was \$89.7 million and \$97.0 million, respectively, both relating to the peril of North Atlantic Hurricane, compared to \$77.5 million and \$83.5 million, respectively, at January 1, 2023. We have increased our PMLs in response to favorable market conditions and attractive opportunities, coupled with increased surplus.

The below table contains the expected modeled loss for each of our peak peril regions and sub-regions for both a single event loss and aggregate loss measures at the 1-in-250-year return period.

| | | January 1, 2024 | |
|--------------------------|----|---------------------------------|----------------|
| | | Net 1-in-250 Year Return Period | |
| Peril | | Single Event Loss | Aggregate Loss |
| | | (\$ in thousands) | |
| North Atlantic Hurricane | \$ | 89,651 | \$ 9 |
| Southeast Hurricane | | 83,339 | 8 |
| Gulf of Mexico Hurricane | | 66,557 | 6 |
| Northeast Hurricane | | 51,028 | 5 |
| North America Earthquake | | 87,227 | 9 |
| California Earthquake | | 74,105 | 7 |
| Other N.A. Earthquake | | 45,187 | 4 |
| Japan Earthquake | | 34,998 | 3 |
| Japan Windstorm | | 29,766 | 3 |
| Europe Windstorm | | 52,360 | 5 |

Debt

Our total debt decreased by \$7.3 million, or 9.0%, to \$73.3 million from \$80.5 million at December 31, 2022. During 2023, we repurchased \$17.5 million of Convertible Notes for a marginal realized gain. Further, we repaid the remaining \$63.4 million of Convertible Notes, including accrued interest, which matured on August 1, 2023. To repay this debt, we entered into a \$75.0 million Loan Facility with a group of banks. In connection with this Loan Facility, we contractually agreed to hedge 50% of the floating rate Term Loans for the duration of the Loan Facility. Refer to Note 9 "[Debt and Credit Facilities](#)" of the consolidated financial statements for further information.

Total shareholders' equity

Total shareholders' equity increased by \$93.0 million to \$596.1 million, compared to \$503.1 million at December 31, 2022. The increase was primarily due to the net income of \$86.8 million reported for the year. For details of other movements in shareholders' equity, see the consolidated statements of shareholders' equity.

Liquidity and Capital Resources

Liquidity

Liquidity is a measure of a company's ability to generate sufficient cash flows to meet the short-term and long-term cash requirements of its business operations. We manage liquidity at the holding company and operating subsidiary level.

Holding Company

Greenlight Capital Re is a holding company with no operations of its own and its assets consist primarily of investments in its subsidiaries. Accordingly, Greenlight Capital Re's future cash flows depend on the availability of dividends or other statutorily permissible distributions, such as returns of capital, from its subsidiaries. The ability to pay dividends and/or distributions is limited by:

- the applicable laws and regulations of the countries in which Greenlight Capital Re's subsidiaries operate (see Note 18 " [Statutory Requirements](#)" to the consolidated financial statements);
- the need to maintain adequate capital levels to support our reinsurance operations; and
- the need to preserve our current "A- (Excellent)" rating with a stable outlook by A.M. Best.

As a holding company, Greenlight Capital Re has minimal continuing cash needs, most of which are related to the payment of corporate and general administrative expenses and interest expenses. Our current policy is to retain earnings to support the growth of our business. We currently do not expect to pay dividends on our ordinary shares.

We anticipate positive cash flows from operations (underwriting activities and investment income) to be sufficient to cover cash outflows under most loss scenarios in the near term. Based on expected cash flows from operations, financing arrangements and redemptions from related party investment fund as needed (subject to three day's notice to the general partner), we believe we have sufficient liquidity to cover our working capital requirements and other contractual obligations and commitments through the foreseeable future.

Operating Subsidiaries

Our sources of funds from operating subsidiaries consist primarily of premium receipts (net of brokerage and ceding commissions), investment income, and other income. We use cash from our operations to pay losses and loss adjustment expenses, profit commissions, interest, and G&A expenses. Our reinsurance business inherently provides liquidity as premiums are received well in advance of the time claims are paid. However, the amount of cash required to fund loss payments can fluctuate significantly from period to period due to the low frequency / high severity nature of certain types of business we write.

The following table summarizes our sources and uses of funds:

| | Year ended December 31 | |
|--|------------------------|-------------------|
| | 2023 | 2022 |
| Total cash provided by (used in): | | |
| Operating activities | \$ 7,507 | \$ (31,799) |
| Investing activities | (53,133) | 47,015 |
| Financing activities | (5,292) | (19,828) |
| Effect of currency exchange on cash ⁽¹⁾ | 100 | 59 |
| Net cash inflows (outflows) | (50,818) | (4,553) |
| Cash, beginning of period | 706,548 | 711,101 |
| Cash, end of period | \$ 655,730 | \$ 706,548 |

⁽¹⁾ Cash includes unrestricted and restricted cash and cash equivalents - see Note 5 of the consolidated financial statements.

Cash provided by operating activities

The increase in cash provided by operating activities was driven mainly by \$42.7 million improved underwriting income, coupled with the ebb and flow from our underwriting activities, which may vary significantly from period to period depending on the mix of business, the nature of underwriting opportunities available and volume of claims submitted to us by our cedents.

Cash used in investing activities

The increase in cash used for investing activities was driven mainly by the net change in our investment in SILP where we made a net contribution of \$52.0 million during 2023 compared to a net redemption of \$60.2 million during 2022. During 2023, we deployed \$6.1 million less on Innovations-related investments compared to 2022, and collected \$6.0 million of proceeds from a matured term deposit.

Cash used in financing activities

The decrease in cash used in our financing activities was due to drawing \$74.1 million from the new Loan Facility, offset by the repayment of the remaining Convertible Notes on August 1, 2023, in addition to the partial repurchase of these Convertible Notes at a discount in 2023. In 2022, we had repurchased \$19.8 million of our Convertible Notes.

Capital Resources

The following table summarizes our capital structure:

| | December 31, 2023 | | December 31, 2022 | |
|--|-------------------|---------|-------------------|---------|
| Debt | \$ | 74,062 | \$ | 80,534 |
| Shareholders' equity | | 596,095 | | 503,120 |
| Ratio of debt to shareholders' equity | | 12 % | | 16 |

The debt to shareholders' equity provides an indication of our leverage and capital structure, along with some insights into our financial strength. In addition to the above capital, we also have LOC facilities to support our reinsurance business operations where we are not licensed or admitted as a reinsurer.

The following is a summary of the changes in our capital:

Debt

At December 31, 2023, our debt consisted of the new \$75.0 million Loan Facility used principally to repay the Convertible Notes that were outstanding at December 31, 2022, net of repurchases during 2023. We also made the initial loan installment repayment on the Loan Facility. The facility will mature on August 1, 2026.

Ordinary Shares

At December 31, 2023, there were 35,336,732 outstanding ordinary shares, an increase of 512,671 since December 31, 2022, due to restricted shares granted to our employees and non-executive directors.

While our Board of Directors renewed the \$25.0 million share repurchase plan in 2023, we did not repurchase any ordinary shares for year ended December 31, 2023 (see "Item 5 - [Market for Registrants's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities](#)").

We expect that the existing capital base and internally generated funds will be sufficient to implement our business strategy for the foreseeable future. However, to provide us with flexibility and timely access to public capital markets should we require additional capital for working capital, capital expenditures, acquisitions, or other general corporate purposes, we have filed a Form S-3 registration statement, which expires in July 2024.

Secured LOC Facilities

At December 31, 2023, our total LOC capacity was \$489.0 million, compared to \$289.0 million at December 31, 2022. The increase was due to a new LOC credit facility established to accommodate future growth and to diversify the concentration risk of having a single facility. At December 31, 2023, we had \$290.7 million LOCs outstanding compared to \$203.9 million at December 31, 2022. The increase is driven by, among other factors, the amount of unearned premiums, development of loss reserves, the expansion of our business and loss experience of that business.

The amount drawn from the LOC facilities are secured by cash collateral, reported as restricted cash and cash equivalents in the consolidated balance sheets.

Contractual Obligations and Commitments

At December 31, 2023, our contractual obligations and commitments by period due were as follows:

| | Less than 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|--|---------------------|-------------------|------------------|----------------------|-------------------|
| Operating activities | | | | | |
| Loss and loss adjustment expense reserves ⁽¹⁾ | \$ 314,238 | \$ 209,713 | \$ 78,063 | \$ 59,540 | \$ 661,554 |
| Operating lease obligations ⁽²⁾ | 637 | 1,005 | — | — | 1,642 |
| Financing activities | | | | | |
| Debt ⁽³⁾ | 3,703 | 70,359 | — | — | 74,062 |
| Total | <u>\$ 318,578</u> | <u>\$ 281,077</u> | <u>\$ 78,063</u> | <u>\$ 59,540</u> | <u>\$ 737,258</u> |

⁽¹⁾ Due to the nature of our reinsurance operations, the amount and timing of the cash flows associated with our reinsurance contractual liabilities will fluctuate, perhaps materially, and, therefore, are highly uncertain.

⁽²⁾ See Note 16 "[Commitments and Contingencies](#)" of the consolidated financial statements.

⁽³⁾ See Note 9 "[Debt and Credit Facilities](#)" of the consolidated financial statements.

Critical Accounting Estimates

Our consolidated financial statements contain certain amounts that are inherently subjective and have required management to make assumptions and best estimates to determine reported values. If certain factors, including those described in "Part I, [Item 1A. — Risk Factors](#)," cause actual events or results to differ materially from our underlying assumptions or estimates, there could be a material adverse effect on our results of operations, financial condition, or liquidity. We believe the following accounting policies affect the more significant estimates used to prepare our consolidated financial statements. We have summarized the descriptions below for clarity. We have included a more detailed description of our significant accounting policies and recently issued accounting standards in Note 2 "[Significant Accounting Policies](#)" to the consolidated financial statements.

Premium Revenues

Gross Premiums Written

We record our property and casualty reinsurance premiums as premiums written based on our best estimate of the ultimate premiums for the contract period. Our estimates are based on actuarial pricing models and information received from ceding companies. Further, we record reinsurance premiums so long as they meet the risk transfer criteria under U.S. GAAP (see "Deposit Contracts" below).

Excess of loss reinsurance contracts typically state premiums as a percentage of the subject premiums written by the client, subject to a minimum and deposit premium. The minimum and deposit premium is generally based on an estimate of subject premiums expected to be written by the client during the contract term. The minimum and deposit premium is reported initially as premiums written and adjusted, if necessary, in subsequent periods once the actual subject premium is known.

For quota share (also known as proportional) contracts, we record premiums in the same periods in which the underlying insurance contracts are written, based on cession statements from cedents. We typically receive these statements monthly or quarterly, depending on the terms specified in each contract. For any reporting lag, we estimate premiums written based on the portion of the estimated ultimate premiums relating to the risks bound during the lag period.

For multi-year contracts, reinsurance premiums are recorded at the inception of the contract based on our best estimate of total premiums to be received. Premiums are recognized on an annual basis for multi-year contracts where the cedants have the ability to unilaterally commute or cancel coverage within the term of the contract.

We regularly review premium estimates. Such review includes our experience with the ceding companies, managing general underwriters, familiarity with each market, the timing of the reported information, a comparison of reported premiums to expected ultimate premiums, along with a review of the aging and collection of premiums. We evaluate the appropriateness of the premium estimates on the basis of these reviews and record any adjustments to these estimates in the period in which they are determined. Changes in premium estimates, including premium receivable on both excess of loss and quota share contracts, are not unusual and may result in significant adjustments in any period. A portion of amounts included in "[Reinsurance balances receivable](#)" in the consolidated balance sheets represent estimated premiums written, net of commissions and brokerage, that are not currently due based on the terms of the underlying contracts. Additional premiums due on a contract with no remaining coverage period are earned in full when written.

Certain contracts provide for reinstatement premiums in the event of a loss. Reinstatement premiums are written and earned when a triggering loss event occurs.

Net Premiums Earned

We earn premiums over the risk coverage period. Unearned premiums represent the unexpired portion of reinsurance provided. Changes in circumstances subsequent to the inception of contracts can impact the earnings period. For instance, when exposure limits for a reinsurance contract are reached, any associated unearned premiums are fully earned.

Excess of loss reinsurance contracts are generally written on a "losses occurring" or "claims made" basis over the term of the policy. Accordingly, premiums are earned evenly over the contract term, which is generally 12 months.

Line slip or proportional insurance/reinsurance contracts are generally written on a "risks attaching" basis, covering claims that relate to the underlying policies written during the terms of these contracts. As the underlying business incepts throughout the contract term, which is generally one year, and the underlying business generally has a one year coverage period, these premiums are generally earned evenly over a 24-month period from inception.

Deposit Contracts

If we determine that a reinsurance contract does not transfer sufficient risk to merit reinsurance accounting treatment, we report the premium we receive as a deposit liability. Similarly, we report the premium we pay as a deposit asset for ceded contracts that do not transfer sufficient risk to merit reinsurance accounting. Any income and expense on deposit-accounted contracts is calculated using the interest method and recorded in the consolidated statements of operations under "Other income (expense)" and "Deposit interest expense," respectively.

Loss and Loss Adjustment Expense Reserves

Estimating our loss and LAE reserves involves a considerable degree of judgment, and our estimates as of any given date are inherently uncertain. Estimating loss and LAE reserves requires us to make assumptions regarding reporting and development patterns, frequency and severity trends, claims settlement practices, potential changes in legal environments, inflation, loss amplification, foreign exchange movements, and other factors. These estimates and judgments are based on numerous considerations and are often revised as (i) we receive changes in loss amounts reported by ceding companies and brokers; (ii) we obtain additional information, experience, or other data; (iii) we develop new or improved methodologies; or (iv) we observe changes in the legal environment.

Our loss and LAE reserves relating to short-tail property risks are typically reported to us and settled more promptly than those relating to long-tail risks. However, the timeliness of loss reporting can be affected by such factors as the nature of the event causing the loss, the location of the loss, whether the loss is from policies in force with primary insurers or with reinsurers, and where our exposure falls within the cedent's overall reinsurance program.

Our loss and LAE reserves are composed of case reserves (based on claims reported to us) and IBNR reserves, including the associated claims handling costs.

We determine case reserve estimates based on loss reports received. We determine our IBNR reserve estimates using standard actuarial methods and a combination of our own historical and current loss experience, insurance industry loss experience, assessments of pricing adequacy trends, and our professional judgment. In estimating our IBNR reserve, we estimate the total ultimate loss and LAE we expect to incur and subtract paid claims and case reserves.

The nature and extent of our judgment in the reserving process depend in part upon the type of business. Some of our property treaty reinsurance contracts represent business with a low frequency of claims occurrence and a high potential loss severity, such as claims arising from natural catastrophes. Given the nature of these events, traditional actuarial reserving methods may not be reliable indicators of the final outcome. As such, for contracts or losses of this type, we estimate the ultimate cost associated with a single loss event rather than perform analysis on the historical development patterns of past events to estimate the ultimate losses for an entire accident year. We estimate our reserves for these large events on a by-contract basis by reviewing policies with known or potential exposure to a particular loss event.

For non-catastrophe losses, we apply standard actuarial methodologies in setting reserves, including paid and incurred loss development, Bornheutter-Ferguson, burning cost, and frequency and severity techniques. We supplement our analysis with industry loss ratio and development pattern information in conjunction with our own experience. The weight given to a particular method will depend on many factors, including the homogeneity within the class of business, the volume of losses, the maturity of the accident year, and the length of the expected development tail. For example, the expected loss ratio method assumes that the ratio of premiums and losses remains constant. In contrast, development methods rely on observable patterns within reported losses, both historical and newly reported, to establish a view of the ultimate loss incurred. Therefore, as an accident year matures, we may migrate from an expected loss ratio method to an incurred development method.

As a predominantly broker-market reinsurer for both excess-of-loss and proportional contracts, we rely on loss information reported to brokers by primary insurers who, in turn, must estimate their losses at the policy level, often based on incomplete and changing information. The information we receive varies by cedent and may include paid losses, estimated case reserves, and an estimated provision for IBNR reserves. Reserving practices and data-reporting quality differ among ceding

companies, which adds further uncertainty to our estimation of ultimate losses. The nature and extent of information received from ceding companies and brokers also vary widely depending on the type of coverage, the contractual reporting terms (which are affected by market conditions and practices), and other factors. Due to the lack of standardization of the terms and conditions of reinsurance contracts, the differences in coverage provided to individual clients, and the tendency of those coverages to change rapidly in response to market conditions, we cannot always reliably measure the ongoing economic impact of such uncertainties and inconsistencies.

Time lags are inherent in loss reporting, especially in the case of excess-of-loss reinsurance contracts. The time lags, coupled with the combined characteristics of low claim frequency and high claim severity on such contracts, make the available data less useful for predicting ultimate losses.

In the case of proportional contracts, we rely on an analysis of a cedent's historical experience, industry information, and the underwriters' professional judgment in estimating reserves. We also utilize ultimate loss ratio forecasts when reported by cedents and brokers, which are ordinarily subject to three to six-month lags for proportional business. Due to our reliance on ceding companies for claims reporting, our reserve estimates are highly dependent on ceding companies' judgment. Furthermore, during the loss settlement period, which may last several years, additional facts regarding individual claims and trends will often become known, and case law may change, affecting ultimate expected losses.

Since we rely on ceding company data in establishing our loss and LAE reserves, we maintain procedures designed to mitigate the risk that such information is incomplete or inaccurate. These procedures include: (i) comparisons of expected premiums to reported premiums, which helps us to identify delinquent client periodic reports; (ii) ceding company audits to identify inaccurate or incomplete reporting of claims and ensure that claims are actively and appropriately managed in line with agreed protocols and settlement authority limits; and (iii) underwriting reviews to ascertain that the losses ceded are covered as provided under the contract terms. These procedures are incorporated in our internal controls and are regularly evaluated and amended as market conditions, risk factors, and unanticipated areas of exposure develop.

We engage an independent third-party actuarial firm to perform a quarterly reserve review and annually opine on the reasonableness and adequacy of the aggregate loss reserves. We provide the third-party actuarial firm with our pricing models, reserving analysis, and other data. The actuarial firm may also inquire about the various assumptions and estimates used in the reserving analysis. The actuarial firm independently creates its own reserving models based on industry loss information, augmented by client-specific loss information and independent assumptions and estimates. Based on various reserving methodologies that the actuarial firm considers appropriate, it creates a loss reserve estimate for each segment in the portfolio. It recommends an aggregate loss reserve, including IBNR. In the event of material differences between our aggregated booked reserves and the actuarial firm's recommended reserves, the reserving committee would be notified, with the reserves adjusted as deemed appropriate. To date, there have been no material differences resulting from the external actuary's reviews requiring adjustments to our booked reserves.

We monitor the development of our prior-year losses during subsequent calendar years by comparing the actual reported losses against previous estimates and current expectations. The analysis of this loss development is important to the ongoing refinement of our reserving assumptions. Each additional year of loss experience with a given cedent provides additional insight into the accuracy and timeliness of previously reported information.

Estimating loss reserves for our book of longer-tail casualty reinsurance business, which we write on both a proportional and non-proportional basis, involves further uncertainties. In addition to the uncertainties described above, casualty business is generally subject to longer reporting lags than property business, and claims often take several years to settle. During this period, additional factors and trends will be revealed, and we may adjust our reserves accordingly. Therefore, any factors that extend the time until our cedents settle claims add uncertainty to the reserving process.

The uncertainties inherent in the reserving process and the potential for unforeseen developments, including changes in laws and the prevailing interpretation of policy terms, may result in our loss and LAE reserves being materially greater or less than the loss and LAE reserves we initially established. We reflect adjustments to our loss and LAE reserves in our financial results during the period they are determined. Changes to our prior year loss reserves will impact our current underwriting results by improving our results if the prior year reserves prove redundant or impairing our results if the prior year reserves prove insufficient.

We believe that our reserves for loss and LAE are sufficient to cover losses that fall within the terms of our policies and agreements with our insured and reinsured customers based on the methodologies used to estimate those reserves. However, we can provide no assurance that actual losses will not (i) be less than or (ii) exceed our total established reserves.

Please refer to Notes 2 "[Significant Accounting Policies - Loss and Loss Adjustment Expense Reserves and Recoverable](#)" and 7 "[Loss and Loss Adjustment Expense Reserves](#)" of our consolidated financial statements for a more detailed explanation of our loss reserving methodology and the loss development tables by accident year, respectively, as required under U.S. GAAP.

Investments

We carry our investment in SILP at fair value, based on the most recent net asset value obtained from SILP's third-party administrator. Further, SILP's financial statements for the years ended December 31, 2023, 2022, and 2021 were subject to an independent audit in which SILP's external auditors issued an unqualified opinion for these years (see "[Report of Independent Registered Public Accounting Firm](#)" in the Exhibits).

Other investments in our consolidated balance sheets includes private and unlisted equity securities that do not have readily determinable fair values. We determine these private equity securities' carrying value based on the original cost, less impairment, plus or minus observable price changes in orderly transactions for an identical or similar investment of the same issuer. At each reporting date, we qualitatively consider whether the investment is impaired on the basis of certain impairment indicators. If we determine that the equity security is impaired on the basis of the qualitative assessment and the estimated fair value is less than the carrying value, we recognize an impairment loss in "Net investment income (loss)" in the consolidated statements of operations. We determine realized gains and losses from other investments based on the specific identification method (by reference to cost or amortized cost, as appropriate). These gains and losses are included in "Net investment income (loss)" in the consolidated statements of operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our financial instruments are subject to a variety of market risks. The term market risk refers to the risk of loss arising from adverse changes from:

- equity price;
- commodity price;
- foreign currency; and
- interest rate (including credit spreads).

We performed a sensitivity analysis below to estimate the effects that market risk exposure could have on the future earnings, fair values or cash flows of our financial instruments. These represent forward-looking statements of market risk assuming certain adverse market conditions occur. Actual results in the future may differ materially from these projected results due to actual developments in the global financial markets.

Equity Price Risk

At December 31, 2023, our investments consisted primarily of an investment in SILP. Among SILP's holdings are equity securities, the carrying values of which are based primarily on quoted market prices. Generally, market prices of common equity securities are subject to fluctuation, which could cause the amount to be realized upon closing a position to differ significantly from its current reported value. This risk is partly mitigated by the presence of both long and short equity securities as part of our investment strategy. At December 31, 2023, a 10% decline in the price of each of the underlying listed equity securities and equity-based derivative instruments would result in a \$12.3 million (2022: \$8.1 million) unrealized loss in our investment in SILP.

Commodity Price Risk

Generally, market prices of commodities are subject to fluctuation. SILP's investments periodically include long or short investments in commodities or derivatives directly impacted by fluctuations in the prices of commodities. At December 31, 2023, SILP's investments incorporate unhedged exposure to changes in gold, uranium, and crude oil prices.

The following table summarizes the net impact that a 10% movement in commodity prices would have on the fair value of SILP's investment portfolio. The below table excludes the indirect effect that changes in commodity prices might have on equity securities in the SILP's investment portfolio.

| | 10% increase in commodity prices | | 10% decrease in commodity prices | |
|----------------------|----------------------------------|-----|----------------------------------|-------|
| At December 31, 2023 | (\$ in millions) | | | |
| Gold | \$ | 3.8 | \$ | (3.8) |
| Uranium | | 0.8 | | (0.8) |
| Crude oil | | 1.6 | | (1.5) |
| Total | \$ | 6.2 | \$ | (6.1) |
| | | | | |
| | 10% increase in commodity prices | | 10% decrease in commodity prices | |
| At December 31, 2022 | (\$ in millions) | | | |
| Gold | \$ | 3.6 | \$ | (3.6) |
| Silver | | 0.3 | | (0.3) |
| Uranium | | 0.3 | | (0.3) |
| Crude oil | | 0.2 | | (0.2) |
| Total | \$ | 4.4 | \$ | (4.4) |

Foreign Currency Risk

Underwriting Related

Certain of our reinsurance contracts are denominated in foreign currencies, whereby premiums are receivable and losses are payable in foreign currencies. Foreign currency exchange rate risk exists to the extent that our foreign currency reinsurance balances are more than (or less than) the corresponding foreign currency cash balances, and there is an increase (or decrease) in the exchange rate of that foreign currency.

While we do not seek to precisely match our liabilities under reinsurance policies that are payable in foreign currencies with investments denominated in such currencies, we continually monitor our exposure to potential foreign currency losses and may use foreign currency cash and cash equivalents or forward foreign currency exchange contracts to mitigate against adverse foreign currency movements.

Certain cedents, particularly the Lloyd's syndicates, report to us in foreign currencies even though some or all of the underlying exposure is denominated in U.S. dollars. Our consolidated statements of operations may report a foreign exchange gain or loss associated with this exposure when reported by the cedents. Additionally, we may report foreign exchange gains or losses due to the mismatch between the currency exchange rates applied to foreign-denominated (i) monetary balances and (ii) non-monetary balances under U.S. GAAP. See Note 2 of the accompanying consolidated financial statements for further information regarding our accounting treatment of foreign currency transactions.

We monitor our foreign currency-denominated assets and liabilities on an "underlying exposure" basis without distinguishing between monetary and non-monetary balances.

The following table summarizes the net impact of a hypothetical 10% currency rate movement relating to our primary foreign denominated reinsurance net assets or liabilities (including balances held at Lloyd's):

| | Net Asset (Liability) Exposure | | 10% increase in currency rate | | 10% decrease in currency rate | |
|------------------------------------|--------------------------------|----------|-------------------------------|---------|-------------------------------|---------|
| At December 31, 2023 | | | | | | |
| GBP | £ | 25,337 | \$ | (3,228) | \$ | 3,228 |
| Euro | € | (13,975) | | 1,543 | | (1,543) |
| Total foreign exchange gain (loss) | | | \$ | (1,685) | \$ | 1,685 |

| At December 31, 2022 | Net Asset (Liability) Exposure | 10% increase in currency rate | 10% decrease in currency rate |
|------------------------------------|--------------------------------|-------------------------------|-------------------------------|
| GBP | £ 5,235 | \$ (633) | \$ 633 |
| Euro | € (10,526) | 1,126 | (1,126) |
| Total foreign exchange gain (loss) | | \$ 493 | \$ (493) |

Investment in SILP

We may also be exposed to foreign currency risk through SILP's underlying cash, forwards, options, and investments in securities denominated in foreign currencies. At December 31, 2023, most of SILP's currency exposures resulting from foreign-denominated securities (longs and shorts) were reduced by offsetting cash balances denominated in the corresponding foreign currencies.

At December 31, 2023 and 2022, a 10% increase or decrease in the value of the U.S. dollar against foreign currencies would have no meaningful impact on our investment in SILP.

Interest Rate Risk

The primary market risk exposure for any debt instrument is interest rate risk, including credit spreads. Most of our interest rate risk relates to interest rate derivatives held in SILP, and their value may fluctuate with changes in interest rates.

At December 31, 2023, our investment in SILP includes interest-rate sensitive securities, such as corporate and sovereign debt instruments and interest rate derivatives. A 100 basis points (increase or decrease) in interest rates would result in a \$1.6 million gain (2022: \$4.4 million) or a \$3.5 million (2022: \$4.9 million) loss, respectively, to our investment in SILP.

We, along with DME Advisors, monitor 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.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information with respect to this Item is set forth under Part IV Item 15.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management, with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(f) and 15(d)-15 of the Exchange Act at December 31, 2023. Based on upon that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2023.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time. Our system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

Our management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the framework in the Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the 2013 framework). Based on this evaluation, our management concluded that our system of internal control over financial reporting was effective as of December 31, 2023.

Deloitte Ltd., an independent registered public accounting firm, which has audited the financial statements included in this Annual Report on 10-K, has issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2023, as required under this Item 9A, which is included herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Greenlight Capital Re, Ltd.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Greenlight Capital Re, Ltd. and subsidiaries (the "Company") as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated March 5, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Controls Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte Ltd.

Hamilton, Bermuda
March 5, 2024

ITEM 9B. OTHER INFORMATION

(c) Insider Trading Arrangements and Related Disclosures

Our directors and executive officers may purchase or sell shares of our ordinary shares in the market from time to time, including pursuant to equity trading plans adopted in accordance with Rule 10b5-1 under the Exchange Act ("Rule 10b5-1") and in compliance with guidelines specified by the Company. In accordance with Rule 10b5-1 and our insider trading policy, directors, officers, and certain employees who, at such time, are not in possession of material non-public information about the Company are permitted to enter into written plans that pre-establish amounts, prices and dates (or formula for determining the amounts, prices and dates) of future purchases or sales of the Company's stock, including shares acquired pursuant to the Company's equity plans ("Rule 10b5-1 Trading Plans"). Under Rule 10b5-1 Trading Plan, a broker executes trades pursuant to parameters established by the director or executive officer when entering into the plan, without further direction from them.

During the three months ended December 31, 2023, we did not have any Rule 10b5-1 trading arrangements or any "non-Rule 10b5-1 arrangements" (as defined in Item 408(a) of Regulation S-K) in place for our directors and officers.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

This item is omitted because a definitive proxy statement containing such information will be filed with the SEC not later than 120 days after the close of the fiscal year pursuant to Regulation 14A, which information required by this item set forth in the proxy statement is incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION

This item is omitted because a definitive proxy statement containing such information will be filed with the SEC not later than 120 days after the close of the fiscal year pursuant to Regulation 14A, which information required by this item set forth in the proxy statement is incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

This item is omitted because a definitive proxy statement containing such information will be filed with the SEC not later than 120 days after the close of the fiscal year pursuant to Regulation 14A, which information required by this item set forth in the proxy statement is incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

This item is omitted because a definitive proxy statement containing such information will be filed with the SEC not later than 120 days after the close of the fiscal year pursuant to Regulation 14A, which information required by this item set forth in the proxy statement is incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

This item is omitted because a definitive proxy statement containing such information will be filed with the SEC not later than 120 days after the close of the fiscal year pursuant to Regulation 14A, which information required by this item set forth in the proxy statement is incorporated by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as a part of this Form 10-K

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| (a)(1) Financial Statements | |
| Report of Independent Registered Public Accounting Firm (on the consolidated financial statements) (Deloitte Ltd. ; PCAOB ID# 5230) | F-1 |
| Report of Independent Registered Public Accounting Firm (on the consolidated financial statements) (BDO USA, LLP ; Grand Rapids, Michigan, USA. ; PCAOB ID# 243) | F-3 |
| Report of Independent Registered Public Accounting Firm (on the financial statements of Solasglas Investments, L.P) (Ernst & Young Ltd. ; Grand Cayman, Cayman Islands ; PCAOB ID# 1655) | F-4 |
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| (a)(2) Financial Statement Schedules* | |
| Schedule I – Summary of Investments — Other Than Investments in Related Parties | F-49 |
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| Schedule III – Supplementary Insurance Information | F-52 |
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| (a)(3) | |
| The exhibits required to be filed by this Item 15. are set forth in the Exhibit Index accompanying this report. | |
| The financial statements of Solasglas Investments, LP required by Rule 3-09 of Regulation S-X are included in this filing as Exhibit 99.1. | |
| *Schedules V and VI have been omitted as the information is provided in Note 7. "Loss and Loss Adjustment Expense Reserves". | |

ITEM 16. FORM 10-K SUMMARY

None.

EXHIBIT INDEX

| Exhibit Number | Description of Exhibit |
|----------------|--|
| 3.1 | Fourth Amended and Restated Memorandum and Articles of Association of the Company (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filed on July 27, 2023). |
| 4.1 | Description of Registrant's Securities. |
| 10.1 | Form of Securities Purchase Agreement for Class A ordinary shares by and between the Registrant and each of the subscribers thereto (incorporated by reference to Exhibit 10.2 of the Company's Registration Statement No. 333-139993). |
| 10.2 (1) | Greenlight Capital Re, Ltd. 2023 Omnibus Incentive Plan (incorporated by reference to Appendix E of the Registrant's Definitive Proxy Statement filed April 26, 2023). |
| 10.3 (1) | Form of Stock Option Agreement (incorporated by reference to Exhibit 10.7 of the Company's Registration Statement No. 333-139993). |
| 10.4 | Form of Shareholders' Agreement, dated August 11, 2004, by and among the Registrant and each of the subscribers (incorporated by reference to Exhibit 10.8 of the Company's Registration Statement No. 333-139993). |
| 10.5 | Amendment No. 2 to Shareholders Agreement, dated and effective as of June 30, 2021 (incorporated by reference to Exhibit 10.1 to the Company Form 8-K filed June 30, 2021). |
| 10.6 | Form of Deed of Indemnity between the Registrant and each of its directors and certain of its officers (incorporated by reference to Exhibit 10.11 of the Company's Registration Statement No. 333-139993). |
| 10.7 | Service Agreement, dated as of February 21, 2007, between DME Advisors, LP and Greenlight Capital Re, Ltd. (incorporated by reference to Exhibit 10.17 of the Company's Registration Statement No. 333-139993). |
| 10.8 | Letter of Credit Agreement, dated August 20, 2010, between Greenlight Reinsurance, Ltd. and Citibank Europe plc. (incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filed on November 2, 2010). |
| 10.9 | Master Reimbursement Agreement, dated August 20, 2010, between Greenlight Reinsurance, Ltd. and Citibank Europe plc (incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q filed on November 2, 2010). |
| 10.10 | Reinsurance Deposit Agreement, dated August 20, 2010, between Greenlight Reinsurance, Ltd. and Citibank Europe plc. (incorporated by reference to Exhibit 10.3 of the Company's Form 10-Q filed on November 2, 2010). |
| 10.11 (1) | Amended and Restated Employment Agreement, dated as of February 22, 2022, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Simon Burton (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on February 22, 2022). |
| 10.12 (1) | Employment Agreement by and between Greenlight Reinsurance Ireland, DAC and Patrick O'Brien dated February 16, 2018 (incorporated by reference to Exhibit 10.40 to the Company's Form 10-K filed on Feb 20, 2018). |
| 10.13 (1) | Amendment to Employment Agreement, dated as of September 2, 2019, by and between Greenlight Reinsurance Ireland, DAC and Patrick O'Brien (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed on September 3, 2019). |
| 10.14 | Investment Advisory Agreement among DME Advisors, LP, and Solasglas Investments, LP, dated as of September 1, 2018 (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed on September 4, 2018). |
| 10.15 | Participation Agreement among Greenlight Reinsurance, Ltd., Greenlight Reinsurance Ireland, Designated Activity Company, DME Advisors II, LLC and Solasglas Investments, LP, dated as of September 1, 2018 (incorporated by reference to Exhibit 10.3 of the Company's Form 8-K filed on September 4, 2018). |
| 10.16 | Collateral Assets Investment Management Agreement among DME Advisors, LP, Greenlight Reinsurance, Ltd. and Greenlight Reinsurance Ireland DAC dated January 1, 2019 (incorporated by reference to Exhibit 10.49 of the Company's Form 10-K filed on February 27, 2019). |
| 10.17 (1) | Stock Option Agreement by and between Greenlight Capital Re, Ltd. and Simon Burton dated July 6, 2017 (incorporated by reference to Exhibit 10.50 of the Company's Form 10-K filed on February 27, 2019). |
| 10.18 (1) | Stock Option Agreements by and between Greenlight Capital Re, Ltd. and Leonard Goldberg dated April 3, 2017 and August 1, 2017 (incorporated by reference to Exhibit 10.51 of the Company's Form 10-K filed on February 27, 2019). |

- 10.19 (1) [Restricted Stock Award Agreement by and between Greenlight Capital Re, Ltd. and Simon Burton dated March 15, 2018 \(incorporated by reference to Exhibit 10.52 of the Company's Form 10-K filed on February 27, 2019\).](#)
- 10.20 (1) [Deed of Settlement and Release, dated as of October 25, 2022, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Laura Accurso \(incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed October 25, 2022\).](#)
- 10.21 (1) [Restricted Stock Award Agreement by and between Greenlight Capital Re, Ltd. and Simon Burton, dated March 15, 2019 \(incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filed on May 6, 2019\).](#)
- 10.22 (1) [Greenlight Capital Re, Ltd. Form of Employees' Restricted Stock Unit Award \(incorporated by reference to Exhibit 4.10 of the Company's Registration Statement No 333-231214 filed on May 3, 2019\).](#)
- 10.23 [Second Amended and Restated Exempted Limited Partnership Agreement of Solasglas Investments, LP, between DME Advisors II, LLC, as General Partner, Greenlight Reinsurance, Ltd., Greenlight Reinsurance Ireland, a Designated Activity Company, Greenlight Capital Re, Ltd. and the initial limited partner, dated as of January 7, 2021 \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on January 12, 2021\).](#)
- 10.24 [Amendment No. 1, dated as of December 15, 2022, to the Second Amended and Restated Exempted Limited Partnership Agreement of Solasglas Investments, LP, between DME Advisors II, LLC, as General Partner, Greenlight Reinsurance, Ltd., Greenlight Reinsurance Ireland, Designated Activity Company, Greenlight Capital Re, Ltd. and the initial limited partner, dated as of January 7, 2021 and effective as of January 1, 2021 \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on December 15, 2022\).](#)
- 10.25 (1) [Employment Offer, dated March 23, 2009, by and between Greenlight Reinsurance, Ltd. and Tom Curnock \(incorporated by reference to Exhibit 10.54 of the Company's Form 10-K filed on March 9, 2020\).](#)
- 10.26 (1) [Amendment to Employment Offer entered into as of October 31, 2018 by and between Greenlight Reinsurance, Ltd. and Tom Curnock \(incorporated by reference to Exhibit 10.55 of the Company's Form 10-K filed on March 9, 2020\).](#)
- 10.27 (1) [Second Amendment to Employment Offer entered into September 10, 2019, by and between Greenlight Reinsurance, Ltd. and Tom Curnock \(incorporated by reference to Exhibit 10.56 of the Company's Form 10-K filed on March 9, 2020\).](#)
- 10.28 (1) [Amended and Restated Restricted Stock Award Agreement dated July 30, 2020, by and between Greenlight Capital Re, Ltd. and Simon Burton \(incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed August 5, 2020\).](#)
- 10.29 [Letter Agreement between Greenlight Reinsurance, Ltd., Greenlight Reinsurance Ireland, DAC, DME Advisors II, LLC and DME Advisors LP, effective July 1, 2020 \(incorporated by reference to Exhibit 10.9 to the Company's Form 10-Q filed August 5, 2020\).](#)
- 10.30 [Greenlight Capital Re, Ltd. Share Ownership and Retention Policy for Executives and Non-Employee Directors \(incorporated by reference to Exhibit 99.4 of the Company's Form 8-K filed August 3, 2021\)](#)
- 10.31 (1) [Greenlight Capital Re, Ltd., Short-Term Incentive Plan \(incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed November 3, 2021\)](#)
- 10.32 (1) [Amended and Restated Employment Agreement, dated as of March 6, 2023, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Faramarz Romer \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on March 9, 2023\).](#)
- 10.33 (1) [Deed of Settlement and Release, dated as of March 6, 2023, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Neil Greenspan \(incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed on March 9, 2023\).](#)
- 10.34 (1) [Employment Agreement dated March 6, 2023, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and David Sigmon.](#)
- 10.35 [Credit Agreement, dated as of June 16, 2023, among the Company, as borrower, the subsidiaries of the Company party thereto, as subsidiary guarantors, the lenders party thereto, and CIBC Bank USA, as administrative agent for the lenders \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on June 22, 2023\).](#)
- 10.36 (1) [Employment Agreement, dated as of November 3, 2023, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Greg Richardson \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on June 22, 2023\).](#)
- 10.37 (1) [Deed of Settlement and Release, dated as of November 3, 2023, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Simon Burton \(incorporated by reference to Exhibit 10.2 of the Company's Form 8-K on November 11, 2023\).](#)
- 10.38 [Credit Agreement, dated as of December 22, 2023, by and between Greenlight Reinsurance, Ltd. and CIBC Bank USA, as lender.](#)

| | |
|-----------|---|
| 10.39 (1) | Stock Option Agreement by and between Greenlight Capital Re, Ltd. and Gregory Richardson dated January 4, 2024. |
| 10.40 (1) | Consulting Agreement, dated as of March 6, 2023, by and among Greenlight Capital Re, Ltd., Greenlight Reinsurance, Ltd. and Neil Greenspan (incorporated by reference to Exhibit 10.3 of the Company's Form 8-K filed on March 9, 2023). |
| 21.1 | Subsidiaries of the registrant. |
| 23.1 | Consent of Deloitte Ltd. |
| 23.2 | Consent of BDO USA, P.C. |
| 23.3 | Consent of Ernst & Young Ltd. |
| 24.1 | Power of Attorney (included as part of signature page hereto) |
| 31.1 | Certification of the Chief Executive Officer of Greenlight Capital Re, Ltd. filed herewith pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of the Chief Financial Officer of Greenlight Capital Re, Ltd. filed herewith pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of the Chief Executive Officer of Greenlight Capital Re, Ltd. furnished herewith pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of the Chief Financial Officer of Greenlight Capital Re, Ltd. furnished herewith pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 97 | Greenlight Capital Re, Ltd. Clawback Policy |
| 99.1* | Audited Financial Statements of Solasglas Investments, LP as of and for the year ended December 31, 2023. |
| 101 | The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations; (iii) the Consolidated Statements of Changes in Shareholders' Equity; (iv) the Consolidated Statements of Cash Flows; and (v) the Notes to Consolidated Financial Statements. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |
| (1) | Management contract or compensatory plan or arrangement. |
| * | Exhibit 99.1 is being filed to provide audited financial statements and the related footnotes of Solasglas Investments, LP in accordance with SEC rule 3-09 of Regulation S-X. The management of Solasglas Investments, LP is solely responsible for the form and content of the Solasglas Investments LP financial statements. The Registrant has no responsibility for the form or content of the Solasglas Investments, LP financial statements since it does not control Solasglas Investments, LP. |

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GREENLIGHT CAPITAL RE, LTD.

By: /s/ Gregory Richardson
Gregory Richardson
Chief Executive Officer
March 5, 2024

POWER OF ATTORNEY

We, the undersigned directors and executive officers of Greenlight Capital Re, Ltd., hereby appoint Faramarz Romer and David Sigmon, and each of them singly, as our true and lawful attorneys with full power to them to sign for us, and in our name in the capacities indicated below, any and all amendments to the Annual Report on Form 10-K filed with the SEC, hereby ratifying and confirming our signatures as they may be signed by our said attorneys to any and all amendments to said Annual Report on Form 10-K.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on March 5, 2024.

/s/ DAVID M. EINHORN

David M. Einhorn
Director

/s/ URSULINE FOLEY

Ursuline Foley
Director

/s/ IAN ISAACS

Ian Isaacs
Director

/s/ FARAMARZ ROMER

Faramarz Romer
Chief Financial Officer
(principal financial and accounting officer)

/s/ GREGORY RICHARDSON

Gregory Richardson
Director and Chief Executive Officer
(principal executive officer)

/s/ DANIEL ROITMAN

Daniel Roitman
Director

/s/ LEONARD GOLDBERG

Leonard Goldberg
Director

/s/ BRYAN MURPHY

Bryan Murphy
Director

/s/ VICTORIA GUEST

Victoria Guest
Director

/s/ JOHNNY FERRARI

Johnny Ferrari
Director

/s/ JOSEPH PLATT

Joseph Platt
Director

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Greenlight Capital Re, Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Greenlight Capital Re, Ltd. (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in shareholders' equity, and cash flows, for each of the two years in the period ended December 31, 2023, and the related notes and the schedules listed in the Index at Item 18 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

We did not audit the financial statements of Solasglas Investments, LP, an equity method investment of the Company, as of December 31, 2023 and 2022, and for each of the two years in period ended December 31, 2023. The Company's investment in Solasglas Investments, LP as of December 31, 2023 and 2022 was \$258.9 million and \$178.2 million, respectively, and its equity in net income of Solasglas Investments, LP was \$28.7 million and \$54.8 million for the years ended December 31, 2023 and 2022. The financial statements of Solasglas Investments, LP were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Solasglas Investments, LP, is based solely on the report of the other auditors.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Loss and loss adjustment expense reserves - Refer to Notes 2 and 7 to the consolidated financial statements

Critical Audit Matter Description

The Company's estimate of loss and loss adjustment expense reserves is derived using expected trends in claim severity and frequency and other factors that may vary significantly as claims are settled. The estimate is sensitive to significant assumptions, including the initial expected loss ratio and loss development factors. The estimate is also sensitive to the selection of actuarial methods and weighting of these methods applied to project the ultimate losses, the estimation of ultimate reserves associated with catastrophic events, and other factors. Further, not all catastrophic events can be modeled using traditional actuarial methodologies, which increases the degree of judgment needed in estimating loss reserves for such events.

Auditing the Company's methods, assumptions and best estimate of the cost of the ultimate settlement and administration of claims represented by the incurred but not reported ("IBNR") claims included in recorded Loss and loss adjustment expense reserves involved especially subjective auditor judgment and an increased extent of effort, including the involvement of our actuarial specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to loss and loss adjustment expense reserves included the following, among others

- We tested the effectiveness of controls over the valuation of the recorded loss and loss adjustment expense reserves, including the review and approval process that management has in place for significant actuarial methods and assumptions used and the approval of management's best estimate of loss and loss adjustment expense reserves.
- We tested the completeness and accuracy of the underlying data that served as the basis for the Company's actuarial analysis, including historical claims data, to test the reasonableness of key inputs to the actuarial estimate.
- With the assistance of our actuarial specialists:
 - We independently developed an estimate of the reserves for selected contracts, compared our estimates to those booked by the Company, and evaluated the differences.
 - We evaluated the Company's methodologies against recognized actuarial practices for the remaining contracts. We also evaluated the assumptions used by the Company using our industry knowledge and experience and other analytical procedures.
 - We compared the results of the quarterly reserve studies prepared by independent external actuaries to management's best estimate and evaluated the differences.

/s/ Deloitte Ltd.

Hamilton, Bermuda
March 5, 2024

We have served as the Company's auditor since 2022.

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Greenlight Capital Re, Ltd.
Grand Cayman, Cayman Islands

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of operations, changes in shareholders' equity, and cash flows of Greenlight Capital Re, Ltd. (the "Company") for the year ended December 31, 2021 and the related notes and financial statement schedules listed in the accompanying index (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Solasglas Investments, LP, an equity method investment of the Company, for the year ended December 31, 2021. The Company's equity in net income of Solasglas Investments, LP was \$18.1 million for the year ended December 31, 2021. The financial statements of Solasglas Investments, LP were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Solasglas Investments, LP, is based solely on the report of the other auditors.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ BDO USA, LLP.

We have served as the Company's auditor from 2006 to 2022

Grand Rapids, Michigan, U.S.A.

March 8, 2022

Report of Independent Registered Public Accounting Firm

The General Partner
Solasglas Investments, LP

Opinion on the Financial Statements

We have audited the accompanying statements of financial condition of Solasglas Investments, LP (the "Partnership"), including the condensed schedules of investments, as of December 31, 2023 and 2022, the related statements of operations and performance allocation, changes in partners' capital and cash flows for the years ended December 31, 2023, December 31, 2022 and December 31, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2023 and 2022, and the results of its operations, changes in its partners' capital and its cash flows for the years ended December 31, 2023, December 31, 2022 and December 31, 2021 in conformity with U.S. generally accepted accounting principles.

Basis of Opinion

These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Ernst & Young Ltd.

We have served as the Partnership's auditor since 2018.
Grand Cayman, Cayman Islands
March 5, 2024

GREENLIGHT CAPITAL RE, LTD.
CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022
(expressed in thousands of U.S. dollars, except per share and share amounts)

| | December 31, 2023 | December 31, 2022 |
|--|---------------------|---------------------|
| Assets | | |
| Investments | | |
| Investment in related party investment fund, at fair value | \$ 258,890 | \$ 178,197 |
| Other investments | 73,293 | 70,279 |
| Total investments | 332,183 | 248,476 |
| Cash and cash equivalents | 51,082 | 38,238 |
| Restricted cash and cash equivalents | 604,648 | 668,310 |
| Reinsurance balances receivable (net of allowance for expected credit losses of 2023: \$ 854 and 2022: \$ 356) | 619,401 | 505,555 |
| Loss and loss adjustment expenses recoverable (net of allowance for expected credit losses of 2023: \$ 487 and 2022: \$ 62) | 25,687 | 13,239 |
| Deferred acquisition costs | 79,956 | 82,391 |
| Unearned premiums ceded | 17,261 | 18,153 |
| Other assets | 5,089 | 6,019 |
| Total assets | \$ 1,735,307 | \$ 1,580,381 |
| Liabilities and equity | | |
| Liabilities | | |
| Loss and loss adjustment expense reserves | \$ 661,554 | \$ 555,468 |
| Unearned premium reserves | 306,310 | 307,820 |
| Reinsurance balances payable | 68,983 | 105,135 |
| Funds withheld | 17,289 | 21,907 |
| Other liabilities | 11,795 | 6,397 |
| Debt | 73,281 | 80,534 |
| Total liabilities | 1,139,212 | 1,077,261 |
| Commitments and Contingencies (Note 16) | | |
| Shareholders' equity | | |
| Preferred share capital (par value \$ 0.10 ; none issued) | — | — |
| Ordinary share capital (par value \$ 0.10 ; issued and outstanding, 35,336,732 (2022: Class A: par value \$ 0.10 ; issued and outstanding, 28,569,346 : Class B: 2022: par value \$ 0.10 ; issued and outstanding, 6,254,715) | 3,534 | 3,482 |
| Additional paid-in capital | 484,532 | 478,439 |
| Retained earnings | 108,029 | 21,199 |
| Total shareholders' equity | 596,095 | 503,120 |
| Total liabilities and equity | \$ 1,735,307 | \$ 1,580,381 |

The accompanying Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

GREENLIGHT CAPITAL RE, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31, 2023, 2022, and 2021
(expressed in thousands of U.S. dollars, except per share and share amounts)

| | 2023 | 2022 | 2021 |
|--|------------------|------------------|------------------|
| Revenues | | | |
| Gross premiums written | \$ 636,810 | \$ 563,171 | \$ 565,393 |
| Gross premiums ceded | (42,762) | (33,429) | (41) |
| Net premiums written | 594,048 | 529,742 | 565,352 |
| Change in net unearned premium reserves | (10,901) | (60,265) | (26,073) |
| Net premiums earned | 583,147 | 469,477 | 539,279 |
| Income from investment in related party investment fund (net of related party expenses of \$ 7,954 , \$ 9,674 , and \$ 5,502 , respectively) | 28,696 | 54,844 | 18,087 |
| Net investment income | 37,367 | 14,139 | 32,065 |
| Foreign exchange gains (losses) | 11,566 | (5,988) | (1,540) |
| Other income (expense), net | 6,306 | (5,789) | 660 |
| Total revenues | 667,082 | 526,683 | 588,551 |
| Expenses | | | |
| Net loss and loss adjustment expenses incurred | 360,004 | 316,485 | 374,980 |
| Acquisition costs | 168,877 | 143,148 | 144,960 |
| General and administrative expenses | 43,240 | 31,606 | 29,369 |
| Deposit interest expense | 2,687 | 6,717 | 11,655 |
| Interest expense | 5,344 | 4,201 | 6,263 |
| Total expenses | 580,152 | 502,157 | 567,227 |
| Income before income tax | 86,930 | 24,526 | 21,324 |
| Income tax (expense) benefit | (100) | 816 | (3,746) |
| Net income | <u>\$ 86,830</u> | <u>\$ 25,342</u> | <u>\$ 17,578</u> |
| Earnings per share | | | |
| Basic | \$ 2.55 | \$ 0.75 | \$ 0.51 |
| Diluted | \$ 2.50 | \$ 0.73 | \$ 0.51 |
| Weighted average number of ordinary shares used in the determination of earnings and loss per share | | | |
| Basic | 34,067,974 | 33,908,156 | 34,204,364 |
| Diluted | 34,797,859 | 39,769,790 | 34,351,016 |

The accompanying Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

GREENLIGHT CAPITAL RE, LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2023, 2022, and 2021
(expressed in thousands of U.S. dollars)

| | 2023 | 2022 | 2021 |
|--|-------------------|-------------------|-------------------|
| Ordinary share capital | | | |
| Balance - beginning of period | \$ 3,482 | \$ 3,384 | \$ 3,452 |
| Issue of ordinary shares, net of forfeitures | 52 | 99 | 41 |
| Repurchase of ordinary shares | — | (1) | (109) |
| Balance - end of period | 3,534 | 3,482 | 3,384 |
| Additional paid-in capital | | | |
| Balance - beginning of period | 478,439 | 481,784 | 488,488 |
| Cumulative effect of adoption of accounting guidance for convertible debt at January 1, 2022 | — | (7,896) | — |
| Repurchase of ordinary shares | — | (34) | (9,891) |
| Share-based compensation expense | 6,093 | 4,585 | 3,187 |
| Balance - end of period | 484,532 | 478,439 | 481,784 |
| Retained earnings (deficit) | | | |
| Balance - beginning of period | 21,199 | (9,505) | (27,083) |
| Cumulative effect of adoption of accounting guidance for convertible debt at January 1, 2022 | — | 5,362 | — |
| Net income | 86,830 | 25,342 | 17,578 |
| Balance - end of period | 108,029 | 21,199 | (9,505) |
| Total shareholders' equity | \$ 596,095 | \$ 503,120 | \$ 475,663 |

The accompanying Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

GREENLIGHT CAPITAL RE, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023, 2022, and 2021
(expressed in thousands of U.S. dollars)

| | 2023 | 2022 | 2021 |
|---|-------------------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Net income | \$ 86,830 | \$ 25,342 | \$ 17,578 |
| Adjustments to reconcile net income or loss to net cash provided by (used in) operating activities: | | | |
| Income from investments in related party investment fund | (28,696) | (54,844) | (18,087) |
| Net realized gain on repurchase of convertible senior notes payable | (265) | (343) | — |
| Net realized and unrealized losses (gains) on other investments | (1,738) | (9,858) | (33,770) |
| Net realized and unrealized losses on derivatives | 577 | — | — |
| Current expected credit losses recognized on reinsurance assets | 923 | 282 | — |
| Share-based compensation expense | 6,145 | 4,684 | 3,228 |
| Accretion of debt offering costs and change in interest accruals | (1,696) | 79 | 2,263 |
| Depreciation expense | — | — | 16 |
| Net change in: | | | |
| Reinsurance balances receivable | (114,344) | (100,456) | (75,133) |
| Loss and loss adjustment expenses recoverable | (12,873) | (2,155) | 5,751 |
| Deferred acquisition costs | 2,435 | (19,365) | (12,012) |
| Unearned premiums ceded | 892 | (18,111) | (42) |
| Loss and loss adjustment expense reserves | 106,086 | 31,458 | 29,831 |
| Unearned premium reserves | (1,510) | 80,236 | 26,495 |
| Reinsurance balances payable | (36,152) | 13,911 | (1,023) |
| Funds withheld | (4,618) | 18,115 | (683) |
| Other items, net | 5,511 | (774) | (708) |
| Net cash provided by (used in) operating activities | 7,507 | (31,799) | (56,296) |
| Cash flows from investing activities | | | |
| Proceeds from redemptions from related party investment fund | 78,997 | 125,365 | 115,835 |
| Contributions to related party investment fund | (130,994) | (65,127) | (114,604) |
| Purchases of investments | (7,136) | (13,223) | (4,996) |
| Proceeds from maturity of term deposit | 6,000 | — | 20,755 |
| Change in notes receivable | — | — | 6,101 |
| Net cash provided by (used in) investing activities | (53,133) | 47,015 | 23,091 |
| Cash flows from financing activities | | | |
| Proceeds from term loans | 75,000 | — | — |
| Repayment of term loans | (947) | — | — |
| Repayment of convertible senior notes payable | (62,147) | — | — |
| Repurchases of convertible senior notes payable | (17,198) | (19,793) | — |
| Repurchase of Class A ordinary shares | — | (35) | (10,000) |
| Net cash used in financing activities | (5,292) | (19,828) | (10,000) |
| Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash | 100 | 59 | — |
| Decrease in cash, cash equivalents and restricted cash | (50,818) | (4,553) | (43,205) |
| Cash, cash equivalents and restricted cash at beginning of the period | 706,548 | 711,101 | 754,306 |
| Cash, cash equivalents and restricted cash at end of the period | \$ 655,730 | \$ 706,548 | \$ 711,101 |
| Supplementary information | | | |
| Interest paid in cash | \$ 5,121 | \$ 4,124 | \$ 4,000 |
| Income tax paid (refund received) in cash | (1,022) | 664 | 3,703 |

The accompanying Notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements.

GREENLIGHT CAPITAL RE, LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2023, 2022, and 2021

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

Greenlight Capital Re, Ltd. ("GLRE" and, together with its wholly-owned subsidiaries, the "Company") was incorporated as an exempted company under the Companies Law of the Cayman Islands on July 13, 2004. At December 31, 2023, the Company has the following wholly-owned subsidiaries:

- Greenlight Reinsurance, Ltd. ("Greenlight Re"), domiciled in the Cayman Islands, is a Class D insurer license issued in accordance with the terms of The Insurance Act, 2010 (as amended) and underlying regulations thereto (the "Act") and is subject to regulation by the Cayman Islands Monetary Authority ("CIMA"). Greenlight Re commenced underwriting in April 2006.
- Greenlight Reinsurance Ireland, Designated Activity Company ("GRIL"), domiciled in Ireland since 2010, is authorized as a non-life reinsurance undertaking in accordance with the provisions of the European Union (Insurance and Reinsurance) Regulations 2015. GRIL provides multi-line property and casualty reinsurance capacity to the European broker market and provides GLRE with an additional platform to serve clients located in Europe and North America.
- Greenlight Re Marketing (UK) Limited, domiciled in the United Kingdom ("U.K.") since 2020, is a U.K. company formed to expand GLRE's presence in the Lloyd's of London market ("Lloyd's").
- Greenlight Re Corporate Member Ltd. ("GCM"), domiciled in the U.K., is a corporate member that became a wholly-owned subsidiary of GLRE in 2023 and provides underwriting capacity for various Lloyd's syndicates, including Greenlight Innovation Syndicate 3456 ("Syndicate 3456").
- Verdant Holding Company, Ltd., domiciled in the United States since 2008, is an investment holding company.
- Viridis Re SPC, Ltd., domiciled in the Cayman Islands, is an exempted segregated portfolio company which was incorporated in the Cayman Islands in 2023 and is currently in the process of applying to CIMA for a Class B(iii) general insurer license.

Additionally, through Syndicate 3456, Greenlight Re provides a (re)insurance platform to its growing portfolio of insurtech partnerships. Domiciled in the U.K. since 2022, Syndicate 3456 is authorized to underwrite under the Lloyd's syndicate-in-a-box model.

The ordinary shares of GLRE are listed on Nasdaq Global Select Market under the symbol "GLRE."

Basis of Presentation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of GLRE and the consolidated financial statements of its wholly-owned subsidiaries, and all significant intercompany transactions and balances have been eliminated on consolidation.

Certain amounts in the prior period consolidated financial statements have been reclassified to conform to the presentation of the current consolidated financial statements. The Company has reported separately the foreign exchange gains (losses) from "Other income" in the consolidated statements of operations. This resulted in no change to the previously reported total revenues or net income. The Company has also included the foreign exchange gains (losses) as part of the net change in working capital in the consolidated statements of cash flows. Further, the Company combined "Other assets, excluding depreciation" and "Other liabilities" and presented the sum as "Other items, net" in the consolidated statements of cash flows.

These changes in presentation in the consolidated statements of cash flows have resulted in no change to the previously reported net cash provided by (used in) operating activities.

Tabular dollar are in thousands, with the exception of per share amounts or otherwise noted. All amounts are reported in U.S. dollars.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are as follows:

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. The Company's principal estimates include:

- loss and loss adjustment expense reserves;
- premiums written and earned and related premium receivable, net of expected credit losses;
- reinsurance recoverable on unpaid losses and loss adjustment expenses, including expected credit losses; and
- valuation of investments, including impairments.

Investments

Investment in related party investment fund

The Company records its investment in the related party investment fund based on fair value using the net asset value practical expedient, with the Company's share of the fund's net income (loss) reported as " *Income (loss) from investment in related party investment fund*" in the consolidated statements of operations.

Other investments

The Company's other investments include short-term investments and private investments and unlisted equity securities without readily determinable fair values.

Short-term investments are measured at amortized cost, which approximates fair value. These include certificate of deposit and other financial instruments with original maturities greater than three months but less than one year.

The Company measures its private investments and unlisted equity securities 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 (the "measurement alternative"), with such changes recognized in "*Net investment income (loss)*" in the consolidated statements of operations. The Company considers the need for impairment on a by-investment basis based on certain indicators. Under the measurement alternative, the Company makes two types of valuation adjustments:

- When the Company observes an orderly transaction of an investee's identical or similar equity securities, the Company adjusts the carrying value based on the observable price as of the transaction date. Once the Company records such an adjustment, the investment is considered an "asset measured at fair value on a nonrecurring basis."
- If the Company determines that the investment is impaired and the fair value is less than its carrying value, it writes down the investment to its fair value. Once the Company records such an adjustment, the investment is considered an "asset measured at fair value on a nonrecurring basis."

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term, highly liquid investments and certificates of deposit with original maturity dates of three months or less. Restricted cash and cash equivalents are presented separately in the consolidated balance sheets.

Premium Revenue Recognition

The Company writes excess of loss contracts and quota share contracts and estimates the ultimate premiums for the contract period. The Company bases these estimates on actuarial pricing models and information received from ceding companies. For excess of loss contracts, the Company writes the total ultimate estimated premiums at the contract's inception. For quota share contracts, the Company writes premiums in the same periods in which the underlying insurance contracts are written, based on cession statements from cedents. The Company typically receives these statements monthly or quarterly, depending on the terms specified in each contract. For any reporting lag, the Company estimates premiums written based on the portion of the estimated ultimate premiums relating to the risks bound during the lag period.

For multi-year contracts, reinsurance premiums are recorded at the inception of the contract based on management's best estimate of total premiums to be received. Premiums are recognized on an annual basis for multi-year contracts where the cedants have the ability to unilaterally commute or cancel coverage within the term of the contract.

Management regularly reviews premium estimates. Such review includes the Company's experience with the ceding companies, managing general underwriters, familiarity with each market, the timing of the reported information, a comparison of reported premiums to expected ultimate premiums, along with a review of the aging and collection of premiums. Management evaluates the appropriateness of the premium estimates on the basis of these reviews and records any adjustments to these estimates in the period in which they are determined. Changes in premium estimates, including premium receivable on both excess of loss and quota share contracts, are not unusual and may result in significant adjustments in any period. A portion of amounts included in "*Reinsurance balances receivable*" in the consolidated balance sheets represent estimated premiums written, net of commissions and brokerage, that are not currently due based on the terms of the underlying contracts. Additional premiums due on a contract with no remaining coverage period are earned in full when written.

Certain contracts allow for reinstatement premiums in the event of a loss. Reinstatement premiums are written and earned when a triggering loss event occurs.

Premiums written are generally recognized as earned over the contract period in proportion to the risk covered. Unearned premiums represent the unexpired portion of reinsurance provided.

Reinsurance Premiums Ceded

The Company reduces the risk of future losses on business assumed by reinsuring certain risks and exposures with other reinsurers (referred to as "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 its unpaid obligations.

Ceded premiums are written during the period in which the risks incept and the associated expense is recognized over the contract period in proportion to the protection provided. Unearned premiums ceded represent the unexpired portion of reinsurance obtained.

Acquisition Costs

Policy acquisition costs vary with, and are directly related to, the successful production of new and renewal business and consist principally of commissions, taxes, and brokerage expenses. The Company presents acquisition costs incurred on reinsurance assumed net of commissions earned on reinsurance ceded. However, if the sum of a contract's expected losses and loss expenses and deferred acquisition costs exceeds associated unearned premiums and expected investment income, a premium deficiency is determined to exist. In this event, the Company writes off deferred acquisition costs to the extent necessary to eliminate the premium deficiency. If the premium deficiency exceeds deferred acquisition costs, the Company accrues a liability for the deficiency. The Company did not recognize any premium deficiency adjustments during the periods presented.

Policy acquisition costs also include profit commissions, which the Company recognized on a basis consistent with its estimate of losses and loss expenses.

Loss and Loss Adjustment Expense Reserves and Recoverable

The Company's loss and loss adjustment expense reserves ("LAE") are composed of:

- case reserves for loss and LAE resulting from claims notified to the Company by its clients; and
- reserves for estimated loss and LAE incurred by insureds and reinsureds but not yet reported to the insurer or reinsurer ("IBNR"), including unknown future developments on loss and LAE that are known to the insurer or reinsurer.

The Company estimates these reserves based on reports from ceding companies, industry data, and historical experience analyzed using standard actuarial and statistical techniques.

The analysis includes assessing currently available data, predictions of future developments, estimates of future trends, and other factors. These estimates are reviewed by the Company's reserving committee at least quarterly and adjusted as necessary.

The final settlement of losses may vary, perhaps materially, from the reserves recorded. The Company recognizes all adjustments to the estimates in the period they are determined. U.S. GAAP does not permit establishing loss reserves, which include case reserves and IBNR loss reserves, until the occurrence of an event that may give rise to a claim. As a result, only loss reserves applicable to losses incurred up to the reporting date are established. There is no allowance for the establishment of loss reserves to account for expected future loss events.

The "Loss and loss adjustment expenses recoverable" in the consolidated balance sheets represents the amounts due from retrocessionaires for unpaid loss and LAE on retrocession agreements. Ceded IBNR recoverable amounts are estimated based on the Company's actuarial estimates. These estimates are reviewed periodically and adjusted when deemed necessary. The Company may be unable to recover the loss and LAE recoverable amounts due as a result of the retrocessionaires' inability to pay. The Company regularly evaluates the financial condition of its retrocessionaires and calculates an allowance for expected credit losses (see "Reinsurance Assets" below).

For losses stemming from exposure to natural perils, loss reserves are generally established based on loss payments and case reserves reported by clients when, and if, received. Estimates for IBNR losses are added to the case reserves as the Company deems appropriate. To establish catastrophe IBNR loss estimates, the Company uses estimates communicated by ceding companies, industry data and information, knowledge of the business written, and management's judgment.

For contracts without significant exposure to natural perils, initial reserves for each contract are determined based on a combination of (i) the pricing analysis performed prior to binding the contract; (ii) the underwriter's detailed knowledge of the cedent, its operations and future business plans; and (iii) the professional judgment and recommendation of the Chief Actuary. In the pricing analysis, the Company utilizes information from the client and industry data. This information typically includes, but is not limited to, data related to premiums, losses, exposure, business mix, industry performance, and associated trends covering as much history as deemed appropriate. The level of detail within the data obtained varies greatly depending on the underlying contract, line of business, client, and coverage provided. In all cases, the Company requests each client to provide data for each reporting period, which, depending on the contract, could be on a monthly or quarterly basis. The terms and conditions of each contract specify the data reporting requirements.

Generally, the Company obtains regular updates of premium and loss-related information for the current and historical periods and utilizes them to update the initially expected loss ratio. There may be a lag between (i) claims being reported by the underlying insured to the Company's cedent and (ii) claims being reported by the Company's cedent to the Company. This lag may impact the Company's loss reserve estimates. Client reports have pre-determined due dates (for example, fifteen days after each month-end). The timing of the reporting requirements is designed so that the Company receives premium and loss information as soon as practicable once the client has closed its books. Accordingly, there should be a short lag in such reporting. Additionally, most contracts that have the potential for large single-event losses have provisions that such loss notifications are provided to the Company immediately upon the occurrence of an event.

Once the updated information is received, the Company uses various standard actuarial methods for its quarterly analysis. Such methods typically include the following:

- **Paid loss development method:** Ultimate losses are estimated by calculating past paid loss development factors and applying them to exposure periods with further expected paid loss development. This method assumes that losses are paid in a consistent pattern. It provides an objective test of reported loss projections because paid losses contain no reserve estimates.
- **Reported loss development method:** Ultimate losses are estimated by calculating past reported loss development factors and applying them to exposure periods with further expected reported loss development. This method incorporates changes in payments and case reserves.
- **Expected loss ratio method:** Ultimate losses are estimated by multiplying earned premiums by an expected loss ratio. The expected loss ratio is often determined using industry data, historical company data, pricing or reserving analysis performed, and actuarial judgment. This method is typically used for lines of business and contracts where there are no (or insignificant) historical losses or where past loss experience is not considered applicable to the current period.
- **Bornhuetter-Ferguson paid loss method:** Ultimate losses are estimated by modifying expected loss ratios to the extent losses paid to date differ from what would have been expected based upon the selected loss development pattern. This method avoids some distortions that could result from a large development factor being applied to a small base of paid losses to calculate ultimate losses.
- **Bornhuetter-Ferguson reported loss method:** Ultimate losses are estimated by modifying expected loss ratios to the extent losses reported to date differ from what would have been expected based upon the selected reported loss development pattern. This method avoids some distortions that could result from a large development factor being applied to a small base of reported losses to calculate ultimate losses.
- **Frequency / Severity method:** Ultimate losses are estimated by multiplying the ultimate number of claims (i.e., the frequency multiplied by the exposure base) by the estimated average cost per claim (i.e., the severity). This approach enables trends and patterns in the rates of claims emergence (i.e., reporting) and settlement (i.e., closure) and the average cost of claims to be analyzed separately.

In addition, the Company may supplement its analysis with other reserving methodologies that it deems relevant to specific contracts.

For each contract, the Company utilizes reserving methodologies it considers appropriate to calculate a best estimate of reserves. Whether the Company uses a single methodology or a combination depends upon the portfolio segment being analyzed and the actuary's judgment. The Company's reserving methodology does not require a fixed weighting of the various methods used. Certain methods are considered more appropriate than others depending on the type, structure, age, maturity, and duration of the expected losses on the contract. For example, the Bornhuetter-Ferguson reported loss method might be more appropriate than a paid loss development method for relatively new contracts that have experienced little paid loss development.

The Company's gross aggregate reserves are the sum of the best estimate reserves of all portfolio exposures. Generally, IBNR loss reserves are calculated by estimating the ultimate incurred losses and subtracting cumulative paid claims and case reserves. Each quarter, the Company's Reserving Committee, led by the Chief Actuary, meets to assess the adequacy of our loss reserves based on the reserve analysis and recommendations prepared by the Company's reserving department.

The Company does not typically experience material claims processing backlogs, although such backlogs may occur following a major catastrophic event. At December 31, 2023, and 2022, the Company did not have a material backlog in its claims processing.

The Company did not make any significant changes to the actuarial methodology or assumptions relating to its loss and loss adjustment expense reserves for the years presented in the consolidated financial statements.

Reinsurance Assets

The Company calculates an allowance for expected credit losses for its reinsurance balances receivable and loss and LAE recoverable by applying a Probability of Default ("PD") / Loss Given Default ("LGD") model. The PD / LGD approach considers the Company's collectibility history on its reinsurance assets and representative external loss history. In calculating the probability of default, the Company also considers the estimated duration of its reinsurance assets.

The Company evaluates each counterparty's creditworthiness based on credit ratings that independent agencies assign to the counterparty. The Company manages its credit risk in its reinsurance assets by transacting only with insurers and reinsurers that it considers financially sound. Credit ratings of the counterparties are forward-looking and consider various economic scenarios. The Company's evaluation of the required allowance for reinsurance balances receivable and loss and LAE recoverable considers the current economic environment as well as potential macroeconomic developments.

For its retrocessional counterparties that are unrated, the Company may hold collateral in the form of funds withheld, trust accounts, or irrevocable letters of credit. In evaluating credit risk associated with reinsurance balances receivable, the Company considers its right to offset loss obligations against premiums receivable. The Company regularly evaluates its net credit exposure to assess the ability of cedents and retrocessionaires to honor their respective obligations.

Deposit Assets and Liabilities

The Company applies deposit accounting to reinsurance contracts that do not transfer sufficient insurance risk to merit reinsurance accounting. Under deposit accounting, the Company recognizes an asset or liability based on its paid or received consideration. The deposit asset or liability balance is subsequently adjusted using the interest method with the corresponding income and expense recorded in the Company's consolidated statements of operations under " *Other income (expense)* " and " *Deposit interest expense* ," respectively. The Company records deposit assets and liabilities in its consolidated balance sheets in " *Reinsurance balances receivable* " and " *Reinsurance balances payable* ," respectively. At December 31, 2023, deposit assets and liabilities were \$ 0.9 million and \$ 5.2 million, respectively (December 31, 2022: \$ 3.1 million and \$ 10.7 million, respectively).

Net investment income (loss)

The Company records interest income and interest expense on an accrual basis.

Any realized and unrealized gains or losses from other investments are determined on the basis of the specific identification method (by reference to cost or amortized cost, as appropriate). Additionally, net investment income (loss) includes realized and unrealized gains (losses) on derivative instruments.

Other Income (Expense), net

In connection with the Company's participation interest in Lloyd's syndicates, the Lloyd's syndicates invest a portion of the premiums withheld in investment funds and fixed-maturity securities. The Company records its share of income (or expense) from these assets as other income (expense) as reported by the syndicates on a quarterly lag basis due to the timing of the availability of these quarterly financial reports.

Share-Based Compensation

The Company recognizes share-based compensation costs based on the fair value at the award's grant date. The Company measures compensation for restricted shares and restricted stock units ("RSUs") based on the price of the Company's common shares at the grant date. For restricted shares and RSUs with service and performance vesting conditions, the expense is recognized based on management's estimate of the probability of the performance conditions being achieved based on historical results and expectations of future results. If the Company expects to meet the performance conditions, it attributes the expense to the period the requisite service is rendered. For restricted shares and RSUs with only service vesting conditions, the Company recognizes the associated expense on a straight-line basis over the vesting period, net of any estimated or expected forfeitures.

The forfeiture rate is estimated based on the Company's historical actual forfeitures relating to restricted shares and RSUs granted to employees. The forfeiture rate is reviewed annually and adjusted as necessary. The Company applies no forfeiture rate to restricted shares granted to directors, which vest over a maximum twelve-month period.

Determining the fair value of share purchase options at the grant date requires significant estimation and judgment. The Company uses the Black-Scholes option-pricing model to assist in the calculation of fair value for share purchase options. The model requires estimating various inputs such as the term, forfeiture and dividend rates, and expected volatility. In determining the grant date fair value, the Company uses the entire ten-year life of the options as the estimated term and assumes no forfeitures and no dividends paid during the life of the options. The Company bases its estimate of expected volatility on the daily historical trading data of the Company's ordinary shares from the date they commenced trading (May 24, 2007) to the grant date.

For share purchase options issued under the employee stock incentive plan, the compensation cost is calculated and recognized over the vesting periods on a graded vesting basis.

Convertible Notes

Prior to the adoption of Accounting Standards Update ("ASU") 2020-06 in January 2022, "Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity ("ASU 2020-06")," the Company determined that the senior convertible notes' cash conversion option represented an embedded derivative and bifurcated it from the underlying contract for financial reporting purposes. For the debt component, the Company recorded a liability equivalent to the present value of comparable debt without the conversion features at the time of issuance. The remainder of the proceeds, which represented the embedded derivative, was included in "Additional paid-in capital" in the consolidated balance sheets.

Upon adoption of ASU 2020-06, U.S. GAAP no longer permits entities to bifurcate embedded conversion features from the underlying contract. Therefore, effective January 1, 2022, the Company no longer presents the embedded conversion features separately in equity; instead, the Company's senior convertible debt is presented as a single liability in the Company's consolidated balance sheet. The adoption of ASU 2020-06 resulted in a decrease in the Company's opening shareholders' equity of \$ 2.5 million, with a corresponding increase in the carrying value of the senior convertible notes.

Costs incurred in issuing the convertible notes consisted primarily of underwriting, legal, accounting, and printing fees. These costs are amortized over the term of the debt and are included in "Interest expense" in the consolidated statements of operations.

Foreign Exchange

The reporting and functional currency of the Company and all its significant subsidiaries is the U.S. dollar. The Company records foreign currency transactions at the exchange rates in effect on the transaction date. Monetary assets and liabilities in foreign currencies are converted at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are carried at their historical exchange rates.

Derivative instruments

The Company recognizes derivative financial instruments in the consolidated balance sheets at their fair values.

The Company's derivatives do not qualify as hedges for financial reporting purposes. The Company records the associated assets and liabilities in its consolidated balance sheets on a gross basis. The Company does not offset these balances against collateral pledged or received.

Other Assets

The Company's other assets consist primarily of prepaid expenses, right-of-use lease assets, derivative assets, taxes recoverable, and deferred tax assets.

Other Liabilities

The Company's other liabilities consist primarily of accruals for legal and other professional fees, employee bonuses and severances, taxes payable, derivative liabilities, and lease liabilities.

Comprehensive Income (Loss)

The Company has no comprehensive income or loss other than the net income or loss disclosed in the consolidated statements of operations.

Earnings (Loss) Per Share

The Company has issued unvested restricted stock awards, some of which contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid. These awards are considered "participating securities" for the purposes of calculating earnings (loss) per share. Basic earnings per share is calculated on the basis of the weighted average number of ordinary shares and participating securities outstanding during the period. Diluted earnings (or loss) per share includes the dilutive effect, if any, of the following:

- Restricted Stock Units ("RSUs") issued that convert to ordinary shares upon vesting;
- Unvested restricted share awards which are not considered "participating securities";

- Additional potential ordinary shares issuable when in-the-money stock options are exercised, determined using the treasury stock method;
- For periods prior to January 1, 2022, those ordinary shares with the potential to be issued in connection with convertible notes and other such convertible instruments, determined using the treasury stock method; and
- Effective January 1, 2022, the dilutive effect of the convertible notes calculated using the if-converted method. Under the if-converted method, the convertible notes are assumed to be converted at the beginning of the period. The resulting common shares are included in the denominator of the diluted net income per common share calculation. Interest expense related to the convertible notes incurred in the period is added back to the numerator for purposes of the if-converted calculation.

Diluted earnings (or loss) per share contemplates a conversion to ordinary shares of all convertible instruments only if they are dilutive. In the event of a net loss, all RSUs, stock options, shares potentially issuable in connection with convertible notes, and participating securities are excluded from the calculation of both basic and diluted loss per share as their inclusion would be anti-dilutive.

Taxation

The Company records current and deferred income taxes based on enacted tax laws and rates applicable in the relevant jurisdiction in the period in which the tax becomes accruable or realizable. Deferred income taxes are provided for all temporary differences between the bases of assets and liabilities reported in the consolidated balance sheets and those reported in the various jurisdictional tax returns.

The Company records a valuation allowance to the extent that the Company considers it more likely than not that all or a portion of the deferred tax asset will not be realized in the future. Other than this valuation allowance, the Company has not taken any income tax positions subject to significant uncertainty that is reasonably likely to have a material impact on the Company.

Segment Information

Operating segments are based on the internal information that the Chief Operating Decision Maker uses for allocating the Company's resources and assessing its performance. The Company has one operating segment, Property and Casualty Reinsurance.

Recent Accounting Pronouncements

Recently Issued Accounting Standards Not Yet Adopted

On November 27, 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting - Improvements to Reportable Segment Disclosures*. The new ASU requires incremental disclosures related to a public entity's reportable segments but does not change the definition of a segment, the method for determining segments, or the criteria for aggregating operating segments into reportable segments. This new guidance is effective for the Company's 2024 year-end financial statements, and should be adopted retrospectively unless impracticable. Early adoption is permitted.

On December 14, 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. The amendments in this Update provide more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. Early adoption is permitted. The amendments should be applied on a prospective basis; however, retrospective application is permitted. This ASU is effective for the Company's 2024 year-end financial statements.

As the above ASUs relate solely to financial statement disclosures, the adoption of these ASUs will not impact the Company's financial condition, results of operations, or cash flows.

Recently Issued Accounting Standards Adopted

There are none that would be relevant and material to the Company.

3. INVESTMENT IN RELATED PARTY INVESTMENT FUND

The Company has entered into the Second Amended and Restated Exempted Limited Partnership Agreement (the "SILP LPA") of Solasglas Investments, LP ("SILP"), with DME Advisors II, LLC ("DME II"), as General Partner, Greenlight Re, and GRIL, (together, the "GLRE Limited Partners"). SILP has entered into a SILP investment advisory agreement ("IAA") with DME Advisors. LP ("DME Advisors"), pursuant to which DME Advisors is the investment manager for SILP. DME II and DME Advisors are related to the Company, and each is an affiliate of David Einhorn, Chairman of the Company's Board of Directors (the "Chairman").

At December 31, 2023, the SILP LPA included the following proviso: "The Investment Portfolio of each Partner will not exceed the product of (a) such Partner's surplus (Greenlight Re Surplus or GRIL Surplus, as the case may be) multiplied by (b) the Investment Cap (60 %), and the General Partner will designate any portion of a Partner's Investment Portfolio as Designated Securities to effectuate such limit."

The Company has concluded that SILP qualifies as a variable interest entity ("VIE") under U.S. GAAP. In assessing its interest in SILP, the Company noted the following:

- DME II serves as SILP's general partner and has the power to appoint the investment manager. The Company does not have the power to appoint, change or replace the investment manager or the general partner except "for cause." Neither of the GLRE Limited Partners can participate in the investment decisions of SILP as long as SILP adheres to the investment guidelines provided within the SILP LPA. For these reasons, the GLRE Limited Partners are not considered to have substantive participating rights or kick-out rights.
- DME II holds an interest in excess of 10% of SILP's net assets, which the Company considers to represent an obligation to absorb losses and a right to receive benefits of SILP that are significant to SILP.

Consequently, the Company has concluded that DME II's interests, not the Company's, meet both the "power" and "benefits" criteria associated with VIE accounting guidance. Therefore DME II is SILP's primary beneficiary. The Company presents its investment in SILP in its consolidated balance sheets in the caption "Investment in related party investment fund."

The Company's maximum exposure to loss relating to SILP is limited to the net asset value of the GLRE Limited Partners' investment in SILP. At December 31, 2023, the net asset value of the GLRE Limited Partners' investment in SILP was \$ 258.9 million (December 31, 2022: \$ 178.2 million), representing 72.7 % (December 31, 2022: 69.3 %) of SILP's total net assets. DME II held the remaining 27.3 % (December 31, 2022: 30.7 %) of SILP's total net assets. The investment in SILP is recorded at the GLRE Limited Partners' share of the net asset value of SILP as reported by SILP's third-party administrator. The GLRE Limited Partners can redeem their assets from SILP for operational purposes by providing 3 business days' notice to DME II. At December 31, 2023, the majority of SILP's long investments were composed of cash and publicly-traded equity securities, which could be readily liquidated to meet the GLRE Limited Partners' redemption requests.

The Company's share of the change in the net asset value of SILP for the years ended December 31, 2023, 2022, and 2021, was \$ 28.7 million, \$ 54.8 million, and \$ 18.1 million, respectively, and shown in the caption "Income from investment in related party investment fund" in the Company's consolidated statements of operations.

At December 31, 2023, the Company's investment in SILP exceeded 10 % of the Company's total shareholders' equity, with a fair value of \$ 258.9 million (December 31, 2022: \$ 178.2 million), representing 43.4 % (December 31, 2022: 35.4 %), of total shareholders' equity.

The Company has determined that for its fiscal year ended December 31, 2023, the Company's investment in SILP met at least one of the conditions of a significant subsidiary under SEC's Regulation S-X, Rule 3-09. Accordingly, the audited financial statements for SILP have been attached as an exhibit (Exhibit 99.1) to this Form 10-K.

The summarized financial statements of SILP are presented below.

Summarized Statements of Financial Condition of Solasglas Investments, LP

| | December 31, 2023 | December 31, 2022 |
|--|-------------------|-------------------|
| Assets | | |
| Investments, at fair value | \$ 453,358 | \$ 304,806 |
| Derivative contracts, at fair value | 11,167 | 17,547 |
| Due from brokers | 121,754 | 109,169 |
| Interest and dividends receivable | 1,143 | 527 |
| Total assets | 587,422 | 432,049 |
| Liabilities and partners' capital | | |
| Liabilities | | |
| Investments sold short, at fair value | (197,571) | (159,382) |
| Derivative contracts, at fair value | (12,917) | (12,443) |
| Due to brokers | (17,398) | (2,050) |
| Capital withdrawals payable | (1,000) | (75) |
| Interest and dividends payable | (2,315) | (760) |
| Accrued expenses and other liabilities | (247) | (159) |
| Total liabilities | (231,448) | (174,869) |
| Partners' capital | \$ 355,974 | \$ 257,180 |
| GLRE's share of Partners' capital | \$ 258,890 | \$ 178,197 |

Summarized Statements of Operations of Solasglas Investments, LP

Year ended December 31

| | 2023 | 2022 | 2021 |
|---|------------------|------------------|------------------|
| Investment income | | | |
| Dividend income (net of withholding taxes) | \$ 1,869 | \$ 1,586 | \$ 1,586 |
| Interest income | 9,211 | 2,390 | 2,390 |
| Total Investment income | 11,080 | 3,976 | 3,976 |
| Expenses | | | |
| Management fee | (4,766) | (3,580) | (3,492) |
| Interest | (6,969) | (1,950) | (1,950) |
| Dividends | (2,802) | (1,374) | (1,374) |
| Professional fees and other | (1,750) | (988) | (1,200) |
| Total expenses | (16,287) | (7,892) | (6,016) |
| Net investment income (loss) | (5,207) | (3,916) | (6,016) |
| Realized and change in unrealized gains (losses) | | | |
| Net realized gain (loss) | (1,394) | 75,172 | (3,492) |
| Net change in unrealized appreciation | 55,279 | 11,886 | 35,400 |
| Net gain (loss) on investment transactions | 53,885 | 87,058 | 32,000 |
| Net increase in Partners' capital | \$ 48,678 | \$ 83,142 | \$ 26,000 |
| GLRE's share of the increase in Partners' capital ⁽¹⁾ | \$ 28,696 | \$ 54,844 | \$ 18,000 |

¹ The net increase in Partners' capital is net of management fees and performance allocation presented below:

Year ended December 31

| | 2023 | 2022 | 2021 |
|------------------------|----------|----------|----------|
| Management fees | \$ 4,766 | \$ 3,580 | \$ 3,492 |
| Performance allocation | 3,188 | 6,094 | 2,010 |
| Total | \$ 7,954 | \$ 9,674 | \$ 5,502 |

See Note 15 for further details on management fees and performance allocation.

4. OTHER INVESTMENTS

Portfolio

The Company's other investments consist of the following:

- Private investments, unlisted equities, and debt and convertible debt instruments, which consist primarily of Innovations-related investments supporting technology innovators in the (re)insurance market; and
- Certificates of deposit with original maturities greater than three months.

At December 31, 2023, the breakdown of the Company's other investments was as follows:

| | Cost | Unrealized gains | Unrealized losses | Accrued interest | Fair value / carrying value |
|---|------------------|------------------|---------------------|------------------|-----------------------------|
| Private investments and unlisted equities | \$ 28,470 | \$ 49,424 | \$ (6,737) | \$ — | \$ 71,157 |
| Debt and convertible debt securities | 2,499 | — | (499) | 136 | 2,136 |
| Certificates of deposit | — | — | — | — | — |
| Total other investments | \$ 30,969 | \$ 49,424 | \$ (7,236) | \$ 136 | \$ 73,293 |

At December 31, 2022, the breakdown of the Company's other investments was as follows::

| | Cost | Unrealized gains | Unrealized losses | Fair value / carrying value |
|---|------------------|------------------|---------------------|-----------------------------|
| Private investments and unlisted equities | \$ 22,787 | \$ 42,461 | \$ (2,815) | \$ 62,433 |
| Debt and convertible debt securities | 1,846 | — | — | 1,846 |
| Certificates of deposit | 6,000 | — | — | 6,000 |
| Total other investments | \$ 30,633 | \$ 42,461 | \$ (2,815) | \$ 70,279 |

The following table presents the carrying values of the private investments and unlisted equity securities carried under the measurement alternative at December 31, 2023, 2022, and 2021, and the related adjustments recorded during the years then ended.

| | Year ended December 31 | | |
|---|------------------------|--------------|------------|
| | 2023 | 2022 | 2021 |
| Carrying value ⁽¹⁾ | \$ 71,157 | \$ 62,433 | \$ 47,049 |
| Upward carrying value changes ⁽²⁾ | \$ 7,262 | \$ 11,277 | \$ 20,814 |
| Downward carrying value changes and impairment ⁽³⁾ | \$ (5,003) | \$ (1,073) | \$ (500) |

⁽¹⁾ The period-end carrying values reflect cumulative purchases and sales in addition to upward and downward carrying value changes.

⁽²⁾ The cumulative upward carrying value changes from inception to December 31, 2023, totaled \$ 49.9 million.

⁽³⁾ The cumulative downward carrying value changes and impairments from inception to December 31, 2023, totaled \$ 7.1 million.

Net investment income

The following table summarizes the change in unrealized gains (losses) and the realized gains (losses) for the Company's other investments, which are included in " *Net investment income*" in the consolidated statements of operations (see Note 13):

| | Year ended December 31 | | |
|---|------------------------|-----------------|------------------|
| | 2023 | 2022 | 2021 |
| Gross realized gains | \$ 7 | \$ — | \$ 14,210 |
| Gross realized losses | (811) | — | — |
| Net realized gains (losses) | \$ (804) | \$ — | \$ 14,210 |
| Change in unrealized gains | 2,542 | 9,858 | 19,560 |
| Net realized and unrealized gains on other investments | \$ 1,738 | \$ 9,858 | \$ 33,770 |

5. RESTRICTED CASH AND CASH EQUIVALENTS

The following table shows the breakdown of the Company's restricted cash and cash equivalents, along with a reconciliation of the total cash, cash equivalents, and restricted cash reported in the consolidated statements of cash flows:

| | December 31, 2023 | December 31, 2022 |
|--|-------------------|-------------------|
| Restricted cash and cash equivalents: | | |
| Cash securing trust accounts | \$ 300,152 | \$ 463,659 |
| Cash securing letters of credit issued | 291,456 | 204,651 |
| Cash securing Loan Facility | 10,000 | — |
| Other | 3,040 | — |
| Total restricted cash and cash equivalents | 604,648 | 668,310 |
| Cash and cash equivalents | 51,082 | 38,238 |
| Total cash, cash equivalents, and restricted cash | \$ 655,730 | \$ 706,548 |

Where the Company operates as a non-admitted carrier in certain foreign jurisdictions, regulatory trust accounts and letters of credit are issued to cedents. Additionally, the Company has provided cash collateral for the Loan Facility (see Note 9).

6. FAIR VALUE MEASUREMENTS

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 categorized based on the extent to which the inputs are observable in the market. The categorization 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 prioritized 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 supported by little or no market activity and significant to the fair value of the assets and liabilities. The term "unobservable inputs" includes certain pricing models, discounted cash flow methodologies, and similar techniques.

There have been no material change in the Company's valuation techniques, nor have there been any transfers between Level 1 and Level 2, or Level 2 and Level 3 for the years presented in these consolidated financial statements.

Assets measured at fair value on a nonrecurring basis

At December 31, 2023, the Company held \$ 61.3 million (2022: \$ 53.6 million) of private investments and unlisted equities measured at fair value on a nonrecurring basis. At December 31, 2023, the Company held \$ 9.9 million (2022: \$ 8.9 million) of private investments and unlisted equities measured at cost. The Company classifies these investments as Level 3 within the fair value hierarchy.

The following table summarizes the periods between the most recent fair value measurement dates and December 31, 2023, for the private and unlisted equities measured at fair value on a nonrecurring basis:

| | Less than 6 months | 6 to 12 months | Over 1 year | Total |
|--|--------------------|----------------|-------------|-----------|
| Fair values measured on a nonrecurring basis | \$ 26,438 | \$ 1,361 | \$ 33,490 | \$ 61,289 |

Assets measured at fair value on a recurring basis

Derivative financial instruments

The Company uses interest rate swaps in connection with its risk management activities to hedge 50% of the interest rate risk relating to the outstanding Term Loans (see Note 9). The interest rate swaps are carried at fair value and are determined using a market approach valuation technique based on significant observable market inputs from third-party pricing vendors.

Accordingly, the interest rates swaps are classified as Level 2 within the fair value hierarchy. These derivative instruments are not designated as accounting hedges under U.S. GAAP.

For the year ended December 31, 2023, the Company recognized unrealized loss for the above derivatives of \$ 0.6 million (2022: \$ nil), which is included in "Other liabilities" in the consolidated balance sheets, in "Interest expense" in the consolidated statements of operations, and in "Net realized and unrealized losses on derivatives" in the consolidated statements of cash flows.

Financial Instruments Disclosed, But Not Carried, at Fair Value

The carrying value of debt and convertible debt securities within "Other Investments" (see "Private investments and unlisted equity securities without readily determinable fair values" above) and certificates of deposit with original maturities of one year or less approximates their fair values. The Company classifies these assets as Level 2 within the fair value hierarchy.

At December 31, 2023, the carrying values of the Term Loans approximate their fair values.

7. LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

The Company's loss and LAE reserves were composed of the following:

| | December 31, 2023 | December 31, 2022 |
|---------------|-------------------|-------------------|
| Case reserves | \$ 189,050 | \$ 184,756 |
| IBNR | 472,504 | 370,712 |
| Total | \$ 661,554 | \$ 555,468 |

Reserve Roll-forward

The following provides a summary of changes in outstanding loss and LAE reserves for all lines of business:

| Consolidated | 2023 | 2022 | 2021 |
|--------------------------------------|-------------|-------------|----------|
| Gross balance at January 1 | \$ 555,468 | \$ 524,010 | \$ 494,1 |
| Less: Losses recoverable | (13,239) | (11,100) | (16,8 |
| Net balance at January 1 | 542,229 | 512,910 | 477,3 |
| Incurred losses related to: | | | |
| Current year | 348,798 | 316,367 | 389,0 |
| Prior years | 11,206 | 118 | (14,1 |
| Total incurred | 360,004 | 316,485 | 374,9 |
| Paid losses related to: | | | |
| Current year | (75,678) | (78,517) | (152,2 |
| Prior years | (198,613) | (198,897) | (185,5 |
| Total paid | (274,291) | (277,414) | (337,7 |
| Foreign currency revaluation | 7,926 | (9,752) | (1,6 |
| Net balance at December 31 | 635,867 | 542,229 | 512,9 |
| Add: Losses recoverable (see Note 8) | 25,687 | 13,239 | 11,1 |
| Gross balance at December 31 | \$ 661,554 | \$ 555,468 | \$ 524,0 |

Estimates for Significant Catastrophe Events

At December 31, 2023 and 2022, the Company's net reserves for losses and loss expenses include estimated amounts for several catastrophe and weather-related events ("CAT loss"). The magnitude and volume of losses arising from these events is inherently uncertain and, consequently, actual losses for these events may ultimately differ, potentially materially, from current estimates.

During the year ended December 31, 2023, the Company recognized CAT loss, net of reinsurance, of \$ 28.8 million for current year CAT loss events, driven mainly by the U.S. severe storms and the Mexican state-owned oil platform fire loss. This was partially offset by \$ 10.7 million of net favorable prior year CAT development. For the year ended December 31, 2022, the Company recognized current year CAT loss of \$ 39.7 million driven primarily by \$ 13.6 million from the Russian-Ukrainian conflict and \$ 19.5 million from hurricane Ian. This was partially offset by \$ 5.0 million net favorable prior year CAT development.

Prior Year Reserve Development

Year ended December 31, 2023

During the year ended December 31, 2023, the Company experienced \$ 11.2 million in net adverse development on prior year loss and LAE reserves. This was comprised of \$ 39.8 million of reserve strengthening on casualty, workers' compensation and auto classes of business due to current economic and social inflation trends (various underwriting years); homeowners business primary due to the deterioration in the CAT loss estimate relating to Winter Storm Elliott (2022 underwriting year), coupled with a final claim settlement on a professional liability contract (2008 underwriting year). This was partially offset by \$ 28.6 million favorable loss development from property catastrophe events and better than expected loss emergence for mortgage, marine and energy, and specialty contracts from underwriting years 2020-2022.

See the loss development tables by lines of business below under "Disclosure about Short-Duration Contracts" for more information on prior year loss reserve development.

Year ended December 31, 2022

During the year ended December 31, 2022, the Company experienced \$ 0.1 million in net adverse development on prior year loss and LAE reserves. This was comprised of \$ 21.9 million of reserve strengthening on motor, health, casualty, professional liability, and workers' compensation contracts from underwriting years 2014-2021, coupled with higher claim settlements on certain general liability contracts for 2015-2016 underwriting years. This was partially offset by \$ 21.8 million favorable loss development from various pre-2021 years' property catastrophe events, including COVID-19, and better than expected loss emergence for mortgage business (from 2017-2020 underwriting years), a multi-line combined workers' compensation and commercial packages contract across multiple underwriting years, coupled with favorable development on a whole account contract (2020 underwriting year).

Year ended December 31, 2021

During the year ended December 31, 2021, the Company experienced \$ 14.1 million in net favorable development on prior year loss and LAE reserves. This was comprised of \$ 37.4 million favorable loss development from better-than-expected loss emergence for motor, mortgage, and various specialty contracts (including crop, space, and marine and energy) from underwriting years 2015-2018, coupled with a multi-line contract that inceptioned in 2019. This was partially offset by \$ 23.3 million adverse loss development primarily due to reserve strengthening on multi-line casualty, general liability and workers' compensation contracts from underwriting years 2014-2019.

Disclosures about Short-Duration Contracts

The Company has one operating segment, Property & Casualty Reinsurance, and categorizes its business as Property, Casualty, and Other. The Company's loss development tables presented below have been disaggregated by lines of business for the years ended from December 31, 2014, through 2023.

For purposes of the loss development tables, the property business has been further disaggregated into "Property" and "Motor - Physical Damage." The casualty category has been disaggregated into "General Liability," "Motor Liability," "Professional Liability," and "Workers' Compensation." Contracts that cover more than one line of business, including Lloyd's business, are grouped as "Multi-line." Other specialty business, including aviation, crop, cyber, and energy, which are individually insignificant to the Company's overall business, have been grouped as "Other." As the Company's accident and health business has become immaterial in recent years, the Company has grouped accident and health business with "Other" during 2023. Additionally, the Company has elected to present the loss development table for "Marine" separately from "Other" due to its growth in 2023. As a result, the historical incurred and paid claims development presented in the tables below differ from those disclosed in previously issued financial statements. Conforming changes were also made to the table above presenting the changes in the outstanding loss and loss adjustment expense reserves for health claims as part of the "Consolidated" table for the years ended December 31, 2022, and 2021. The amounts shown in "Net loss and loss adjustment expenses incurred" in the consolidated statements of operations and the allocation between "Current year" and "Prior years" are unaffected by these revisions.

For each category, the following tables present the incurred and paid claims development at December 31, 2023, net of retrocession, and the total of incurred but not reported liabilities plus expected development on reported claims included within the net incurred claims amount.

The tables below present incurred and paid claims development for the years ended December 31, 2014 to 2022. They are presented as unaudited supplementary information. Totals may not sum due to rounding.

Multiline

| Incurred claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | December 31, 2023 |
|---|---|----------|----------|----------|----------|----------|----------|----------|----------|------------|---|
| For the years ended December 31, | | | | | | | | | | | Total IBNR plus expected development on reported claims |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | |
| 2014 | \$ 2,390 | \$ 2,390 | \$ 2,390 | \$ 2,609 | \$ 2,625 | \$ 2,586 | \$ 2,653 | \$ 3,010 | \$ 3,256 | \$ 3,092 | 281 |
| 2015 | | 27,899 | 28,038 | 30,458 | 31,955 | 30,858 | 32,259 | 34,983 | 36,788 | 37,545 | 5,091 |
| 2016 | | | 55,631 | 59,877 | 60,583 | 59,626 | 62,085 | 67,494 | 70,360 | 74,235 | 13,074 |
| 2017 | | | | 83,105 | 79,246 | 83,008 | 84,836 | 89,340 | 91,342 | 96,168 | 17,367 |
| 2018 | | | | | 58,528 | 50,706 | 53,662 | 53,917 | 54,389 | 56,691 | 7,865 |
| 2019 | | | | | | 45,764 | 49,131 | 48,342 | 46,976 | 48,622 | 8,068 |
| 2020 | | | | | | | 53,520 | 52,573 | 46,986 | 45,443 | 5,077 |
| 2021 | | | | | | | | 80,697 | 77,969 | 78,332 | 20,877 |
| 2022 | | | | | | | | | 126,496 | 129,612 | 74,363 |
| 2023 | | | | | | | | | | 122,247 | 95,652 |
| | | | | | | | | | Total | \$ 691,986 | \$ 247,715 |

Multiline

| Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | |
|--|---|------|--------|--------|----------|----------|----------|----------|---|----------|------------|
| For the years ended December 31, | | | | | | | | | | | |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | |
| 2014 | \$ — | \$ — | \$ 145 | \$ 566 | \$ 1,092 | \$ 1,413 | \$ 1,995 | \$ 2,281 | \$ 2,546 | \$ 2,811 | |
| 2015 | | 28 | 2,810 | 9,925 | 16,023 | 18,973 | 24,685 | 27,318 | 30,086 | 32,454 | |
| 2016 | | | 5,844 | 16,493 | 26,948 | 32,822 | 42,535 | 48,843 | 56,096 | 61,161 | |
| 2017 | | | | 9,534 | 27,250 | 39,438 | 53,819 | 63,733 | 71,551 | 78,801 | |
| 2018 | | | | | 8,106 | 20,619 | 32,116 | 38,762 | 43,387 | 48,826 | |
| 2019 | | | | | | 10,996 | 23,326 | 30,238 | 36,884 | 40,554 | |
| 2020 | | | | | | | 12,421 | 24,209 | 34,935 | 40,366 | |
| 2021 | | | | | | | | 13,674 | 33,315 | 57,454 | |
| 2022 | | | | | | | | | 19,216 | 55,248 | |
| 2023 | | | | | | | | | | 26,595 | |
| | | | | | | | | | Total | 444,271 | |
| | | | | | | | | | All outstanding liabilities before 2014, net of reinsurance | | 213 |
| | | | | | | | | | Liabilities for claims and claims adjustment expenses, net of reinsurance (Multiline) | | \$ 247,929 |

General Liability

| Incurred claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | December 31, 2023 |
|---|---|----------|----------|----------|----------|----------|----------|----------|----------|------------|---|
| For the years ended December 31, | | | | | | | | | | | |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Total IBNR plus expected development on reported claims |
| | (Unaudited - Supplementary Information) | | | | | | | | | | |
| 2014 | \$ 1,238 | \$ 1,229 | \$ 1,174 | \$ 1,033 | \$ 1,355 | \$ 1,000 | \$ 1,000 | \$ 3,606 | \$ 1,144 | \$ 1,024 | 47 |
| 2015 | | 1,699 | 1,690 | 1,756 | 1,979 | 2,152 | 2,190 | 2,294 | 1,866 | 1,862 | 243 |
| 2016 | | | 6,203 | 6,519 | 7,124 | 7,867 | 8,095 | 8,444 | 9,389 | 9,972 | 363 |
| 2017 | | | | 5,429 | 6,523 | 7,377 | 8,447 | 9,954 | 7,538 | 9,971 | 2,488 |
| 2018 | | | | | 2,891 | 3,429 | 3,938 | 4,602 | 4,120 | 4,861 | 1,681 |
| 2019 | | | | | | 1,001 | 986 | 1,033 | 650 | 819 | 480 |
| 2020 | | | | | | | 1,814 | 1,776 | 1,633 | 1,544 | 1,014 |
| 2021 | | | | | | | | 5,152 | 12,059 | 11,417 | 10,852 |
| 2022 | | | | | | | | | 16,280 | 12,741 | 10,701 |
| 2023 | | | | | | | | | | 48,721 | 46,961 |
| | | | | | | | | | Total | \$ 102,933 | \$ 74,830 |

General Liability

| Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | |
|--|---|--------|--------|--------|--------|--------|--------|----------|----------|--------|-----------|
| For the years ended December 31, | | | | | | | | | | | |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | |
| 2014 | \$ 18 | \$ 146 | \$ 413 | \$ 548 | \$ 492 | \$ 762 | \$ 473 | \$ 1,014 | \$ 1,066 | \$ 977 | |
| 2015 | | 69 | 293 | 532 | 548 | 925 | 945 | 1,430 | 1,694 | 1,619 | |
| 2016 | | | 122 | 1,589 | 3,277 | 4,670 | 6,109 | 6,565 | 9,191 | 9,609 | |
| 2017 | | | | 136 | 1,412 | 2,823 | 4,383 | 5,705 | 7,402 | 7,483 | |
| 2018 | | | | | 165 | 1,286 | 2,285 | 2,800 | 2,691 | 3,180 | |
| 2019 | | | | | | 26 | 227 | 306 | 288 | 339 | |
| 2020 | | | | | | | 71 | 71 | 126 | 530 | |
| 2021 | | | | | | | | — | 102 | 565 | |
| 2022 | | | | | | | | | 408 | 2,039 | |
| 2023 | | | | | | | | | | 1,760 | |
| | | | | | | | | | Total | 28,103 | |
| | All outstanding liabilities before 2014, net of reinsurance | | | | | | | | | | 22 |
| | Liabilities for claims and claims adjustment expenses, net of reinsurance (General Liability) | | | | | | | | | | \$ 74,853 |

Motor Casualty

| Incurred claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | | December 31, 2023 |
|---|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|----|---|
| For the years ended December 31, | | | | | | | | | | | | Total IBNR plus expected development on reported claims |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | | |
| 2014 | \$ 93,718 | \$ 92,844 | \$ 94,688 | \$ 94,131 | \$ 94,147 | \$ 94,192 | \$ 94,230 | \$ 94,226 | \$ 94,230 | \$ 94,156 | \$ | 3 |
| 2015 | | 128,199 | 130,410 | 129,745 | 132,853 | 134,951 | 133,632 | 128,536 | 128,567 | 128,332 | | 6 |
| 2016 | | | 166,389 | 169,789 | 174,037 | 183,801 | 180,118 | 180,003 | 180,045 | 180,047 | | 366 |
| 2017 | | | | 187,029 | 188,754 | 199,258 | 191,064 | 188,718 | 188,207 | 188,459 | | 432 |
| 2018 | | | | | 150,700 | 162,016 | 149,467 | 148,830 | 147,369 | 142,954 | | 1,040 |
| 2019 | | | | | | 168,124 | 193,243 | 189,971 | 190,477 | 188,497 | | 1,120 |
| 2020 | | | | | | | 98,242 | 97,356 | 99,091 | 97,118 | | 3,147 |
| 2021 | | | | | | | | 102,390 | 104,647 | 101,415 | | 4,481 |
| 2022 | | | | | | | | | 21,979 | 33,898 | | 5,524 |
| 2023 | | | | | | | | | | 8,786 | | 6,502 |
| | | | | | | | | | Total | \$ 1,163,661 | \$ | 22,620 |

Motor Casualty

| Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | | |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|-----------|----|---------|
| For the years ended December 31, | | | | | | | | | | | | |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | | |
| 2014 | \$ 49,994 | \$ 86,297 | \$ 89,348 | \$ 94,046 | \$ 94,105 | \$ 94,151 | \$ 94,150 | \$ 94,153 | \$ 94,153 | \$ 94,153 | \$ | 94,153 |
| 2015 | | 81,093 | 125,645 | 129,174 | 129,351 | 129,454 | 128,121 | 128,280 | 128,309 | 128,326 | | 128,326 |
| 2016 | | | 97,325 | 157,948 | 170,658 | 182,800 | 179,033 | 179,540 | 179,631 | 179,681 | | 179,681 |
| 2017 | | | | 115,204 | 170,157 | 188,225 | 186,105 | 187,047 | 187,270 | 188,027 | | 188,027 |
| 2018 | | | | | 83,652 | 143,267 | 141,593 | 141,764 | 141,918 | 141,915 | | 141,915 |
| 2019 | | | | | | 99,043 | 170,332 | 184,519 | 186,678 | 187,377 | | 187,377 |
| 2020 | | | | | | | 42,778 | 87,179 | 92,252 | 93,971 | | 93,971 |
| 2021 | | | | | | | | 56,700 | 90,786 | 96,934 | | 96,934 |
| 2022 | | | | | | | | | 20,522 | 28,374 | | 28,374 |
| 2023 | | | | | | | | | | 2,284 | | 2,284 |
| | | | | | | | | | Total | 1,141,041 | | |
| | | | | | | | | | All outstanding liabilities before 2014, net of reinsurance | | | 3 |
| | | | | | | | | | Liabilities for claims and claims adjustment expenses, net of reinsurance (Motor Casualty) | | \$ | 22,622 |

Motor Property

| Incurred claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | | December 31, 2023 |
|---|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|----|---|
| For the years ended December 31, | | | | | | | | | | | | Total IBNR plus expected development on reported claims |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | | |
| 2014 | \$ 18,870 | \$ 18,797 | \$ 19,056 | \$ 19,000 | \$ 19,006 | \$ 19,004 | \$ 19,020 | \$ 19,036 | \$ 19,020 | \$ 18,974 | \$ | 1 |
| 2015 | | 22,035 | 22,516 | 23,005 | 23,263 | 23,396 | 23,246 | 22,901 | 22,712 | 22,653 | | 6 |
| 2016 | | | 27,753 | 28,279 | 29,090 | 30,367 | 29,822 | 29,858 | 29,835 | 29,774 | | 25 |
| 2017 | | | | 39,436 | 39,621 | 41,394 | 39,720 | 39,643 | 39,334 | 39,228 | | 83 |
| 2018 | | | | | 42,336 | 45,209 | 43,266 | 41,122 | 40,753 | 40,447 | | 114 |
| 2019 | | | | | | 43,099 | 48,007 | 49,140 | 48,782 | 48,276 | | 227 |
| 2020 | | | | | | | 23,785 | 23,837 | 24,310 | 23,891 | | 485 |
| 2021 | | | | | | | | 25,743 | 28,845 | 28,651 | | 828 |
| 2022 | | | | | | | | | 3,731 | 5,822 | | 265 |
| 2023 | | | | | | | | | | 1,463 | | 954 |
| | | | | | | | | | Total | \$ 259,179 | \$ | 2,989 |

Motor Property

| Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | | |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|-----------|----|--------|
| For the years ended December 31, | | | | | | | | | | | | |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | | |
| 2014 | \$ 10,305 | \$ 17,621 | \$ 18,370 | \$ 18,951 | \$ 18,957 | \$ 18,972 | \$ 18,972 | \$ 18,973 | \$ 18,973 | \$ 18,973 | \$ | 18,973 |
| 2015 | | 13,859 | 22,123 | 22,615 | 22,705 | 22,749 | 22,625 | 22,642 | 22,646 | 22,646 | | 22,647 |
| 2016 | | | 16,707 | 27,005 | 28,591 | 30,033 | 29,647 | 29,726 | 29,740 | 29,749 | | 29,749 |
| 2017 | | | | 23,091 | 37,058 | 39,711 | 38,971 | 39,115 | 39,132 | 39,146 | | 39,146 |
| 2018 | | | | | 23,576 | 40,118 | 40,086 | 40,246 | 40,323 | 40,333 | | 40,333 |
| 2019 | | | | | | 25,103 | 43,672 | 47,346 | 47,881 | 48,049 | | 48,049 |
| 2020 | | | | | | | 10,880 | 21,684 | 22,764 | 23,406 | | 23,406 |
| 2021 | | | | | | | | 14,955 | 26,605 | 27,823 | | 27,823 |
| 2022 | | | | | | | | | 3,087 | 5,557 | | 5,557 |
| 2023 | | | | | | | | | | 508 | | 508 |
| | | | | | | | | | Total | 256,191 | | |
| | | | | | | | | | All outstanding liabilities before 2014, net of reinsurance | | | (16) |
| | | | | | | | | | Liabilities for claims and claims adjustment expenses, net of reinsurance (Motor Property) | | \$ | 2,972 |

Property

| Incurred claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | | December 31, 2023 |
|---|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|---|
| For the years ended December 31, | | | | | | | | | | | | Total IBNR plus expected development on reported claims |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | | |
| 2014 | \$ 41,738 | \$ 45,152 | \$ 46,844 | \$ 47,084 | \$ 46,873 | \$ 47,029 | \$ 46,996 | \$ 46,953 | \$ 46,931 | \$ 46,757 | | 86 |
| 2015 | | 27,852 | 30,333 | 31,728 | 30,930 | 30,591 | 30,530 | 30,401 | 30,445 | 30,340 | | 116 |
| 2016 | | | 25,618 | 26,093 | 23,970 | 23,441 | 23,173 | 22,992 | 23,047 | 23,052 | | 221 |
| 2017 | | | | 81,413 | 76,644 | 67,449 | 67,894 | 67,696 | 67,063 | 65,814 | | 28 |
| 2018 | | | | | 27,920 | 29,795 | 24,548 | 23,847 | 23,283 | 22,813 | | 2,318 |
| 2019 | | | | | | 22,143 | 14,639 | 14,052 | 12,250 | 12,489 | | 1,570 |
| 2020 | | | | | | | 29,591 | 25,633 | 21,978 | 21,724 | | 4,441 |
| 2021 | | | | | | | | 26,977 | 27,177 | 21,721 | | 5,759 |
| 2022 | | | | | | | | | 41,296 | 48,528 | | 7,655 |
| 2023 | | | | | | | | | | 60,443 | | 26,581 |
| | | | | | | | | | Total | \$ 353,681 | \$ 48,775 | |

Property

| Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | | |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|-----------|-----------|--------|
| For the years ended December 31, | | | | | | | | | | | | |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | | |
| 2014 | \$ 20,230 | \$ 40,172 | \$ 43,639 | \$ 45,209 | \$ 46,299 | \$ 46,519 | \$ 46,617 | \$ 46,633 | \$ 46,669 | \$ 46,671 | | 46,671 |
| 2015 | | 12,939 | 25,442 | 28,830 | 29,798 | 30,004 | 30,107 | 30,129 | 30,221 | 30,224 | | 30,224 |
| 2016 | | | 9,938 | 18,179 | 21,015 | 22,000 | 22,348 | 22,681 | 22,772 | 22,831 | | 22,831 |
| 2017 | | | | 43,272 | 55,549 | 62,893 | 64,125 | 65,293 | 65,404 | 65,786 | | 65,786 |
| 2018 | | | | | 5,191 | 15,424 | 18,164 | 18,883 | 19,899 | 20,495 | | 20,495 |
| 2019 | | | | | | 4,051 | 6,969 | 8,369 | 9,857 | 10,919 | | 10,919 |
| 2020 | | | | | | | 6,118 | 11,496 | 15,349 | 17,283 | | 17,283 |
| 2021 | | | | | | | | 4,968 | 13,256 | 15,963 | | 15,963 |
| 2022 | | | | | | | | | 19,199 | 40,873 | | 40,873 |
| 2023 | | | | | | | | | | 33,862 | | 33,862 |
| | | | | | | | | | Total | 304,906 | | |
| | | | | | | | | | All outstanding liabilities before 2014, net of reinsurance | | | 139 |
| | | | | | | | | | Liabilities for claims and claims adjustment expenses, net of reinsurance (Property) | | \$ 48,914 | |

Professional Liability

Incurred claims and allocated claim adjustment expenses, net of reinsurance

December 31, 2023

For the years ended December 31,

Total IBNR plus expected development on reported claims

| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
|---------------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | (Unaudited - Supplementary Information) | | | | | | | | | | |
| 2014 | \$ 18,494 | \$ 17,917 | \$ 17,882 | \$ 20,340 | \$ 21,304 | \$ 21,615 | \$ 21,364 | \$ 20,817 | \$ 20,816 | \$ 20,619 | 665 |
| 2015 | | 18,115 | 18,105 | 20,614 | 21,973 | 22,167 | 21,468 | 21,296 | 22,158 | 21,234 | 1,188 |
| 2016 | | | 13,624 | 16,765 | 17,118 | 16,715 | 16,522 | 16,981 | 17,808 | 18,267 | 3,806 |
| 2017 | | | | 10,219 | 9,906 | 9,728 | 9,950 | 10,334 | 11,207 | 12,360 | 2,894 |
| 2018 | | | | | 4,477 | 4,464 | 4,584 | 5,181 | 6,176 | 6,744 | 1,520 |
| 2019 | | | | | | 586 | 611 | 762 | 922 | 922 | 209 |
| 2020 | | | | | | | 66 | 62 | 62 | 62 | 62 |
| 2021 | | | | | | | | 158 | 165 | 150 | 150 |
| 2022 | | | | | | | | | 472 | 604 | 603 |
| 2023 | | | | | | | | | | 4,524 | 4,437 |
| | | | | | | | | | Total | \$ 85,485 | \$ 15,534 |

Professional Liability

Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance

For the years ended December 31,

| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
|---------------|---|----------|----------|-----------|-----------|-----------|-----------|-----------|--|-----------|--------|
| | (Unaudited - Supplementary Information) | | | | | | | | | | |
| 2014 | \$ 1,317 | \$ 5,232 | \$ 9,344 | \$ 13,631 | \$ 15,818 | \$ 15,828 | \$ 19,308 | \$ 19,270 | \$ 19,851 | \$ 19,953 | 19,953 |
| 2015 | | 1,141 | 3,223 | 8,716 | 11,582 | 12,417 | 17,097 | 18,592 | 19,598 | 20,046 | 20,046 |
| 2016 | | | 334 | 2,139 | 4,814 | 7,744 | 10,412 | 11,513 | 13,550 | 14,461 | 14,461 |
| 2017 | | | | 225 | 1,429 | 3,077 | 4,843 | 5,813 | 8,335 | 9,467 | 9,467 |
| 2018 | | | | | 241 | 1,140 | 1,982 | 3,234 | 4,580 | 5,224 | 5,224 |
| 2019 | | | | | | | 145 | 266 | 544 | 658 | 713 |
| 2020 | | | | | | | | — | — | — | — |
| 2021 | | | | | | | | | — | — | — |
| 2022 | | | | | | | | | — | — | — |
| 2023 | | | | | | | | | | | 88 |
| | | | | | | | | | Total | | 69,951 |
| | | | | | | | | | All outstanding liabilities before 2014, net of reinsurance | | 233 |
| | | | | | | | | | Liabilities for claims and claims adjustment expenses, net of reinsurance (Professional Liability) | \$ | 15,767 |

Workers' Compensation

| Incurred claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | | December 31, 2023 |
|---|---|-------|-------|--------|--------|--------|--------|--------|--------|------------|-----------|---|
| For the years ended December 31, | | | | | | | | | | | | Total IBNR plus expected development on reported claims |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | | |
| 2014 | \$ — | \$ — | \$ — | \$ 3 | \$ — | \$ — | \$ — | \$ 160 | \$ — | \$ — | \$ — | — |
| 2015 | | 1,014 | 1,010 | 948 | 950 | 951 | 919 | 919 | 889 | 889 | | 14 |
| 2016 | | | 4,342 | 4,275 | 4,266 | 3,975 | 3,778 | 3,716 | 3,646 | 3,645 | | 63 |
| 2017 | | | | 10,881 | 10,345 | 9,602 | 9,062 | 8,758 | 8,980 | 8,954 | | 287 |
| 2018 | | | | | 13,604 | 13,494 | 13,048 | 12,554 | 12,921 | 12,863 | | 533 |
| 2019 | | | | | | 22,927 | 23,311 | 22,613 | 23,956 | 25,300 | | 3,295 |
| 2020 | | | | | | | 44,845 | 40,826 | 43,633 | 47,359 | | 9,757 |
| 2021 | | | | | | | | 64,679 | 63,398 | 68,073 | | 14,223 |
| 2022 | | | | | | | | | 33,284 | 33,279 | | 16,687 |
| 2023 | | | | | | | | | | 12,872 | | 10,934 |
| | | | | | | | | | Total | \$ 213,234 | \$ 55,792 | |

Workers' Compensation

| Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | | |
|--|---|------|------|------|-------|-------|-------|--------|--------|--------|----|-----------|
| Accident year | For the years ended December 31, | | | | | | | | | | | |
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | | |
| 2014 | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — | \$ | — |
| 2015 | | | 28 | 251 | 564 | 688 | 777 | 832 | 851 | 870 | | 875 |
| 2016 | | | | 613 | 1,920 | 2,782 | 3,274 | 3,459 | 3,521 | 3,565 | | 3,583 |
| 2017 | | | | | 2,028 | 5,356 | 7,399 | 8,004 | 8,380 | 8,552 | | 8,667 |
| 2018 | | | | | | 4,213 | 8,321 | 10,778 | 11,811 | 12,114 | | 12,330 |
| 2019 | | | | | | | 5,473 | 13,600 | 17,655 | 20,148 | | 22,006 |
| 2020 | | | | | | | | 11,288 | 23,463 | 32,108 | | 37,601 |
| 2021 | | | | | | | | | 23,210 | 42,854 | | 53,850 |
| 2022 | | | | | | | | | | 9,066 | | 16,592 |
| 2023 | | | | | | | | | | | | 1,938 |
| | | | | | | | | | | Total | | 157,442 |
| | All outstanding liabilities before 2014, net of reinsurance | | | | | | | | | | | — |
| | Liabilities for claims and claims adjustment expenses, net of reinsurance (Workers' Compensation) | | | | | | | | | | | \$ 55,792 |

Financial Lines

| Incurred claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | December 31, 2023 |
|---|---|--------|--------|--------|----------|----------|----------|----------|----------|------------|---|
| For the years ended December 31, | | | | | | | | | | | |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Total IBNR plus expected development on reported claims |
| | (Unaudited - Supplementary Information) | | | | | | | | | | |
| 2014 | \$ 500 | \$ 503 | \$ 580 | \$ 506 | \$ 1,096 | \$ 2,063 | \$ 2,228 | \$ 1,668 | \$ 1,959 | \$ 2,344 | \$ 65 |
| 2015 | | 1,947 | 2,206 | 3,025 | 3,010 | 3,121 | 3,087 | 3,034 | 3,035 | 2,889 | 81 |
| 2016 | | | 4,820 | 6,670 | 6,289 | 7,470 | 7,470 | 6,694 | 6,676 | 6,613 | 155 |
| 2017 | | | | 9,006 | 5,865 | 6,277 | 8,339 | 6,789 | 6,068 | 6,139 | 58 |
| 2018 | | | | | 4,069 | 4,429 | 6,646 | 4,838 | 4,775 | 4,605 | 351 |
| 2019 | | | | | | 7,743 | 12,321 | 10,514 | 8,526 | 8,243 | 1,972 |
| 2020 | | | | | | | 18,655 | 19,833 | 17,623 | 17,475 | 6,616 |
| 2021 | | | | | | | | 17,704 | 16,401 | 14,313 | 9,180 |
| 2022 | | | | | | | | | 23,985 | 22,189 | 17,637 |
| 2023 | | | | | | | | | | 22,119 | 20,057 |
| | | | | | | | | | Total | \$ 106,928 | \$ 56,171 |

Financial Lines

| Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | |
|--|---|--------|--------|--------|----------|----------|----------|----------|---|-----------|--|
| For the years ended December 31, | | | | | | | | | | | |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | |
| 2014 | \$ 90 | \$ 347 | \$ 429 | \$ 587 | \$ 1,210 | \$ 2,279 | \$ 2,483 | \$ 1,896 | \$ 2,216 | \$ 2,279 | |
| 2015 | | 223 | 851 | 1,399 | 1,963 | 2,476 | 2,650 | 2,745 | 2,815 | 2,808 | |
| 2016 | | | 1,193 | 2,426 | 4,727 | 6,339 | 6,278 | 6,294 | 6,422 | 6,458 | |
| 2017 | | | | 187 | 2,894 | 4,604 | 5,585 | 5,684 | 5,994 | 6,081 | |
| 2018 | | | | | 671 | 3,931 | 3,655 | 3,807 | 4,207 | 4,253 | |
| 2019 | | | | | | 2,949 | 4,013 | 4,765 | 6,129 | 6,271 | |
| 2020 | | | | | | | 2,709 | 5,021 | 9,129 | 10,860 | |
| 2021 | | | | | | | | 500 | 2,196 | 5,133 | |
| 2022 | | | | | | | | | 820 | 4,552 | |
| 2023 | | | | | | | | | | 2,062 | |
| | | | | | | | | | Total | 50,757 | |
| | | | | | | | | | All outstanding liabilities before 2014, net of reinsurance | 30 | |
| | | | | | | | | | Liabilities for claims and claims adjustment expenses, net of reinsurance (Other) | \$ 56,202 | |

Marine

| Incurred claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | December 31, 2023 | | | | | | | | | |
|---|---|-------|------|-------|------|-------|------|-------|------|-----|-------------------|---|----|-------|----|-------|----|--------|----|--------|
| Accident year | For the years ended December 31, | | | | | | | | | | 2023 | Total IBNR plus expected development on reported claims | | | | | | | | |
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | | | | | | | | | | | |
| | (Unaudited - Supplementary Information) | | | | | | | | | | | | | | | | | | | |
| 2014 | \$ | 3,388 | \$ | 2,369 | \$ | 545 | \$ | 546 | \$ | 544 | \$ | 488 | \$ | 488 | \$ | 488 | \$ | 488 | \$ | 488 |
| 2015 | | | | 1,717 | | 3,435 | | 2,744 | | 678 | | 680 | | — | | — | | — | | — |
| 2016 | | | | | | 1,711 | | 1,711 | | 169 | | — | | — | | — | | — | | — |
| 2017 | | | | | | | | — | | — | | — | | — | | — | | — | | — |
| 2018 | | | | | | | | | | 381 | | 374 | | 361 | | 180 | | 180 | | 180 |
| 2019 | | | | | | | | | | | | 360 | | 234 | | 12 | | 93 | | 93 |
| 2020 | | | | | | | | | | | | | | 1,882 | | 1,041 | | 1,456 | | 846 |
| 2021 | | | | | | | | | | | | | | | | 5,612 | | 5,001 | | 4,301 |
| 2022 | | | | | | | | | | | | | | | | | | 15,658 | | 11,024 |
| 2023 | | | | | | | | | | | | | | | | | | | | 20,894 |
| | | | | | | | | | | | | | | | | | | Total | \$ | 37,826 |
| | | | | | | | | | | | | | | | | | | | \$ | 27,150 |

Marine

| Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | | |
|--|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|--------|
| Accident year | For the years ended December 31, | | | | | | | | | | | |
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| | (Unaudited - Supplementary information) | | | | | | | | | | | |
| 2014 | \$ 101 | \$ 174 | \$ 545 | \$ 543 | \$ 516 | \$ 488 | \$ 488 | \$ 488 | \$ 488 | \$ 488 | 488 | |
| 2015 | | — | — | — | — | — | — | — | — | — | — | |
| 2016 | | | — | — | — | — | — | — | — | — | — | |
| 2017 | | | | — | — | — | — | — | — | — | — | |
| 2018 | | | | | — | 180 | 180 | 180 | 180 | 180 | 180 | |
| 2019 | | | | | | — | 12 | 12 | 56 | 56 | 56 | |
| 2020 | | | | | | | 1 | 96 | 477 | 541 | 541 | |
| 2021 | | | | | | | | 158 | 397 | 2,049 | 2,049 | |
| 2022 | | | | | | | | | 691 | 4,274 | 4,274 | |
| 2023 | | | | | | | | | | 3,088 | 3,088 | |
| | | | | | | | | | Total | 10,676 | 10,676 | |
| | All outstanding liabilities before 2014, net of reinsurance | | | | | | | | | | — | |
| | Liabilities for claims and claims adjustment expenses, net of reinsurance (Other) | | | | | | | | | | \$ 27,150 | 27,150 |

Other

| Incurred claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | December 31, 2023 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|---|
| For the years ended December 31, | | | | | | | | | | | |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Total IBNR plus expected development on reported claims |
| (Unaudited - Supplementary Information) | | | | | | | | | | | |
| 2014 | \$ 33,755 | \$ 30,844 | \$ 30,164 | \$ 29,722 | \$ 29,475 | \$ 29,407 | \$ 29,398 | \$ 29,590 | \$ 29,394 | \$ 29,394 | — |
| 2015 | | 35,226 | 34,658 | 35,245 | 34,725 | 34,672 | 34,713 | 34,672 | 34,709 | 34,604 | 26 |
| 2016 | | | 39,571 | 42,903 | 42,934 | 43,010 | 42,979 | 42,845 | 42,858 | 42,802 | 221 |
| 2017 | | | | 46,913 | 48,351 | 48,412 | 48,715 | 48,706 | 48,655 | 48,627 | 294 |
| 2018 | | | | | 58,858 | 63,363 | 62,984 | 62,714 | 62,628 | 63,126 | 585 |
| 2019 | | | | | | 43,395 | 43,803 | 42,688 | 42,637 | 41,870 | 288 |
| 2020 | | | | | | | 59,653 | 53,565 | 57,044 | 55,300 | 3,103 |
| 2021 | | | | | | | | 62,533 | 60,443 | 60,302 | 7,389 |
| 2022 | | | | | | | | | 37,193 | 32,776 | 21,958 |
| 2023 | | | | | | | | | | 46,729 | 43,236 |
| | | | | | | | | | Total | \$ 455,529 | \$ 77,100 |

Other

| Cumulative paid claims and allocated claim adjustment expenses, net of reinsurance | | | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| For the years ended December 31, | | | | | | | | | | | |
| Accident year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
| (Unaudited - Supplementary Information) | | | | | | | | | | | |
| 2014 | \$ 19,329 | \$ 28,919 | \$ 29,532 | \$ 29,452 | \$ 29,446 | \$ 29,406 | \$ 29,397 | \$ 29,397 | \$ 29,393 | \$ 29,393 | 29,393 |
| 2015 | | 14,778 | 32,338 | 34,655 | 34,536 | 34,514 | 34,540 | 34,546 | 34,568 | 34,568 | 34,579 |
| 2016 | | | 22,160 | 40,667 | 42,170 | 42,200 | 42,352 | 42,404 | 42,527 | 42,581 | 42,581 |
| 2017 | | | | 24,130 | 45,145 | 47,869 | 48,005 | 48,091 | 48,282 | 48,333 | 48,333 |
| 2018 | | | | | 35,161 | 60,488 | 61,714 | 61,997 | 62,085 | 62,541 | 62,541 |
| 2019 | | | | | | 19,844 | 38,466 | 40,058 | 40,624 | 41,582 | 41,582 |
| 2020 | | | | | | | 23,936 | 48,917 | 51,111 | 52,197 | 52,197 |
| 2021 | | | | | | | | 37,578 | 51,208 | 52,913 | 52,913 |
| 2022 | | | | | | | | | 5,617 | 10,818 | 10,818 |
| 2023 | | | | | | | | | | 3,493 | 3,493 |
| | | | | | | | | | Total | | 378,430 |
| All outstanding liabilities before 2014, net of reinsurance | | | | | | | | | | | (8) |
| Liabilities for claims and claims adjustment expenses, net of reinsurance (Other) | | | | | | | | | | | \$ 77,092 |

For incurred and paid claims denominated in currencies other than U.S. dollars, the above tables are presented using the foreign exchange rate in effect at the current year-end date. As a result, all prior year information has been restated to reflect December 31, 2023, foreign exchange rates. This treatment prevents changes in foreign currency exchange rates from distorting the claims development between the years presented.

For assumed contracts, the Company does not generally receive claims information by accident year from the ceding insurers but instead receives claims information by the treaty year of the contract. Claims reported by the ceding insurer to the

Company may have the covered losses occurring in an accident year other than the treaty year. Some incurred and paid claims have been allocated to the accident years for the loss development tables based on the proportion of premiums earned for each contract during such accident year.

For example, a one-year quota-share reinsurance treaty inception on October 1, 2020 (with underlying policies each having a one-year duration) would have a 24-month period over which the premiums would be earned. Therefore, claims would be allocated to accident years 2020, 2021 and 2022 based on the proportion of the premiums earned during each accident year. For illustration of this contract, any claims reported during 2020 would be allocated to the 2020 accident year. For losses reported during 2021, the claims would be allocated between 2020 and 2021 based on the percentage of premiums earned during 2020 and 2021. Similarly, for losses reported during 2022 and thereafter, the losses would be allocated to the 2020, 2021 and 2022 accident years based on the proportion of premiums earned during each of those years. However, natural catastrophes and certain other large losses are addressed separately and are assigned to the accident year in which they occurred.

The reconciliation of the net incurred and paid claims development tables to the liability for claims and claim adjustment expenses in the consolidated balance sheet is as follows:

| | December 31, 2023 |
|---|-------------------|
| Net outstanding liabilities | |
| Multiline | \$ 247,929 |
| General Liability | 74,853 |
| Motor Casualty | 22,622 |
| Motor Property | 2,972 |
| Property | 48,914 |
| Professional Liability | 15,767 |
| Workers' Compensation | 55,792 |
| Financial Lines | 56,202 |
| Marine | 27,150 |
| Other | 77,092 |
| Liabilities for claims and claims adjustment expenses, net of reinsurance | 629,293 |
| Add: Reinsurance recoverable on unpaid claims | 25,687 |
| Add: Unallocated claims adjustment expenses | 6,087 |
| Add: Allowance for credit losses | 487 |
| Total gross liabilities for unpaid claims and claim adjustment expense | \$ 661,554 |

The average historical annual percentage payout of net incurred claims (excluding health) at December 31, 2023, is as follows:

| Years | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|------------------------|---|--------|--------|--------|--------|--------|--------|-------|-------|--------|
| | (Unaudited - Supplementary Information) | | | | | | | | | |
| Multiline | 11.2 % | 17.3 % | 16.0 % | 11.6 % | 9.8 % | 9.9 % | 9.2 % | 8.1 % | 4.7 % | 2.2 % |
| General Liability | 4.7 % | 13.6 % | 13.1 % | 12.5 % | 18.2 % | 27.5 % | 6.9 % | 3.0 % | 0.4 % | 0.1 % |
| Motor Casualty | 49.5 % | 35.8 % | 7.7 % | 3.6 % | 1.5 % | 0.9 % | 0.8 % | 0.2 % | — % | — % |
| Motor Property | 53.3 % | 40.8 % | 4.9 % | 1.0 % | — % | — % | — % | — % | — % | — % |
| Property | 49.0 % | 34.4 % | 8.2 % | 3.2 % | 2.7 % | 0.9 % | 1.0 % | 0.5 % | 0.1 % | — % |
| Professional Liability | 2.7 % | 9.8 % | 14.3 % | 12.7 % | 8.7 % | 7.3 % | 5.6 % | 2.3 % | 2.6 % | 34.0 % |
| Workers' Compensation | 30.9 % | 35.2 % | 20.4 % | 9.2 % | 3.0 % | 0.9 % | 0.2 % | 0.2 % | — % | — % |
| Financial Lines | 18.5 % | 33.8 % | 23.6 % | 12.0 % | 4.1 % | 3.7 % | 1.7 % | 1.5 % | 1.1 % | — % |
| Marine | 4.3 % | 25.2 % | 40.0 % | 2.3 % | 11.3 % | 1.7 % | 15.2 % | — % | — % | — % |
| Other | 19.7 % | 27.2 % | 7.7 % | 9.3 % | 7.7 % | 7.1 % | 7.1 % | 6.9 % | 7.3 % | — % |

The historical annual percentage payout pattern for health claims is excluded from the table above because health claims have short settlement periods, and including it would skew the results presented.

As a reinsurance entity, the Company generally does not receive detailed claims frequency information or claims counts from ceding insurers and third-party claim handlers. Due to the nature of the reinsurance contracts, the underlying insured reports claims to the insurer who cedes losses to the Company. The Company is contractually obligated to reimburse the ceding insurer for its share of the losses. While the Company has the right to conduct audits of the ceding insurer's claims files, the insurer is generally not obligated to provide a detailed listing of claims counts or other claims frequency information. Therefore it is impracticable for the Company to present the cumulative number of reported claims by accident year.

8. RETROCESSION

From time to time, the Company purchases retrocessional coverage for one or more of the following reasons: to manage its overall exposure, reduce its net liability on individual risks, obtain additional underwriting capacity, and balance its underwriting portfolio. The Company records loss and loss adjustment expenses recoverable from retrocessionaires as assets.

The following table provides a breakdown of ceded reinsurance:

| | Year ended December 31 | | |
|---|------------------------|-----------|-----------|
| | 2023 | 2022 | 2021 |
| Gross ceded premiums | \$ 42,762 | \$ 33,429 | \$ 41 |
| Earned ceded premiums | \$ 43,653 | \$ 15,318 | \$ — |
| Loss and loss adjustment expenses ceded | \$ 25,554 | \$ 6,615 | \$ (12) |

Retrocession contracts do not relieve the Company from its obligations to its cedents. Failure of retrocessionaires to honor their obligations could result in losses to the Company. The following table shows a breakdown of losses recoverable on a gross and net of collateral basis:

| | December 31, 2023 | | December 31, 2022 | |
|---|-------------------|----------------------------------|-------------------|----------------------------------|
| | Gross | Net of Collateral ⁽¹⁾ | Gross | Net of Collateral ⁽¹⁾ |
| A- or better by A.M. Best | \$ 8,767 | \$ 8,767 | \$ 3,797 | \$ 3,792 |
| Not rated | 17,407 | 2,432 | 9,504 | 286 |
| Total before provision | 26,174 | \$ 11,199 | \$ 13,301 | \$ 4,078 |
| Provision for credit losses | (487) | | (62) | |
| Total loss and loss adjustment expenses recoverable, net | \$ 25,687 | | \$ 13,239 | |

⁽¹⁾ Collateral is in the form of cash, letters of credit, funds withheld, and/or cash collateral held in trust accounts. This excludes any excess collateral in order to disclose the aggregate net exposure for each retrocessionaire.

At December 31, 2023, we had 3 reinsurers (2022: 4) that accounted for 10% or more each of the total loss and loss adjustment expenses recoverable, net, for an aggregate gross amount of \$ 20.4 million (2022: \$ 11.1 million).

9. DEBT AND CREDIT FACILITIES

Debt Obligations

The following table summarizes the Company's outstanding debt obligations.

| | December 31, 2023 | December 31, 2022 |
|--------------------------------|-------------------|-------------------|
| Term loans | \$ 74,062 | \$ — |
| Senior convertible notes | — | 79,610 |
| Total principal amount | 74,062 | 79,610 |
| Accrued interest payable | — | 1,331 |
| Less: deferred financing costs | (781) | (407) |
| Total debt | <u>\$ 73,281</u> | <u>\$ 80,534</u> |

Term Loans

On June 16, 2023, the Company entered into a Credit Agreement (the "Credit Agreement") with a group of banks (the "Banks"), for which CIBC Bank USA is acting as administrative agent. The Credit Agreement provides, subject to certain customary conditions, for a delayed draw term loan facility (the "Loan Facility"), in an aggregate amount of \$ 75.0 million. Outstanding loans ("Term Loans") under the Facility will (i) amortize in equal quarterly installments in an aggregate annual amount equal to 5.0 % of the Term Loans and (ii) accrue interest at a rate equal to an adjusted term Secured Overnight Financing Rate ("SOFR") plus 3.5 % per annum. The Company posted \$ 10.0 million of collateral as security for the Loan Facility. The Loan Facility matures on August 1, 2026.

During the year ended December 31, 2023, the Company borrowed \$ 75.0 M from the Loan Facility of which \$ 63.4 million was used to repay all of the outstanding Convertible Senior Notes (see below), with the remaining proceeds for general corporate purposes. The Company also made \$ 0.9 million partial repayment on the Term Loans. The interest rate on the outstanding Terms Loans was 8.9 % at December 31, 2023. To manage interest rate risk, the Company hedged 50% of the floating interest rate on the Term Loans (see Note 6).

The Company was in compliance with all covenants relating to the Loan Facility at December 31, 2023.

Senior Convertible Notes

On August 7, 2018, the Company issued \$ 100.0 million of senior unsecured convertible notes (the "Convertible Notes"), with a maturity date of August 1, 2023. The Convertible Notes paid interest at 4.0 %, payable semi-annually on February 1 and August 1 of each year beginning February 1, 2019. The conversion price was \$ 17.19 per ordinary share of the Company.

During the year ended December 31, 2023 the Company repurchased and canceled \$ 17.5 million (2022: \$ 20.4 million) of the Convertible Notes, respectively, resulting in realized gains of \$ 0.3 million (2022: \$ 0.3 million), which is included in "Other income (expense), net" in the consolidated statements of operations. As noted above, the Company fully repaid the remaining outstanding Convertible Notes on August 1, 2023, from the proceeds of the new Term Loans.

Financing Costs

The Company incurred \$ 0.9 million of issuance costs relating to the Credit Agreement, which are deferred and amortized through the maturity of the Loan Facility. The remaining unamortized deferred financing costs are reported separately in the above table.

For the year ended December 31, 2023, the Company recognized interest expense of \$ 5.3 million (2022: \$ 4.2 million, 2021: \$ 6.3 million) relating to the total debt, which included the interest coupon, the amortization of issuance costs and the change in fair value of the interest rate swap (see Note 6).

Credit Facilities

At December 31, 2023, the Company had the following letter of credit ("LOC") facilities:

| | Capacity | LOCs issued | Termination Date |
|---|-------------------|-------------------|-------------------|
| Citibank Europe plc ("Citi LOC") ¹ | \$ 289,000 | \$ 276,756 | August 20, 2024 |
| CIBC Bank USA ("CIBC LOC") | 200,000 | 13,903 | December 21, 2024 |
| | <u>\$ 489,000</u> | <u>\$ 290,659</u> | |

¹) Includes \$ 14.0 million of uncommitted capacity.

The above LOCs issued are cash collateralized (see Note 5). The LOC facilities are subject to various customary affirmative, negative and financial covenants. At December 31, 2023, the Company was in compliance with all LOC facilities covenants.

Citi LOC

The Citi LOC facility automatically renews each year unless terminated by either party subject to a 120 days notice prior to termination date.

CIBC LOC

On December 22, 2023, through a subsidiary, the Company entered into a credit agreement with CIBC Bank USA for a \$ 200.0 million committed LOC facility (the "CIBC LOC Facility"), with a \$ 30.0 million sublimit for unsecured LOCs (the "CIBC Revolving Credit Facility"). Loans made under the CIBC Revolving Credit Facility, solely for supporting unsecured LOCs, will accrue interest at a rate of base rate plus 2.5 % per annum in the event that the beneficiary draws down on an unsecured LOC and the Company does not provide cash collateral within the stipulated period. The CIBC LOC Facility is subject to an automatic extension of one year without prior written notice by the Company. The CIBC Revolving Credit Facility expires after one year .

10. SHARE CAPITAL

Ordinary Shares

The following table is a summary of changes in ordinary shares issued and outstanding:

| | 2023 | | | 2022 | | 2021 | |
|--|-------------------|----------------|---------------|-------------------|------------------|-------------------|------------------|
| | Ordinary | Class A | Class B | Class A | Class B | Class A | Class B |
| Balance – beginning of year | — | 28,569,346 | 6,254,715 | 27,589,731 | 6,254,715 | 28,260,075 | 6,254,715 |
| Issue of shares, net of forfeitures | 64,719 | 447,952 | — | 984,548 | — | 409,200 | — |
| Repurchase of shares | — | — | — | (4,933) | — | (1,079,544) | — |
| Re-designate Class B to Class A shares | — | 6,254,715 | (6,254,715) | — | — | — | — |
| Reclassify Class A to Ordinary shares | 35,272,013 | (35,272,013) | — | — | — | — | — |
| Balance – end of year | <u>35,336,732</u> | <u>—</u> | <u>—</u> | <u>28,569,346</u> | <u>6,254,715</u> | <u>27,589,731</u> | <u>6,254,715</u> |

The Company's authorized share capital is 125,000,000 ordinary shares, par value of \$ 0.10 per share.

On July 25, 2023, at the Company's Annual General Meeting the shareholders approved the re-designation of Class B ordinary shares as Class A ordinary shares, and then reclassified Class A ordinary shares as "ordinary shares", resulting in the elimination of the dual-class share structure.

At December 31, 2023, the Company has an effective Form S-3 registration statement on file with the SEC for an aggregate principal amount of \$ 200.0 million in securities.

Share Repurchase Plan

On May 2, 2023, the Board of Directors re-approved the share repurchase plan effective from July 1, 2023 until June 30, 2024, authorizing the Company to repurchase up to \$ 25.0 million of ordinary shares or securities convertible into ordinary shares in the open market, through privately negotiated transactions or Rule 10b5-1 stock trading plans. Any shares repurchased are canceled immediately upon repurchase. For the year ended December 31, 2023, there was no repurchase of ordinary shares (2022: 4,933 at an average price of \$ 7.04 per share).

Preferred Shares

The Company's authorized share capital also consists of 50,000,000 preference shares with a par value of \$ 0.10 each. At December 31, 2023, the Company has no issued and outstanding preferred shares.

11. SHARE-BASED COMPENSATION

On July 25, 2023, at the Company's Annual General Meeting the shareholders approved the Greenlight Capital Re, Ltd. 2023 Omnibus Incentive Plan, or the 2023 Incentive Plan. The 2023 Incentive Plan replaces the Greenlight Capital Re, Ltd. Amended and Restated 2004 Stock Incentive Plan, or the 2004 Stock Incentive Plan. The aggregate number of ordinary shares that are available to be delivered pursuant to awards granted under the 2023 Incentive Plan is equal to the sum of (i) 2,000,000 shares, and (ii) any shares that remained or otherwise become available under the 2004 Stock Incentive Plan as of July 25, 2023. If, after July 25, 2023, any award granted under the 2023 Incentive Plan or the 2004 Stock Incentive Plan is forfeited or otherwise expires, terminates or is canceled, then the number of ordinary shares subject to such award that were not issued shall become available for issuance under the 2023 Incentive Plan. The 2023 Incentive Plan is administered by the Compensation Committee of the Board of Directors.

At December 31, 2023, 3,296,771 (2022: 2,011,426) ordinary shares remained available for future issuance under the Company's 2023 Incentive Plan. Under this plan, the Company is authorized to issue restricted shares, RSUs, and stock options. Share-based awards contain restrictions relating to vesting (service-based and/or performance-based), forfeiture in the event of termination of employment, transferability, and other matters.

Employee and Director Restricted Shares

The following table summarizes the activity for unvested outstanding restricted share awards:

| | Performance Restricted Shares | | Service Restricted Shares | |
|------------------------------|--|--|--|--|
| | Number of non-vested restricted shares | Weighted average grant date fair value | Number of non-vested restricted shares | Weighted average grant date fair value |
| Balance at December 31, 2021 | 193,149 | \$ 10.10 | 753,407 | \$ 8.68 |
| Granted | 601,213 | 6.82 | 356,422 | 7.02 |
| Vested | — | — | (268,457) | 9.38 |
| Forfeited | — | — | (8,476) | 7.67 |
| Balance at December 31, 2022 | 794,362 | \$ 7.62 | 832,896 | 7.76 |
| Granted | 357,766 | 10.84 | 242,957 | 10.58 |
| Vested | — | — | (599,942) | 8.74 |
| Forfeited | (109,440) | 9.37 | (56,307) | 8.44 |
| Balance at December 31, 2023 | 1,042,688 | \$ 9.94 | 419,604 | \$ 9.18 |

For the year ended December 31, 2023, the Company issued to non-employee directors an aggregate of 65,394 (2022: 107,763) restricted ordinary shares as part of their remuneration for services to the Company (included in "Service Restricted Shares" column in the above table). They will vest on the earlier of (i) the first anniversary of the date of the share issuance and (ii) the Company's next annual general meeting, subject to the grantee's continued service with the Company.

For the year ended December 31, 2023, the Company granted to employees (i) 357,766 (2022: 601,213) restricted shares with both performance and service-based vesting conditions ("Performance RSs") and (ii) 177,563 (2022: 248,659) restricted shares with only service-based vesting conditions ("Service RSs"). Most of these Service RSs vest evenly each year on January 1, subject to the grantee's continued service with the Company. If performance goals are achieved, the Performance RSs will cliff vest at the end of a three-year performance period within a range of 25 % and 100 % of the awarded Performance RSs, with a target of 50 %.

Prior to fiscal year 2021, the Company issued ordinary shares to the Chief Executive Officer ("CEO") pursuant to the Company's stock incentive plan ("CEO RSs"). These shares contain performance and service conditions and certain restrictions relating to, among other things, vesting, forfeiture in the event of termination of the CEO's employment, and transferability. The CEO RSs cliff vest five years after the date of issuance, subject to the performance condition being met and the CEO's continued service with the Company. At December 31, 2023, there were 162,489 non-vested CEO RSs with a weighted average grant date fair value of \$ 9.00 per share. As the performance conditions associated with these restricted shares have not been met, the Company recognized no compensation cost relating to the unvested CEO RSs for the years ended December 31, 2023, 2022, and 2021. During the year ended December 31, 2023, the Company modified certain share-based awards previously granted to the CEO in connection with the Separation Agreement (see Note 15), resulting in an incremental share-based compensation charge of \$ 1.5 million (see below "Stock Compensation Expense").

At December 31, 2023, there was \$ 3.0 million (2022: \$ 3.3 million) of unrecognized compensation cost relating to non-vested restricted shares (excluding the above CEO RSs), which the Company expects to recognize over a weighted-average period of 1.4 years (2022: 1.4 years). For the year ended December 31, 2023, the total fair value of restricted shares vested was \$ 5.2 million (2022: \$ 2.5 million).

Employee Restricted Stock Units

The following table summarizes the activity for unvested outstanding RSUs:

| | Performance RSUs | | Service RSUs | |
|------------------------------|---------------------------|--|---------------------------|--|
| | Number of non-vested RSUs | Weighted average grant date fair value | Number of non-vested RSUs | Weighted average grant date fair value |
| Balance at December 31, 2021 | — | \$ — | 154,134 | \$ 8.59 |
| Granted | 105,008 | 6.82 | 54,207 | 6.82 |
| Vested | — | — | (35,389) | 10.84 |
| Forfeited | — | — | — | — |
| Balance at December 31, 2022 | 105,008 | \$ 6.82 | 172,952 | \$ 7.58 |
| Granted | 71,121 | 9.85 | 42,811 | 9.85 |
| Vested | — | — | (77,695) | 6.74 |
| Forfeited | (21,684) | 8.15 | (27,643) | 8.62 |
| Balance at December 31, 2023 | 154,445 | \$ 8.03 | 110,425 | \$ 8.78 |

Prior to 2022, the RSUs issued to employees cliff vested three years after the date of issuance, subject to the grantee's continued service with the Company. From 2022, the Service RSUs vest evenly over three years on January 1, subject to the grantee's continued service with the Company. If performance goals are achieved, the Performance RSUs will cliff vest at the end of a three-year performance period within a range of 25 % and 100 % of the awarded Performance RSUs, with a target of 50 %.

At December 31, 2023, the total compensation cost related to non-vested RSUs not yet recognized was \$ 0.4 million (2022: \$ 0.6 million), which the Company expects to recognize over a weighted-average period of 1.5 years (2022: 1.6 years).

Employee and Director Stock Options

The following table summarizes the stock option activity:

| | Number of options outstanding | Weighted average exercise price | Weighted average grant date fair value | Intrinsic value (\$ in millions) | Weighted average remaining contractual term |
|------------------------------|----------------------------------|--|---|-------------------------------------|--|
| Balance at December 31, 2021 | 735,627 | 22.35 | 10.23 | — | 4.7 years |
| Expired | (45,290) | 23.80 | 11.04 | — | — |
| Balance at December 31, 2022 | 690,337 | 22.25 | 10.18 | — | 4.0 years |
| Expired | (38,197) | 26.44 | 13.09 | — | — |
| Balance at December 31, 2023 | 652,140 | \$ 22.01 | \$ 10.01 | \$ — | 3.2 years |

The following table summarizes information about options exercisable:

| | December 31, 2023 | December 31, 2022 | December 31, 2021 |
|---|-------------------|-------------------|-------------------|
| Number of options exercisable | 652,140 | 610,337 | 575,627 |
| Weighted-average exercise price | \$ 22.01 | \$ 22.39 | \$ 22.67 |
| Weighted-average remaining contractual term | 3.2 | 3.9 | 4.5 |
| Intrinsic value (\$ in millions) | \$ — | \$ — | \$ — |

During the year ended December 31, 2023, 80,000 (2022: 80,000) options vested. They had a weighted average grant date fair value of \$ 9.60 (2022: \$ 9.60). All outstanding options are fully vested and exercisable.

Stock Compensation Expense

For the year ended December 31, 2023, the Company recorded \$ 6.1 million (2022: \$ 4.7 million, 2021: \$ 3.2 million) of total stock compensation expense (net of forfeitures), including the incremental costs for modified grants. The stock compensation expense is included in "General and administrative expenses" in the consolidated statements of operations. Forfeiture recoveries were immaterial for the current and last two fiscal years.

12. EARNINGS PER SHARE

The following table reconciles net income and weighted average shares used in computing basic and diluted net income per share:

| | Year ended December 31 | | |
|--|------------------------|-------------------|-------------------|
| | 2023 | 2022 | 2021 |
| Numerator for earnings per share | | | |
| Net income - basic | \$ 86,830 | \$ 25,342 | \$ 17,578 |
| Add: interest on convertible notes | — | 4,201 | — |
| Less: gain on debt repurchases | — | (343) | — |
| Net income - diluted | <u>\$ 86,830</u> | <u>\$ 29,200</u> | <u>\$ 17,578</u> |
| Denominator for earnings per share | | | |
| Weighted average shares outstanding - basic | 34,067,974 | 33,908,156 | 34,204,364 |
| Effect of dilutive employee and director share-based awards | 729,885 | 368,096 | 146,652 |
| Shares potentially issuable in connection with convertible notes | — | 5,493,538 | — |
| Weighted average shares outstanding - diluted | <u>34,797,859</u> | <u>39,769,790</u> | <u>34,351,016</u> |
| Anti-dilutive stock options outstanding | 652,140 | 690,337 | 735,627 |
| Earnings per share | | | |
| Basic | \$ 2.55 | \$ 0.75 | \$ 0.51 |
| Diluted | 2.50 | 0.73 | 0.51 |

13. NET INVESTMENT INCOME

The following table provides a breakdown of net investment income:

| | Year ended December 31 | | |
|---|------------------------|------------------|------------------|
| | 2023 | 2022 | 2021 |
| Interest and dividend income, net of withholding taxes and other expenses | \$ 35,629 | \$ 4,466 | \$ (1,660) |
| Net realized and unrealized gains on other investments (see Note 4) | 1,738 | 9,673 | 33,725 |
| Net investment-related income | 37,367 | 14,139 | 32,065 |
| Share of SILP's net income (see Note 3) | 28,696 | 54,844 | 18,087 |
| Total investment income | <u>\$ 66,063</u> | <u>\$ 68,983</u> | <u>\$ 50,152</u> |

14. INCOME TAXES

Components of Income Taxes

The following table shows the breakdown of the Company's current and deferred income tax benefit (expense) on a consolidated basis:

| | Year ended December 31 | | |
|--|------------------------|---------------|---------------------|
| | 2023 | 2022 | 2021 |
| Current tax (expense) benefit | | | |
| Europe | \$ (587) | \$ (30) | \$ (10) |
| U.S. | (100) | 846 | (3,734) |
| Deferred tax (expense) benefit | | | |
| Europe | (1,698) | (442) | (254) |
| U.S. | — | — | (2) |
| Decrease in deferred tax valuation allowance | 2,285 | 442 | 254 |
| Income tax (expense) benefit | \$ (100) | \$ 816 | \$ (3,746) |

Under current Cayman Islands law, no corporate entity, including GLRE and Greenlight Re, is obligated to pay taxes in the Cayman Islands on either income or capital gains. The Company has an undertaking from the Governor-in-Cabinet of the Cayman Islands, pursuant to the provisions of the Tax Concessions Act, as amended, that, in the event that the Cayman Islands enacts any legislation that imposes a tax on profits, income, gains, or appreciations, or any tax in the nature of estate duty or inheritance tax, such tax will not be applicable to GLRE, Greenlight Re nor their respective operations, or to the ordinary shares or related obligations, before February 1, 2025.

Verdant is incorporated in Delaware and therefore is subject to taxes in accordance with the U.S. federal rates and regulations prescribed by the U.S. Internal Revenue Service ("IRS"). Verdant's taxable income is generally expected to be taxed at a marginal rate of 21% (2022: 21%). Verdant's tax years 2019 and beyond remain open and may be subject to examination by the IRS.

GRIL is incorporated in Ireland and therefore is subject to the Irish corporation tax rate of 12.5% on its trading income and 25% on its non-trading income.

Greenlight Re UK and GCM are incorporated in the United Kingdom and therefore are subject to the U.K. corporate tax rate of 25% (2022 and 2021: 19%) on their respective profits.

Deferred Tax Assets

The following table provides details of the significant components of deferred tax assets:

| | December 31, 2023 | December 31, 2022 |
|--|-------------------|-------------------|
| Deferred tax assets: | | |
| Operating and capital loss carryforwards | \$ 1,087 | \$ 2,107 |
| Deferred tax assets before valuation allowance | 1,087 | 2,107 |
| Valuation allowance | — | (2,107) |
| Deferred tax assets, net of valuation allowance | \$ 1,087 | \$ — |

At December 31, 2023, the Company has determined that it is more likely than not that it will fully realize the recorded deferred tax asset in the future based on the expected timing of the reversal of the temporary differences and the likelihood of generating sufficient taxable income to realize the future tax benefit.

Tax Loss Carryforwards

At December 31, 2023, GRIL had a net operating loss carryforward of \$ 8.7 million (2022: \$ 20.4 million) which can be carried forward indefinitely.

15. RELATED PARTY TRANSACTIONS

Investment Advisory Agreement

Each of DME, DME II, and DME Advisors is an affiliate of the Chairman and, therefore, is a related party to the Company.

The Company has entered into the SILP LPA (as described in Note 3 of the consolidated financial statements). DME II receives a performance allocation equal to (with capitalized terms having the meaning provided under the SILP LPA) (a) 10 % of the portion of the Positive Performance Change for each limited partner's capital account that is less than or equal to the positive balance in such limited partner's Carryforward Account, plus (b) 20 % of the portion of the Positive Performance Change for each limited partner's capital account that exceeds the positive balance in such limited partner's Carryforward Account. The Carryforward Account for Greenlight Re and GRIL includes the amount of investment losses to be recouped, including any loss generated on the assets invested in SILP, subject to adjustments for redemptions. The loss carry-forward provision in the SILP LPA allows DME II to earn a reduced performance allocation of 10 % of profits in years subsequent to any year in which SILP has incurred a loss until all losses are recouped, and an additional amount equal to 150 % of the loss is earned.

In accordance with the SILP LPA, DME Advisors constructs a levered investment portfolio as agreed by the Company (the "Investment Portfolio" as defined in the SILP LPA). On September 1, 2018, SILP entered into the IAA with DME Advisors, which entitles DME Advisors to a monthly management fee equal to 0.125 % (1.5 % on an annual basis) of each limited partner's Investment Portfolio. The IAA has an initial term ending on August 31, 2023, subject to an automatic extension for successive three-year terms.

For a detailed breakdown of management fees and performance compensation for the years ended December 31, 2023, 2022, and 2021, refer to Note 3.

Pursuant to the SILP LPA and the IAA, the Company has agreed to indemnify DME, DME II, and DME Advisors for any expense, loss, liability, or damage arising out of any claim asserted or threatened in connection with DME Advisors serving as the Company's or SILP's investment advisor. The Company will reimburse DME, DME II, and DME Advisors for reasonable costs and expenses of investigating and defending such claims provided such claims were not caused due to gross negligence, breach of contract, or misrepresentation by DME, DME II, or DME Advisors. The Company incurred no indemnification amounts during the periods presented.

Green Brick Partners, Inc.

David Einhorn also serves as the Chairman of the Board of Directors of Green Brick Partners, Inc. ("GRBK"), a publicly-traded company. At December 31, 2023, SILP, along with certain affiliates of DME Advisors, collectively owned 27.1 % of the issued and outstanding common shares of GRBK. Under applicable securities laws, DME Advisors may sometimes be limited in its ability to trade GRBK shares held in SILP. At December 31, 2023, SILP held 2.7 million shares of GRBK.

Service Agreement

The Company has entered into a service agreement with DME Advisors, pursuant to which DME Advisors provides certain investor relations services to the Company for compensation of five thousand dollars per month (plus expenses). The agreement automatically renews annually until terminated by either the Company or DME Advisors for any reason with 30 days prior written notice to the other party.

Collateral Assets Investment Management Agreement

Effective January 1, 2019, the Company (and its subsidiaries) entered into a collateral assets investment management agreement (the "CMA") with DME Advisors, pursuant to which DME Advisors manages certain assets of the Company that are not subject to the SILP LPA and are held by the Company to provide collateral required by the cedents in the form of trust accounts and letters of credit. In accordance with the CMA, DME Advisors receives no fees and is required to comply with the collateral investment guidelines. The CMA can be terminated by any of the parties upon 30 days' prior written notice to the other parties.

Separation Agreement with CEO

On November 3, 2023, the Company entered into a Deed of Settlement and Release ("Separation Agreement") with the CEO (Mr. Simon Burton) pursuant to which Mr. Burton's employment with the Company would terminate by mutual consent, including resignation from the Board of Directors, effective as of December 31, 2023. The following is a summary of the material financial terms of the Separation Agreement:

- \$ 2.4 million cash severance payable over 18 months and \$ 0.3 million salary continuance to April 30, 2024 (these have been accrued and included in " *Other liabilities*" in the consolidated balance sheets at December 31, 2023);
- \$ 1.5 million non-cash charge for accelerated vesting for Mr. Burton's remaining 235,936 service restricted shares and modified vesting condition for Mr. Burton's remaining 532,035 performance restricted shares in which the service condition is no longer a requirement for vesting (see Note 11); and
- \$ 1.6 million grant date fair value of performance restricted shares to be granted in March 2024.

As a result of the above Separation Agreement, for the year ended December 31, 2023, the Company recognized a total charge of \$ 4.3 million including the incremental share-based compensation cost for the modified grants, which is included in " *General and administrative expenses*" in the consolidated statements of operations.

16. COMMITMENTS AND CONTINGENCIES

a) Concentration of Credit Risk

Cash and cash equivalents

The Company monitors its concentration of credit risk with financial institutions and limits acceptable counterparties based on current rating, outlook and other relevant factors.

Investments

The Company's credit risk exposure to private debt and convertible debt securities within its " *Other investments*" are immaterial (see Note 4).

Reinsurance balances receivable, net

The following table shows the breakdown of reinsurance balances receivable:

| | December 31, 2023 | | | December 31, 2022 | | |
|---|-------------------|--------------|----------|-------------------|--------------|----------|
| | Amount | % | | Amount | % | |
| Premiums receivable | \$ 186,940 | 30.2 | % | \$ 160,559 | 31.8 | % |
| Funds withheld: | | | | | | |
| Funds held by cedants | 50,075 | 8.1 | % | 45,351 | 9.0 | % |
| Premiums held by Lloyds' syndicates | 264,278 | 42.7 | % | 188,056 | 37.2 | % |
| Funds at Lloyd's | 115,772 | 18.6 | % | 103,947 | 20.5 | % |
| Profit commission receivable | 2,302 | 0.4 | % | 4,888 | 1.0 | % |
| Deposit assets | 888 | 0.1 | % | 3,110 | 0.6 | % |
| Total before provision | 620,255 | 100.1 | % | 505,911 | 100.1 | % |
| Provision for expected credit losses | (854) | (0.1) | % | (356) | (0.1) | % |
| Reinsurance balances receivable, net | \$ 619,401 | 100.0 | % | \$ 505,555 | 100.0 | % |

The Company has posted deposits at Lloyd's to support underwriting capacity for certain syndicates, including Syndicate 3456 (see Note 18). Lloyd's has a credit rating of "A" (Excellent) from A.M. Best.

Premiums receivable includes a significant portion of estimated premiums not yet due. Brokers and other intermediaries are responsible for collecting premiums from customer on the Company's behalf. The Company monitors its concentration of credit risks from brokers (see Note 17). The diversity in the Company's client base limits credit risk associated with premiums receivable and funds (premiums) held by cedents. Further, under the reinsurance contracts the Company has contractual rights to offset premium balances receivable and funds held by cedants against corresponding payments for losses and loss expenses.

Loss and loss adjustment expenses recoverable, net

The Company regularly evaluates its net credit exposure to the retrocessionaires and their abilities to honor their respective obligations. See Note 8 for analysis of concentration of credit risk relating to retrocessionaires.

b) Lease Obligations

The Company operates in the Cayman Islands, United Kingdom, and Ireland under various non-cancelable operating lease agreements. The Company's weighted-average remaining operating lease term is approximately 2.5 years at December 31, 2023.

As the lease contracts generally do not provide an implicit discount rate, the Company used the weighted-average discount rate of 6.0 % to determine the present value of lease payments. This discount rate represents the Company's incremental borrowing rate for a term similar to that of the associated lease based on information available at the commencement date. The Company has made an accounting policy election not to include renewal, termination, or purchase options that are not reasonably certain of exercise when determining the borrowing term.

At December 31, 2023, the right-of-use assets and lease liabilities relating to the operating leases were \$ 1.4 million and \$ 1.5 million, respectively (2022: \$ 1.9 million and \$ 2.0 million, respectively). For the year ended December 31, 2023, the Company recognized operating lease expense \$ 0.6 million (2022: \$ 0.6 million, 2021: \$ 0.4 million).

At December 31, 2023, the commitment for operating lease liabilities for future annual periods was as follows:

| | | |
|------------------------------------|----|---------|
| Year ending December 31, | | |
| 2024 | \$ | 637 |
| 2025 | | 653 |
| 2026 | | 352 |
| Total lease payments | | 1,642 |
| Less Imputed Interest | | (142) |
| Present value of lease liabilities | \$ | 1,500 |

c) Litigation

From time to time, in the ordinary course of business, the Company may be involved in formal and informal dispute resolution procedures, which may include arbitration or litigation. The outcomes of these procedures determine the rights and obligations under the Company's reinsurance contracts and other contractual agreements. In some disputes, the Company may seek to enforce its rights under an agreement or collect funds owed. In other matters, the Company may resist attempts by others to collect funds or enforce alleged rights. While the Company cannot predict the outcome of legal disputes with certainty, the Company does not believe that any existing dispute, when finally resolved, will have a material adverse effect on the Company's business, financial condition, or operating results.

17. SEGMENT REPORTING

The Company has one operating segment: Property & Casualty Reinsurance.

A significant portion of the Company's business is sourced through reinsurance brokers. The following table sets forth the brokers and their subsidiaries that generated more than 10% of our premiums.

| Year ended December 31, | Broker | Premiums | % of Total Premiums |
|-------------------------|-----------------------|------------|---------------------|
| 2023 | | | |
| | Guy Carpenter (Marsh) | \$ 122,766 | 19.3 % |
| | Aon Benfield | 91,642 | 14.4 % |
| | | | 33.7 % |
| 2022 | | | |
| | Aon Benfield | \$ 159,421 | 28.3 % |
| | Gallagher Re | 91,239 | 16.2 % |
| | | | 44.5 % |
| 2021 | | | |
| | Guy Carpenter (Marsh) | \$ 178,336 | 31.5 % |
| | Aon Benfield | 139,044 | 24.6 % |
| | BMS Group | 63,958 | 11.3 % |
| | | | 67.4 % |

The following tables provide a breakdown of the Company's gross premiums written by line and class of business, and by geographic area of risks insured for the periods indicated:

Gross Premiums Written by Line of Business

| | Year ended December 31 | | | | | |
|------------------------|------------------------|----------------|-------------------|----------------|-------------------|----------------|
| | 2023 | | 2022 | | 2021 | |
| Property | | | | | | |
| Commercial | \$ 51,859 | 8.1 % | \$ 14,750 | 2.6 % | \$ 10,853 | 1.9 % |
| Motor | 671 | 0.1 | 2,346 | 0.4 | 29,953 | 5.3 |
| Personal | 60,761 | 9.5 | 68,227 | 12.1 | 12,141 | 2.1 |
| Total Property | 113,291 | 17.8 | 85,323 | 15.2 | 52,947 | 9.4 |
| Casualty | | | | | | |
| General Liability | 96,535 | 15.2 | 60,276 | 10.7 | 18,037 | 3.2 |
| Motor Liability | 16,223 | 2.5 | 8,601 | 1.5 | 118,251 | 20.9 |
| Professional Liability | 11,953 | 1.9 | 1,921 | 0.3 | 316 | 0.1 |
| Workers' Compensation | 10,034 | 1.6 | 28,381 | 5.0 | 62,188 | 11.0 |
| Multi-line | 216,292 | 34.0 | 225,924 | 40.1 | 180,321 | 31.9 |
| Total Casualty | 351,037 | 55.1 | 325,103 | 57.7 | 379,113 | 67.1 |
| Other | | | | | | |
| Accident & Health | 8,339 | 1.3 | 8,947 | 1.6 | 31,612 | 5.6 |
| Financial | 56,114 | 8.8 | 66,528 | 11.8 | 66,612 | 11.8 |
| Marine | 31,138 | 4.9 | 22,700 | 4.0 | 10,652 | 1.9 |
| Other Specialty | 76,891 | 12.1 | 54,570 | 9.7 | 24,457 | 4.3 |
| Total Other | 172,482 | 27.1 | 152,745 | 27.1 | 133,333 | 23.6 |
| | <u>\$ 636,810</u> | <u>100.0 %</u> | <u>\$ 563,171</u> | <u>100.0 %</u> | <u>\$ 565,393</u> | <u>100.0 %</u> |

Gross Premiums Written by Geographic Area of Risks Insured

| | Year ended December 31 | | | | | |
|--------------------------|------------------------|----------------|-------------------|----------------|-------------------|----------------|
| | 2023 | | 2022 | | 2021 | |
| U.S. and Caribbean | \$ 254,792 | 40.0 % | \$ 295,428 | 52.4 % | \$ 316,015 | 55.9 % |
| Worldwide ⁽¹⁾ | 321,578 | 50.5 | 242,561 | 43.1 | 240,285 | 42.5 |
| Asia | 46,936 | 7.4 | 20,334 | 3.6 | 4,609 | 0.8 |
| Europe | 13,504 | 2.1 | 4,848 | 0.9 | 4,484 | 0.8 |
| | <u>\$ 636,810</u> | <u>100.0 %</u> | <u>\$ 563,171</u> | <u>100.0 %</u> | <u>\$ 565,393</u> | <u>100.0 %</u> |

⁽¹⁾ "Worldwide" is composed of contracts that reinsure risks in more than one geographic area and may include risks in the U.S.

18. STATUTORY REQUIREMENTS

The Company's reinsurance operations are subject to insurance laws and regulations in the jurisdictions in which they operate, principally in the Cayman Islands and in Ireland. Additionally, the Company's Syndicate 3456 is regulated by Lloyd's. These regulations include certain restrictions on the amount of dividends or other distribution, such as loans or cash advances, available to shareholders without prior approval of the respective regulatory authorities.

The statutory capital and surplus and required minimum statutory capital and surplus of the Company's most significant regulated reinsurance operations are detailed below:

| At December 31, | Cayman Islands | | Ireland | |
|------------------------------------|----------------|------------|---------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Statutory capital and surplus | 569,044 | \$ 474,985 | 58,721 | 68,881 |
| Required statutory capital surplus | 256,586 | 226,507 | 39,367 | 41,859 |
| Excess statutory capital | 312,458 | \$ 248,478 | 19,354 | \$ 27,022 |

The statutory net income for the Company's most significant regulated reinsurance operations were as follows:

| | Greenlight Re | | GRIL | |
|------------------------------|---------------|-----------|------|--|
| Year ended December 31, 2023 | \$ 85,464 | \$ 11,479 | | |
| Year ended December 31, 2022 | \$ 32,290 | \$ 4,612 | | |
| Year ended December 31, 2021 | \$ 15,912 | \$ 3,800 | | |

Cayman Islands

Greenlight Re is subject to the Cayman Islands' Insurance (Capital and Solvency) (Classes B, C, and D Insurers) Regulations, (2018 Revision) (the "Insurance Regulations"). Under this Insurance Regulations, Greenlight Re is required to maintain minimum statutory capital and surplus equal to the greater of: a) the Minimum Capital Requirement of \$ 50.0 million and b) the Prescribed Capital Requirement ("PCR") as defined in the Insurance Regulations.

Greenlight Re is not required to prepare statutory financial statements for filing with CIMA. There were no material differences between Greenlight Re's GAAP capital, surplus, and net income and its statutory capital, surplus, and net income at December 31, 2023 and 2022, and for the years then ended.

Any dividends declared and paid from Greenlight Re to the Company requires CIMA's approval. During the year ended December 31, 2023, \$ 8.3 million of dividends (2022: \$ 60.1 million, 2021: \$ 4.0 million) were declared or paid by Greenlight Re to the Company. The dividends were approved by CIMA and resulted in the return of additional share capital to the Company. The dividends were used primarily to repurchase and repay the Company's Convertible Notes (see Note 9). At December 31, 2023, \$ 312.5 million (2022: \$ 248.5 million) of Greenlight Re's capital and surplus was available for distribution as dividends.

Ireland

Effective January 1, 2016, the Company's Irish subsidiary (GRIL) is obligated to maintain at all times the Minimum Capital Requirement ("Irish MCR") and the Solvency Capital Requirement ("SCR") as calculated by reference to Solvency II definition.

There were no material differences between the statutory financial statements and statements prepared in accordance with U.S. GAAP for GRIL at December 31, 2023 and 2022, and for the years then ended.

The amount of dividends that GRIL is permitted to distribute is limited to its retained earnings. The Central Bank of Ireland has powers to intervene if a dividend payment were to breach regulatory capital requirements. At December 31, 2023 and 2022, none of GRIL's capital and surplus was available for distribution as dividends.

Lloyd's of London

The Company operates in the Lloyd's market through its corporate member, GCM, which provides 100% of Syndicate 3456's capital support. Syndicate 3456 is managed by a third party managing agency. GCM and Syndicate 3456 are bound by the rules of Lloyd's, which are prescribed by Bye-laws and Requirements made by the Council of Lloyd's under powers conferred by the Lloyd's Act 1982. These rules prescribe members' membership subscription, the level of their contributions to the Lloyd's Central Fund and the assets they must deposit with Lloyd's in support of their underwriting. Further, the Council of Lloyd's has broad powers to sanctions breaches of its rules, including the power to restrict or prohibit a member's participation on Lloyd's syndicates.

The underwriting capacity of a member of Lloyd's must be supported by providing a deposit, known as "Funds at Lloyds" or "FAL", in the form of cash, certain investment securities, or letters of credit. The FAL is not available for distributions for the payment of dividends or for working capital requirements. Further, corporate members may also be required to maintain funds under the control of Lloyd's in excess of their capital requirements and such funds also may not be available for distribution for the payment of dividends. The amount of FAL for Syndicate 3456 is determined by Lloyd's and is based on Syndicate 3456's solvency and capital requirement based on an internal capital model. See Note 16 for total FAL for Syndicate 3456 and other syndicates in which the Company has a participation interest.

GREENLIGHT CAPITAL RE, LTD.
SUMMARY OF INVESTMENTS — OTHER THAN INVESTMENTS IN RELATED PARTIES
AS OF DECEMBER 31, 2023
(expressed in thousands of U.S. dollars)

| Type of Investment | Cost | Fair Value | Balance Sheet Value |
|---|-----------|------------|------------------------|
| Other investments: | | | |
| Private investments and unlisted equities | \$ 28,470 | \$ 71,157 | \$ 71,157 |
| Debt and convertible debt securities | 2,499 | 2,136 | 2,136 |
| Total other investments | 30,969 | 73,293 | 73,293 |
| Total investments - other than investments in related parties | \$ 30,969 | \$ 73,293 | \$ 73,293 |

GREENLIGHT CAPITAL RE, LTD.
CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CONDENSED BALANCE SHEETS — PARENT COMPANY ONLY

(expressed in thousands of U.S. dollars)

| | December 31, 2023 | December 31, 2022 |
|-------------------------------------|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,924 | \$ 975 |
| Investment in subsidiaries | 667,732 | 554,438 |
| Due from subsidiaries | — | 28,400 |
| Other assets | 628 | 753 |
| Total assets | \$ 670,284 | \$ 584,566 |
| Liabilities and equity | | |
| Liabilities | | |
| Debt | \$ 73,281 | \$ 80,534 |
| Other liabilities | 712 | 81 |
| Due to subsidiaries | 196 | 831 |
| Total liabilities | 74,189 | 81,446 |
| Shareholders' equity | | |
| Share capital | 3,534 | 3,482 |
| Additional paid-in capital | 484,532 | 478,439 |
| Retained earnings | 108,029 | 21,199 |
| Total shareholders' equity | 596,095 | 503,120 |
| Total liabilities and equity | \$ 670,284 | \$ 584,566 |

GREENLIGHT CAPITAL RE, LTD.
CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CONDENSED STATEMENT OF OPERATIONS — PARENT COMPANY ONLY

(expressed in thousands of U.S. dollars)

| | 2023 | Year ended December 31 2022 | 2021 |
|--|------------------|--------------------------------|------------------|
| Revenue | | | |
| Net investment income | \$ 5 | \$ 1 | \$ 22 |
| Other income (expense) | 239 | 366 | — |
| Total revenues | 244 | 367 | 22 |
| Expenses | | | |
| General and administrative expenses | 9,042 | 6,887 | 4,263 |
| Interest expense | 5,344 | 4,201 | 6,263 |
| Total expenses | 14,386 | 11,088 | 10,526 |
| Net income (loss) before equity in earnings of consolidated subsidiaries | (14,142) | (10,721) | (10,504) |
| Equity in earnings of consolidated subsidiaries | 100,972 | 36,063 | 28,082 |
| Consolidated net income | \$ 86,830 | \$ 25,342 | \$ 17,578 |
| Comprehensive income | \$ 86,830 | \$ 25,342 | \$ 17,578 |

GREENLIGHT CAPITAL RE, LTD.
CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CONDENSED STATEMENTS OF CASH FLOWS — PARENT COMPANY ONLY

(expressed in thousands of U.S. dollars)

| | Year ended December 31 | | |
|---|------------------------|-------------------|-------------------|
| | 2023 | 2022 | 2021 |
| Cash flows from operating activities | | | |
| Net income | \$ 86,830 | \$ 25,342 | \$ 17,578 |
| Adjustments to reconcile net income or loss to net cash provided by (used in) operating activities: | | | |
| Equity in earnings of consolidated subsidiaries | (100,972) | (36,063) | (28,082) |
| Net realized gain on repurchase of convertible senior notes payable | (265) | (343) | — |
| Net change in unrealized gains and losses on investments | — | — | — |
| Share-based compensation expense | 5,550 | 4,028 | 2,813 |
| Accretion of debt offering costs and change in interest accruals | (1,696) | 79 | 2,263 |
| Net change in | | | |
| Due from subsidiaries | 28,400 | (28,400) | — |
| Other assets | 125 | (753) | — |
| Other liabilities | 631 | (69) | 150 |
| Due to subsidiaries | (635) | (2,071) | 1,050 |
| Net cash provided by (used in) operating activities | <u>17,968</u> | <u>(38,250)</u> | <u>(4,228)</u> |
| Cash flows from investing activities | | | |
| Change in notes receivable | — | — | 10,706 |
| Contributed surplus (to) from subsidiaries, net | (11,727) | 58,568 | 4,000 |
| Net cash provided by (used in) investing activities | <u>(11,727)</u> | <u>58,568</u> | <u>14,706</u> |
| Cash flows from financing activities | | | |
| Proceeds from term loans | 75,000 | — | — |
| Repayment of convertible senior notes payable | (62,147) | — | — |
| Repurchases of convertible senior notes payable | (17,198) | (19,793) | — |
| Repurchase of Class A ordinary shares | — | (35) | (10,000) |
| Net cash used in financing activities | <u>(4,345)</u> | <u>(19,828)</u> | <u>(10,000)</u> |
| Net increase (decrease) in cash and cash equivalents | 1,896 | 490 | 478 |
| Cash and cash equivalents at beginning of the year | 975 | 485 | 7 |
| Cash and cash equivalents at end of the year | <u>\$ 2,871</u> | <u>\$ 975</u> | <u>\$ 485</u> |
| Supplementary information | | | |
| Non cash consideration from (to) subsidiaries, net | \$ (595) | \$ (656) | \$ (415) |

GREENLIGHT CAPITAL RE, LTD.
SUPPLEMENTARY INSURANCE INFORMATION
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

(expressed in thousands of U.S. dollars)

| Year | Segment | Deferred acquisition costs, net | Reserves for losses and loss adjustment expenses – gross | Unearned premiums – gross | Net premiums earned | Total investment related income (loss) | Net losses, and loss adjustment expenses | Amortization of deferred acquisition costs | Other operating expenses | Gross premiums written |
|------|---------------------|---------------------------------------|---|---------------------------------|---------------------------|--|---|---|--------------------------------|------------------------------|
| 2023 | Property & Casualty | \$ 79,956 | \$ 661,554 | \$ 306,310 | \$ 583,147 | \$ 66,063 | \$ 360,004 | \$ 168,877 | \$ 43,240 | \$ 636,810 |
| 2022 | Property & Casualty | \$ 82,391 | \$ 555,468 | \$ 307,820 | \$ 469,477 | \$ 68,983 | \$ 316,485 | \$ 143,148 | \$ 31,606 | \$ 563,171 |
| 2021 | Property & Casualty | \$ 63,026 | \$ 524,010 | \$ 227,584 | \$ 539,279 | \$ 50,152 | \$ 374,980 | \$ 144,960 | \$ 29,369 | \$ 565,393 |

GREENLIGHT CAPITAL RE, LTD.
SUPPLEMENTARY REINSURANCE INFORMATION
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

(expressed in thousands of U.S. dollars)

| Year | Segment | Direct gross premiums | | Premiums ceded to other companies | | Premiums assumed from other companies | | Net written premiums | Percentage of amount assumed to net | |
|------|---------------------|-----------------------|---|-----------------------------------|--------|---------------------------------------|---------|----------------------|-------------------------------------|-------|
| 2023 | Property & Casualty | \$ | — | \$ | 42,762 | \$ | 636,810 | \$ | 594,048 | 107 % |
| 2022 | Property & Casualty | \$ | — | \$ | 33,429 | \$ | 563,171 | \$ | 529,742 | 106 % |
| 2021 | Property & Casualty | \$ | — | \$ | 41 | \$ | 565,393 | \$ | 565,352 | 100 % |

DESCRIPTION OF THE REGISTRANT'S SECURITIES

The following is a description of the material terms and provisions relating to our Ordinary Shares. Because it is a summary, the following description is not complete and is subject to and qualified in its entirety by reference to our Fourth Amended and Restated Memorandum and Articles of Association, or our Articles, which define the rights of our shareholders. Our Articles are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.3 forms a part.

Authorized Capital

Our authorized share capital consists of (i) 125 million Ordinary Shares, par value \$0.10 per share each; and (ii) 50 million preferred shares, par value \$0.10 per share each. As of March 1, 2024, we had 35,361,725 Ordinary Shares issued and outstanding and no preferred shares issued or outstanding.

Ordinary Shares

All holders of Ordinary Shares are entitled:

- (i) to share equally in dividends (whether payable in cash, property or our securities) as our board of directors ("Board of Directors") may from time to time declare in accordance with the provisions of our Articles and the Companies Act, as amended, of the Cayman Islands, or the Companies Act;
- (ii) in the event of our winding-up or dissolution, whether voluntary or involuntary or for the purpose of an amalgamation, reorganization or otherwise or upon any distribution of share capital and surplus, to share equally and ratably in our assets, if any, remaining after the payment of all of our debts and liabilities and the liquidation preference of any issued and outstanding preferred shares; and
- (iii) generally to enjoy all of the rights attaching to such shares.

Holders of Ordinary Shares have no pre-emptive, redemption, conversion or sinking fund rights.

Each Ordinary Share is entitled to one vote per share. However, except upon unanimous consent of the Board of Directors, no holder shall be permitted to acquire an amount of shares which would cause any person to own (directly, indirectly or constructively under applicable United States tax attribution and constructive ownership rules) 9.9% or more of the total voting power of the total issued and outstanding Ordinary Shares (a "9.9% Shareholder"). The Board of Directors shall reduce the voting power of any holder that is a 9.9% Shareholder to the extent necessary such that the holder ceases to be a 9.9% Shareholder. In connection with this reduction, the voting power of the other shareholders of the Company may be adjusted pursuant to the terms of the Articles. Accordingly, certain holders of Ordinary Shares may be entitled to more than one vote per share subject to the 9.9% restriction in the event that the Board of Directors is required to make an adjustment on the voting power of any 9.9% Shareholder.

On May 2, 2023, the Board of Directors approved a share repurchase plan, which expires on June 30, 2024, authorizing the Company to repurchase up to \$25.0 million of Ordinary Shares in the open market, through privately negotiated transactions or Rule 10b5-1 stock trading plans. The Company is not required to repurchase any of the Ordinary Shares and the repurchase plan may be modified, suspended, or terminated at the election of our Board of Directors at any time without prior notice. During the year ended December 31, 2023, there was no repurchase of Ordinary Shares.

Ordinary Shares reserved for issuance under the Company's stock incentive plan for eligible employees, directors and consultants consists of 2,000,000 reserved Ordinary Shares plus any Ordinary Shares outstanding from previous incentive plans, with no more than 1,500,000 Ordinary Shares issuable upon settlement of incentive stock options. As of December 31, 2023, 3,296,771 Ordinary Shares remained available for future issuance under the Company's stock incentive plan.

Limitation on Share Ownership

Under our Articles, except upon unanimous consent by the Board of Directors:

- no person shall be allowed to acquire Ordinary Shares if such acquisition would cause any person to own (directly, indirectly or constructively under applicable United States tax attribution and constructive ownership rules) 9.9% or more of the issued and outstanding Ordinary Shares; and
- no person shall be allowed to acquire Ordinary Shares if such acquisition would cause such person to own directly 9.9% or more of the issued and outstanding Ordinary Shares.

Under our Articles, our Board of Directors may send a repurchase notice in the event that it determines in its absolute discretion that:

- a transfer would violate the ownership limitations described above; or
- a transfer would result in an increased risk of adverse tax, regulatory or legal consequences to us. In the event the Board of Directors determines an ownership limitation has been violated, we have the option, but not the obligation, to purchase all or any part of the shares, to the extent we determine it is necessary or advisable to avoid or cure any adverse or potentially adverse consequences.

Preferred Shares

Pursuant to our Articles and Cayman Islands law, our board of directors may establish one or more series of preferred shares having such number of shares, designations, relative voting rights, dividend rates, liquidation and other rights, preferences, powers and limitations as may be fixed by the board of directors without any further shareholder approval; provided that certain shareholder approval may be required for a new class of shares that have superior rights over existing shares. Any preferred shares issued will include restrictions on voting and transfer intended to avoid having us constitute a "controlled foreign corporation" for United States federal income tax purposes. Such rights, preferences, powers and limitations as may be established could have the effect of discouraging an attempt to obtain control of us. The issuance of preferred shares could also adversely affect the voting power of the holders of the ordinary shares, deny shareholders the receipt of a premium on their ordinary shares in the event of a tender or other offer for the ordinary shares and have a depressive effect on the market price of the ordinary shares.

Options

As of December 31, 2023, options to purchase 652,140 Ordinary Shares at a weighted average exercise price of \$22.01 were outstanding.

Restricted Stock Units

As of December 31, 2023, restricted share units, convertible into 264,870 Ordinary Shares at a weighted average grant date fair value of \$8.41 were outstanding.

Corporate Governance

Our Articles provide for the corporate governance of the Company, including the establishment of share rights, modification of such rights, issuance of share certificates, the transfer of shares, alterations to capital, the calling and conduct of general and special meetings, proxies, the appointment and removal of directors, conduct and powers of directors, the payment of dividends and the winding-up of the company.

Our Articles provide that the Board of Directors will be elected annually. Shareholders may remove a director for cause as defined in the Articles prior to the expiration of such director's term at a meeting of shareholders at which a quorum is present and more than 50% of the total voting power entitled to vote is cast in favor of such action. A general meeting of shareholders may be convened by the chairman of the Board of Directors or any two directors or any director and the secretary of the Board of Directors.

The provisions contained in our Articles may only be amended upon the affirmative vote of sixty-six and two thirds percent of the votes cast at a meeting of shareholders where a quorum is present.

Subject to the provisions of our Articles, the directors, secretary and officers shall be held harmless for any acts or omissions in the performance of their duties in the absence of willful negligence, willful default, fraud or dishonesty. Our Articles contain provisions for the indemnification of directors, officers and the secretary against liabilities to third parties arising in connection with the performance of their services by us, to the extent approved

by a majority of the disinterested members of the board of directors. Expenses may be advanced to indemnified parties if approved by a majority of the disinterested directors.

Registration Rights

The holders of our Ordinary Shares prior to our initial public offering were given certain registration rights pursuant to a shareholders' agreement, dated August 11, 2004, or our Shareholders' Agreement. Pursuant to our Shareholders' Agreement, Greenlight Capital Investors, LLC, or GCI, had the right to unlimited demand registration rights once we were eligible to use Form S-3 (or similar short form registration statements). GCI assigned its demand registration rights under the Shareholders' Agreement, with our consent, to David Einhorn, our chairman of the board, on January 3, 2007. Pursuant to the Shareholders' Agreement, David Einhorn is entitled to registration rights for all of his Ordinary Shares, including those acquired in a private placement in May 2007. We will not be required to effect more than two registrations pursuant to the demand rights in any 12 month period.

The registration rights described above can be modified on a pro rata basis if the managing underwriters for the registered offering believe modification is necessary due to market considerations. We are required to bear all expenses of all registration (exclusive of underwriting discounts and commissions, transfer taxes and fees and expenses of more than one counsel (and one local counsel, as reasonably required) for all selling shareholders).

On June 30, 2021, we entered into an amendment to the Shareholders' Agreement to extend the term of David Einhorn's registration rights to June 30, 2024.

Transfer Restrictions

Our Articles contain several provisions restricting the transferability of our Ordinary Shares. Our Articles provide that, if our Board of Directors determines in its sole and absolute discretion that:

- any transfer of shares would violate the ownership limitations described above; or
- the transfer would result in an increased risk of adverse tax, regulatory or legal consequences to us or any of our shareholders, they may decline to register such transfer and, if not registered, would be of no effect. Our Articles also provide that in the event that our Board of Directors determines that an ownership limitation has been violated as a result of any transfer, we shall have the option, but not the obligation, to purchase all or any part of the Ordinary Shares, to the extent we determine it is necessary or advisable to avoid or cure any adverse or potentially adverse consequences resulting from such transfer.

In connection with any transfer of Ordinary Shares, and in addition to the certification requirement described above, holders of Ordinary Shares will only be able to transfer their Ordinary Shares in compliance with the provisions of the Securities Act.

Differences in Corporate Law

The Companies Act, which applies to us, differs in certain material respects from laws generally applicable to United States corporations and their shareholders. Set forth below is a summary of certain significant provisions of Companies Act (including modifications adopted pursuant to our Articles) applicable to us which differ in certain respects from provisions of Delaware corporate law. Because the following statements are summaries, they do not purport to deal with all aspects of Cayman Islands law that may be relevant to us and our shareholders.

Interested Party Transactions

No one will be disqualified from being elected director or appointed an alternate director because he or she has contracted with us. A director (or his or her alternate director in his or her absence) may participate in the vote in respect of the contract or transaction in which he or she is interested as long as he or she disclosed his or her interest before that matter is considered or voted upon.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that they owe the following duties to the company: a duty to act in good faith and in what they consider to be in the best interests of the company; a duty not to make a profit out of their position as director (unless the company permits him to do so); a duty to exercise their powers for the purposes for which they are conferred; and a duty not to put himself in a position where the interests of the company conflict with their personal interest or their duty to a third party. A director of a Cayman Islands company owes to

the company a duty to act with skill and care. A director will need to exhibit in the performance of their duties both the degree of skill than may reasonably be expected from a subjective perspective determined by reference to their knowledge and experience and the skill and care objectively to be expected from a person occupying office as a director of the company.

A director or alternate director may vote on a contract or transaction where he or she has an interest as a shareholder, director, officer or employee provided he or she disclosed the interest to the board of directors.

In exercising any such vote, such director's duties remain as described above. Pursuant to our Articles, none of our contracts will be deemed to be void purely because any director is an interested party in such transaction and in such circumstances, interested parties will generally not be held liable for monies owed to the Company.

Under Delaware law such a transaction would be voidable unless:

- the material facts as to such interested director's relationship or interests are disclosed or are known to the board of directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors;
- such material facts are disclosed or are known to the shareholders entitled to vote on such transaction and the transaction is specifically approved in good faith by vote of the majority of shares entitled to vote thereon; or
- the transaction is fair as to the corporation as of the time it is authorized, approved or ratified. Under Delaware law, such interested director could be held liable for a transaction in which such director derived an improper personal benefit.

Mergers and Similar Arrangements

The Companies Act allows for the merger of two or more companies into either one consolidated company or one or more company(ies) merged into another so as to form a single surviving company. The merger or consolidation of two or more companies under Cayman Islands law requires the directors of the companies to enter into and to approve a written plan of merger or consolidation, which must also be authorized by a special resolution of each constituent company, and such other authorization, if any, as may be specified in such companies' articles of association.

In relation to any merger or consolidation under the Companies Act, dissenting shareholders have certain limited appraisal rights in circumstances which are similar to those available to dissenting shareholders of a Delaware corporation, providing rights to receive payment in cash for the judicially determined fair value of the shares. Appraisal rights for the holders of shares listed on a public exchange are ordinarily only available where the consideration offered under the merger is payable in cash or, in some instances, the unlisted securities of a third party.

The Companies Act also includes statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that such a scheme of arrangement is approved by (i) in respect of shareholders, 75% in value of the shareholders or each class of shareholder who attend and vote, either in person or by proxy, at a meeting or meetings convened for that purpose; or (ii) in respect of creditors, a majority in number representing 75% in value of creditors or each class of creditors who attend and vote, either in person or by proxy, at a meeting or meetings convened for that purpose.

The convening of the scheme meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the company is not proposing to act illegally or beyond the scope of its corporate authority and the statutory provisions as to majority vote have been complied with;
 - the shareholders have been fairly represented at the meeting in question and the classes properly delineated;
 - the scheme of arrangement is such as a businessperson would reasonably approve; and
-

- the scheme of arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act or that would amount to a "fraud on the minority".

If a scheme of arrangement is thus approved, the dissenting shareholders would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of a Delaware corporation.

Shareholders' Suits

We are not aware of any reported class action having been brought in a Cayman Islands court. Derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed the availability for such actions.

In principle, the Company will normally be the proper plaintiff and a derivative action may not be brought by a shareholder.

However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, there are exceptions to the foregoing principle, including when:

- a company acts or proposes to act illegally or ultra vires (beyond the scope of its authority);
- the act complained of, although not ultra vires, could be effected if duly authorized by a special resolution that has not been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

Indemnification of Directors

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. We may indemnify our directors or officers in their capacity as such in respect of any loss arising or liability attaching to them by virtue of any rule of law, save in respect of any act or omission involving willful negligence, willful default, fraud or dishonesty. Under Delaware law, a corporation may indemnify a director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in defense of an action, suit or proceeding by reason of such position if:

- such director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation; and
- with respect to any criminal action or proceeding, such director or officer had no reasonable cause to believe his or her conduct was unlawful.

We will indemnify each of our directors, agents and officers out of our assets against any liability incurred by them as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by their own willful negligence, willful default, fraud or dishonesty. No such director, agent or officer shall be liable to us for any loss or damage in carrying out his or her functions unless their liability arises through willful negligence, willful default, fraud or dishonesty of such director, agent or officer.

Inspection of Corporate Records

Members of the general public do not have the right to inspect our corporate or constitutive documents with the exception of the register of directors. The Registrar of Companies shall make a list of the names of the current directors (and alternate directors where applicable) available for inspection by any person on payment of a fee and subject to such conditions as the Registrar may impose. A shareholder of a Cayman Islands company has the right to request the company send him a copy of its memorandum and articles of association in force, on payment of a maximum sum of one Cayman Islands dollar for each copy. In addition, our Articles provide that our board of directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations our accounts and books or any of them shall be open to the inspection of shareholders and no shareholder shall have any right of inspecting any of our accounts or books or documents except as conferred by statute, or authorized by our board of directors or by us in general meeting. Also, the directors may from time to

time cause to be prepared and to be laid before us in general meeting financial statements and such other reports and accounts as may be required by law. We are also required to keep a register of mortgages and charges, which is open to inspection by any creditor or shareholder at all reasonable times.

We are not required to, but may, maintain our share register in the Cayman Islands. We are required to keep at our registered office a register of our directors and officers, which is not open for inspection by members of the public. Our registered office is located at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.

Delaware law permits any shareholder to inspect or obtain copies of a corporation's shareholder list and its other books and records for any purpose reasonably related to such person's interest as a shareholder.

Conversion Rights

If applicable, the terms of preferred shares of any series that are convertible into or exchangeable for our Ordinary Shares or our other securities will be described in an applicable prospectus supplement. These terms will describe whether conversion or exchange is mandatory, at the option of the holder, or at our option. These terms may include provisions pursuant to which the number of shares of our Ordinary Shares or our other securities to be received by the holders of preferred shares would be subject to adjustment. Any such conversion or exchange will comply with applicable Cayman Islands law and our Articles.

Transfer Agent and Registrar

The transfer agent and registrar for our Ordinary Shares is Computershare. Its address is 480 Washington Boulevard, Jersey City, NJ 07310 and its telephone number at this location is (201) 680-2464.

Listing

Our Ordinary Shares are listed on the Nasdaq Global Select Market under the trading symbol "GLRE."

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (as it may be amended, the "Agreement"), effective as of March 6, 2023 (the "Effective Date"), is made between:

- (1) Greenlight Capital Re, Ltd. (the "Company") and Greenlight Reinsurance, Ltd. (the "Subsidiary"), (together with the Company, the "Employer"); and
- (2) David Sigmon (the "Executive").

(Each a "Party" and together the "Parties").

WHEREAS,

- (a) Subject to the terms and conditions contained in this Agreement, including the satisfaction of the conditions set forth in Section 2.2, below, the Employer desires to employ the Executive as the General Counsel ("GC") of the Employer (the "Employment");
- (b) the Parties have agreed to enter into the Employment on the terms set out herein.

IT IS HEREBY AGREED AS FOLLOWS:

1. Employment.

- 1.1 Subject to the terms and conditions contained in this Agreement, including the satisfaction of the conditions set forth in Section 2.2, below, the Employer agrees to employ the Executive as the GC, and the Executive hereby accepts such employment, on the terms and conditions hereinafter set forth.

2. Employment Period.

- 1.1 The period of Employment of Executive by the Employer under this Agreement (the "Employment Period") shall commence on the date that is 21 days following the date of satisfaction of the condition in Section 2.2.1 (provided, however, that the Employment Period shall commence no earlier than May 8, 2023 unless otherwise mutually agreed by the Parties), and shall continue until terminated by either Party in accordance with Section 9 of this Agreement.
- 1.2 This Employment is conditional upon:
 - 1.1.1 the Employer obtaining a work permit in respect of the Executive in the Cayman Islands; and
 - 1.1.2 the Executive maintaining the right to live and work in the Cayman Islands.

3. Position and Duties.

- 1.1 During the Employment Period, the Executive shall serve as GC and report directly to the Chief Executive Officer of the Company (the CEO) and the Board of Directors of the Company (the Board).
- 1.2 During the Employment Period, the Executive shall have those powers and duties ordinarily associated with the position of GC and such other powers and duties as may reasonably be prescribed by the CEO and the Board; provided that, such other powers and duties are consistent with Executive's position as GC and do not violate any applicable laws or regulations.
- 1.3 The Executive shall perform Executive's duties to the best of Executive's abilities and shall devote all of Executive's working time, attention and energies to the performance of Executive's duties for the Employer. The Executive shall not accept any other post, role, board position or employment during the Employment Period without having first obtained the written consent of a duly authorized officer of the Employer (other than the Executive).
- 1.4 During the Employment Period, if requested by the Board, Executive shall also serve as an officer and/or director of other subsidiaries or affiliates of the Employer for no additional compensation.
- 1.5 The Executive's normal hours of work shall be 8:30 am - 6:00 pm (local time) Monday-Friday, with a one hour unpaid lunch break to be taken at a time consistent with the business needs of the Employer.
- 1.6 The Executive's standard work week is 42.5 hours. As an employee of professional and managerial level, the Executive will work such additional hours in excess of his standard work week as are necessary to properly discharge Executive's duties and hereby waives any entitlement to overtime pay in respect of such additional hours or for any hours worked on a public holiday.

4. Place of Performance.

- 1.1 The Executive's principal place of work shall be the Employer's premises in the Cayman Islands.
- 1.2 The Executive may be required to travel and work overseas insofar as is necessary to discharge Executive's duties and meet the business needs of the Employer. At all times the Executive shall conduct the business needs of the Employer in such a manner as to ensure that neither the Executive nor the Employer is deemed to be engaged in a trade or business within the United States of America.

5. Compensation and Related Matters.

- 1.1 During the Employment Period, the Subsidiary shall pay the Executive a base salary of US \$390,000 per annum (pro-rated for partial years) (the "Base Salary"), such salary to be paid in accordance with the Company's payroll practices, by direct deposit to a bank account nominated by the Executive.
- 1.2 The Executive shall be paid the Base Salary gross and the Executive shall be solely responsible for the payment of any national, state or federal taxes or similar obligations to which he may be liable from time to time and the filing of any documents or returns that may be required in connection therewith.
- 1.3 During the Employment Period, the Board and/or the Compensation Committee of the Board (the "Compensation Committee") shall periodically review the Executive's Base Salary consistent with the compensation practices and guidelines of the Subsidiary. If the Executive's Base Salary is increased by the Board or the Compensation Committee, such increased Base Salary shall then constitute the Base Salary for all purposes of this Agreement.
- 1.4 The Executive hereby consents to all deductions as may be permitted by law being made by the Employer from the Base Salary.
- 1.5 During the Employment Period, the Subsidiary shall promptly reimburse the Executive for all reasonable out-of-pocket expenses properly incurred by the Executive in the ordinary course of the Employer's business that are reported and evidenced to the Subsidiary in accordance with its published expense reimbursement policies and procedures. In addition, during the Employment Period, for up to six (6) months following the Commencement Date, the Subsidiary will reimburse the Executive for customary and reasonable moving, relocation, and property transaction closing expenses that are actually incurred by the Executive to relocate to the Cayman Islands, not to exceed \$150,000 (the "Relocation Fees"), subject to receiving customary back-up documentation regarding such expenses. Reimbursement of the Relocation Fees will be made within thirty (30) days after receipt of documentation reasonably acceptable to the Company, but in no event later than the last day of the taxable year following the year in which such fees and expense were incurred. Notwithstanding the foregoing, in the event the Employment Period and the Executive's employment is terminated on or before the one-year anniversary of the Commencement Date by the Company for Cause or by the Executive without Good Reason, Executive shall repay to the Company the gross amount of the Relocation Fees previously paid to the Executive, if any, within ten (10) days of the date of termination.
- 1.6 In addition to Base Salary, during the Employment Period, the Executive shall be eligible to be considered for an annual bonus (the "Bonus") with a target of fifty percent (50%) of Base Salary (the "Target Bonus") based on certain performance metrics, financial or otherwise, as determined by the Board or the Compensation Committee in accordance with and subject to the terms and conditions of the Company's short-term incentive plan, as in effect from time to time and as it may be amended from time to time in the Employer's sole discretion (the "STIP") or any successor plan thereto.

6. Leave.

- 1.1 During the Employment Period, the Executive shall be entitled to 25 days of paid vacation per calendar year, in addition to Cayman Islands public holidays, which shall accrue pro rata during the course of the year in accordance with the Employer's published policies, as amended from time to time, and shall be taken at a time mutually agreed with the Employer. For the avoidance of doubt, unused leave may not be carried into subsequent years without the express written consent in advance of a duly authorized officer of the Employer (other than the Executive).
- 1.2 During the Employment Period, the Executive shall be entitled to a maximum of ten days paid sick leave per year, such leave to be taken only when sick or otherwise incapacitated from work. The Employer shall in its discretion be entitled to request the production of a doctor's note in support of any such absence.
- 1.3 During the Employment Period, the Executive shall also be entitled to compassionate, adoption and such other leave as may be prescribed by law.

7. Benefits.

- 1.1 During the Employment Period, the Executive shall receive pension and medical benefits in accordance with the Company's policies, as in effect from time to time, and in accordance with applicable law.

8. Equity-Based Awards.

- 1.1 Subject to the Executive's commencement of employment with the Employer (including providing copies of any immigration approval documentation requested by the Employer), the Company shall grant the Executive a one-time award under the Greenlight Capital Re, Ltd. Amended and Restated 2004 Stock Incentive Plan (as it may be amended, amended and restated, or modified from time to time) (the "2004 SIP") of restricted Shares (as defined in the 2004 SIP), effective five (5) business days following the Commencement Date, with a grant date value of \$250,000 (the "Equity Grant"). The Equity Grant shall be subject to the terms and conditions of the Equity Grant agreement, provided by the Company, and the 2004 STIP. Except as otherwise provided in Section 10.5.3, the Equity Grant shall time vest and the restrictions shall lapse with respect to 100% of the Equity Grant on the third anniversary of the Commencement Date, subject to the Executive's continued employment through the vesting date and continued compliance with any restrictive covenants by which the Executive may be bound.
- 1.2 During the Employment Period, the Executive shall be eligible to receive equity-based awards in accordance with and subject to the terms and conditions of the 2004 SIP or any successor plan (the "SIP"). For the avoidance of doubt, the grant of any award under the SIP is entirely within the discretion of the Board and the Compensation Committee and any such award may consist of time-based and/or performance-based awards.

9. Termination.

1.1 The Employment and the Employment Period may be terminated under the following circumstances:

1.1.1 Death. The Employment Period and the Employment hereunder shall terminate automatically upon the Executive's death;

1.1.2 Disability. If, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been substantially unable to perform his duties hereunder for an entire period of at least 90 consecutive days or 180 non-consecutive days within any 365-day period ("Disability"), the Employer shall have the right to terminate the Employment and the Employment Period without further notice and such termination in and of itself shall not be, nor shall it be deemed to be, a breach of this Agreement.

1.1.3 Cause. The Employer shall have the right to terminate the Employment and the Employment Period for Cause without notice, and such termination in and of itself shall not be, nor shall it be deemed to be, a breach of this Agreement. For purposes of this Agreement, "Cause" shall mean:

- (a) Serious Misconduct (as defined below) on the part of the Executive;
- (b) Further misconduct on the part of the Executive at any time following the issue of a formal written warning in respect of misconduct;
- (c) Any act or omission that constitutes a material breach of any provision of this Agreement which is not cured, if curable, within ten (10) days after written notice thereof;
- (d) Impeding or failing to materially cooperate with any investigation by the Company or any of its subsidiaries and/or affiliates (collectively, the Group);
- (e) A material breach of fiduciary duty by the Executive; or
- (f) The failure, refusal or neglect by the Executive to perform Executive's duties hereunder or the failure, refusal or neglect to follow any lawful and reasonable direction in a satisfactory manner within ten (10) days of the issue of a formal written warning in respect thereof.

1.1.4 Serious Misconduct includes (but is not limited to):

- (a) Habitual drug or alcohol use which impairs the ability of the Executive to perform Executive's duties hereunder (other than where such drug is prescribed and administered in accordance with the instructions of a qualified physician);

- (b) Commission of a criminal offence relevant to the Employment (other than a minor traffic offence);
- (c) Violation of the Restrictive Covenants set forth in Section 11 of this Agreement;
- (d) Fraud, dishonesty, embezzlement or misuse of funds or property belonging to any member of the Group;
- (e) Violation by the Executive of the policies or code of conduct of any member of the Group that could reasonably be expected to result in harm (financial, reputational or otherwise) to any member of the Group; or
- (f) Any acts, omissions or statements by the Executive that would reasonably be expected to be materially detrimental or damaging to the reputation, operations, or business relations of any member of the Group.

The Board or the Compensation Committee, in good faith, shall determine all matters and questions relating to whether Cause exists.

1.1.5 Other Substantial Reasons. The Employer may terminate the Employment and the Employment Period where there is any other substantial reason in light of which it is reasonable to do so in accordance with section 51(1)(f) of the Labour Act (as amended).

- 1.2 The Employer shall have the right to suspend the Executive with pay in order to investigate any event which it reasonably believes may provide a basis for the Employer to terminate the Employment and the Employment Period for Cause during which period the Executive may be excluded from the Employer's offices and/or business and such action shall not give the Executive Good Reason to terminate the Employment or the Employment Period.
- 1.3 Good Reason. The Executive may terminate the Employment and the Employment Period for "Good Reason" within thirty (30) days after the occurrence, without Executive's consent, of any one of the events defined below that has not been cured, if curable, within thirty (30) days after written notice thereof has been given by the Executive to the Employer (the "Cure Period") and such termination, which shall be promptly at the end of the Cure Period, in and of itself shall not be, nor shall it be deemed to be, a breach of this Agreement. Good Reason shall be limited to the following: (i) any material and adverse change to the Executive's title or duties that is inconsistent with his duties set forth herein; (ii) a reduction of the Executive's Base Salary; or (iii) a material failure by the Employer to comply with any other material provisions of this Agreement.
- 1.4 Without Good Reason. The Executive shall have the right to terminate the Employment Period and the Employment hereunder without Good Reason by providing the Employer with a Notice of Termination (as defined below) at least ninety (90) days prior to such termination, and such termination shall not in and of itself be, nor shall it be deemed to be, a breach of this Agreement. For purposes of this Agreement, the term "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and

circumstances claimed to provide a basis for termination of the Executive's Employment under the provision so indicated, and (iii) if the date of termination is other than the date of receipt of such notice, specifies the termination date.

1.5 Without Cause. The Employer shall have the right to terminate the Employment Period and the Employment without Cause (other than due to Disability) at any time by providing the Executive with a Notice of Termination at least ninety (90) days prior to such termination and such termination shall not in and of itself be, nor shall it be deemed to be, a breach of this Agreement.

1.6 Having provided a Notice of Termination in accordance with Section 9.5 above the Employer may in its absolute discretion:

1.1.1 terminate the Employment immediately upon payment to the Executive of all sums that he would have received had he worked throughout the period of notice; or

1.1.2 at any time place the Executive on 'garden leave' for some or all of the period of notice whereby he will not be required to attend at the Employer's premises for work unless expressly required to do so. During any period of garden leave the Executive remains an employee of the Employer and fully bound by the terms of this Agreement, but shall not take any action in the name of the Employer, hold themselves out as acting for or on behalf of the Employer, or render any services to the Employer unless expressly instructed to do so.

10. Compensation Upon Termination.

1.1 In the event the Employment Period and the Executive's Employment is terminated other than due to the Executive's death, the Subsidiary shall provide the Executive with the payments set forth below and shall not be required to provide any other payments, rights or benefits to the Executive upon such termination.

1.2 The Executive acknowledges and agrees that the payments and benefits set forth in this Section 10 constitute liquidated damages for termination of the Employment Period and his Employment and that prior to receiving any such payments under this Section 10, other than the Accrued Obligations (as defined below), and as a material condition thereof, Executive shall sign, deliver and agree to be bound by a separation agreement and general release of claims (a "Release") against the Employer and its affiliates related to the Employment and its termination with the Employer in such form as the Board or the Compensation Committee reasonably determines.

1.3 Notwithstanding anything herein to the contrary, if the Executive should fail to execute such Release within forty-five (45) days following the later of (i) the Executive's date of termination or (ii) the date the Executive actually receives an execution copy of such Release (which shall be delivered to the Executive within ten (10) business days following his date of termination and, if not timely delivered, this release condition will be deemed waived by the Employer with respect to payments under this Section 10), neither the Company nor the Subsidiary shall have any obligation to make the payments contemplated under this Section 10 (other than the Accrued Obligations);

- 1.4 Any Release provided pursuant to this Section 10 shall not limit, release or waive the Executive's right to indemnification as provided for by this Agreement or otherwise by law or contract.

Upon the Executive's termination of employment for any reason, upon the request of the Board, he shall immediately resign any membership or positions that Executive then holds with any member of the Group.

- 1.5 If the Executive's employment is terminated by the Employer without Cause (other than due to Disability) or by the Executive for Good Reason:

1.1.1 the Subsidiary shall pay to the Executive:

- (a) Executive's accrued, but unpaid Base Salary earned through the date of termination and any accrued, but unused vacation pay through the date of termination, payable as soon as practicable following such termination, but in no event later than two and one half months following the date of termination; and
- (b) any earned, but unpaid Bonus earned under the terms of the STIP or any other applicable compensation plan of the Company for years prior to the year in which the date of termination occurs payable in accordance with the terms of such plan (together with Section 10.5.1(a), the "Accrued Obligations").

1.1.2 Subject to Section 18.10 and the Executive's continued compliance with any restrictive covenants by which the Executive may be bound, the Subsidiary shall pay or cause to be paid or provided to the Executive:

- (a) the Bonus, if any, the Executive would have earned under the STIP for the year of termination based on actual performance had the Executive's employment not terminated, pro-rated based on the number of days the Executive was employed by the Employer during such year over the number of days in such year (the "Pro-Rated Bonus"), which Pro-Rated Bonus shall be payable in accordance with the terms of the STIP (provided the Executive does not breach this Agreement following his termination in which case all payments under this clause shall cease) but in all events in the year following the year in which the date of termination occurs;
- (b) an amount equal to one (1) times the sum of Executive's annual rate of Base Salary payable in substantially equal installments over the twelve (12) month period following the date of termination in accordance with the Subsidiary's regular payroll practices; provided, however, that the first payroll payment shall be made on the first regularly scheduled payroll date following the sixtieth (60th) day following the date of Executive's termination of employment and shall include payments of any amounts that would otherwise be due prior thereto; and
- (c) to the extent unvested, the Equity Award shall fully vest.

1.1.3 The Executive acknowledges and agrees that Executive's sole and exclusive remedy upon a termination by the Employer without Cause

(other than due to Disability) or by the Executive for Good Reason, subject to the terms and conditions of this Section 10, shall be the receipt of the payments and benefits set forth in this Section 10 and, for the avoidance of doubt, such benefits shall be deemed to be inclusive of any entitlement in respect of statutory severance pay.

- 1.1.4 the Subsidiary shall promptly reimburse the Executive pursuant to Section 5.5 for reasonable expenses incurred by the Executive, but not paid prior to such termination of Employment (contingent upon the availability of appropriate evidence); and
- 1.1.5 the Executive shall be entitled to any other rights, compensation and/or benefits as may be due to the Executive in accordance with the terms and provisions of any agreements, plans or programs of the Employer.
- 1.6 If the Employment Period and Executive's Employment is terminated by the Employer for Cause or by the Executive without Good Reason:
 - 1.1.1 the Subsidiary shall pay the Executive, in accordance with the relevant payment provisions set forth in Section 10.5.1(a) and (b), the Accrued Obligations;
 - 1.1.2 the Subsidiary shall promptly reimburse the Executive pursuant to Section 5.5 for all reasonable expenses incurred, but not paid prior to such termination of Employment (contingent upon the availability of appropriate evidence); and
 - 1.1.3 the Executive shall be entitled to any other rights, compensation and/or benefits as may be due to Executive in accordance with the terms and provisions of any agreements, plans or programs of the Employer.
- 1.7 During any period that Executive fails to perform his duties hereunder as a result of incapacity due to physical or mental illness (the Disability Period), Executive shall continue to receive his full compensation and benefits under this Agreement until his Employment and the Employment Period is terminated pursuant to Section 9.1.2 hereof.
- 1.8 In the event the Employment Period and Executive's Employment is terminated by the Employer due to Disability pursuant to Section 9.1.2 hereof:
 - 1.1.1 the Subsidiary shall pay to the Executive, following such termination, in accordance with the relevant payment provisions set forth in Section 10.5.1, the Accrued Obligations; and
 - 1.1.2 the Subsidiary shall promptly reimburse the Executive pursuant to Section 5.5 for all reasonable expenses incurred by the Executive, but not paid prior to such termination of Employment (contingent upon the availability of appropriate evidence); and
 - 1.1.3 the Executive shall be entitled to any other rights, compensation and/or benefits as may be due to Executive in accordance with the terms and provisions of any agreements, plans or programs of the Employer.

- 1.9 If the Employment Period and Executive's Employment terminates due to the Executive's death:
- 1.1.1 the Subsidiary shall pay to the Executive's beneficiary, legal representatives or estate, as the case may be, following such termination, in accordance with the relevant payment provisions set forth in Section 10.5.1, the Accrued Obligations; and
- 1.1.2 the Subsidiary shall promptly reimburse the Executive's beneficiary, legal representatives, or estate, as the case may be pursuant to Section 5.5 for all reasonable expenses incurred by the Executive, but not paid prior to such termination of Employment (contingent upon the availability of appropriate evidence); and
- 1.1.3 The Executive's beneficiary, legal representatives or estate, as the case may be, shall be entitled to any other rights, compensation and benefits as may be due to any such persons or estate in accordance with the terms and provisions of any agreements, plans or programs of the Employer.
11. Restrictive Covenants.
- 1.1 The Executive acknowledges that: (i) as a result of the Executive's employment by the Employer, the Executive has obtained and will obtain Confidential Information (as defined below); (ii) the Confidential Information has been developed and created by the Group at substantial expense and the Confidential Information constitutes valuable proprietary assets; (iii) the Group will suffer substantial damage and irreparable harm that will be difficult to compute if, during the Employment Period or at any time thereafter, Executive should enter a Competitive Business (as defined herein) in violation of the provisions of this Agreement; (iv) the nature of the Group's business is such that it could be conducted anywhere in the world and that it is not limited to a geographic scope or region; (v) the Group will suffer substantial damage that will be difficult to compute if, during the Employment Period or at any time thereafter, the Executive should solicit or interfere with the Group's employees, clients or customers or should divulge Confidential Information relating to the business of the Group; (vi) the provisions of this Agreement are reasonable and necessary for the protection of the business of the Group; (vii) the Employer would not have hired or continued to employ the Executive; and (viii) the provisions of this Agreement will not preclude the Executive from other gainful employment.
- 1.2 "Competitive Business" as used in this Agreement shall mean any business which competes, directly or indirectly, with any aspect of any member of the Group's business.
- 1.3 "Confidential Information" as used in this Agreement shall mean any and all confidential and/or proprietary knowledge, data, or information of any member of the Group including, without limitation, any:
- 1.1.1 trade secrets, drawings, inventions, methodologies, mask works, ideas, processes, formulas, source and object codes, data, programs, software source documents, works of authorship, know-how, improvements, discoveries, developments, designs and techniques, and all other work product of any member of the Group, whether or not patentable or

registrable under trademark, copyright, patent or similar laws in any jurisdiction;

- 1.1.2 information regarding plans for research, development, new service offerings and/or products, marketing, advertising and selling, distribution, business plans, business forecasts, budgets and unpublished financial statements, licenses, prices and costs, suppliers, customers or distribution arrangements;
 - 1.1.3 any information regarding the skills and compensation of employees, suppliers, agents, and/or independent contractors of any member of the Group;
 - 1.1.4 concepts and ideas relating to the development and distribution of content in any medium or to the current, future and proposed products or services of any member of the Group;
 - 1.1.5 information about any member of the Group's investment program, trading methodology, or portfolio holdings; or
 - 1.1.6 any other information, data or the like that is labeled confidential or orally disclosed to the Executive on terms of confidentiality.
- 1.4 The Executive agrees not to, at any time, either during the Employment Period or at any time thereafter, divulge, use, publish or in any other manner reveal, directly or indirectly, to any person, entity, firm, corporation or any other form of business organization or arrangement and keep in the strictest confidence any Confidential Information, except:
- 1.1.1 as may have been necessarily disclosed by the Executive in the good faith performance of his duties hereunder;
 - 1.1.2 with the express written consent of a duly authorized officer of the Employer (other than the Executive);
 - 1.1.3 to the extent that any such information is in or becomes in the public domain other than as a result of the Executive's breach of any of his obligations hereunder; or
 - 1.1.4 where required to be disclosed by law and, in such event, the Executive shall cooperate with the Employer in attempting to keep such information confidential.
- 1.5 Upon the request of the Employer, the Executive agrees to promptly deliver to the Employer the originals and all copies, in whatever medium, of all such Confidential Information.
- 1.6 In consideration of the benefits provided for in this Agreement, the Executive hereby agrees and covenants that, during the Employment Period and for a period of six (6) months following the termination of the Employment for any reason, or following the date of cessation of the last violation of this Agreement, or from the date of entry by a court of competent jurisdiction of a final, unappealable judgment enforcing this covenant, whichever of the foregoing is last to occur, he will not, for himself, or in conjunction with any other person, entity, firm,

partnership, corporation or other form of business organization or arrangement (whether as a shareholder, partner, member, principal, agent, lender, director, officer, manager, trustee, representative, employee or consultant), directly or indirectly, be employed by, provide services to, in any way be connected or associated with or have any interest in, or give advice or consultation, in each case, to any Competitive Business, subject to any applicable ethical rules binding on Executive.

- 1.7 In consideration of the payments and benefits provided for in this Agreement, the Executive further covenants and agrees that, during the Employment Period and for a period of twelve (12) months thereafter, the Executive shall not, directly or indirectly, for himself, or in conjunction with any other person, entity, firm, partnership, corporation or other form of business organization or arrangement (whether as a shareholder, partner, member, lender, principal, agent, director, officer, manager, trustee, representative, employee or consultant): (i) solicit, employ or retain, or have or cause any other person, entity, firm, partnership, corporation or other form of business organization or arrangement to solicit, employ or retain, any person who is employed by or is providing services to any member of the Group at the time of the termination of his Employment or was or is providing such services within the twelve (12) month period before or after the termination of his Employment or (ii) request or cause any employee of any member of the Group to breach or threaten to breach any terms of said employee's agreements with any member of the Group or to terminate his or her employment with any member of the Group.
- 1.8 In consideration of the benefits provided for in this Agreement, the Executive further covenants and agrees that during the Employment Period and for a period of twelve (12) months thereafter, the Executive shall not, directly or indirectly, for himself, or in conjunction with any other person, entity, firm, partnership, corporation or other form of business organization or arrangement (whether as a shareholder, partner, member, lender, principal, agent, director, officer, manager, trustee, representative, employee or consultant): (i) solicit or accept any business that is directly related to the business of any member of the Group from any person, entity, firm, partnership, corporation or other form of business organization or arrangement who, at the time of, or at the time during the twenty-four (24) month period preceding, termination was an existing or prospective customer or client of any member of the Group; (ii) request or cause any of the clients or customers of any member of the Group to cancel, terminate or change the terms of any business relationship with any member of the Group involving services or activities that were directly or indirectly the responsibility of the Executive during his Employment or (iii) pursue any project of any member of the Group known to the Executive upon termination of his employment that any member of the Group is actively pursuing (or was actively pursuing within six (6) months of termination) while any member of the Group is (or is contemplating) actively pursuing such project.
- 11.9 Notwithstanding anything in this Section 11 to the contrary, nothing in this Section 11 shall be interpreted in a manner that violates any applicable ethical rules that Executive is bound by and shall not be interpreted to restrict Executive's ability to practice law.

12. Intellectual Property.

- 1.1 The Parties agree that any work of authorship, invention, design, discovery, development, technique, improvement, source code, hardware, device, data, apparatus, practice, process, method or other work product whatever (whether patentable or subject to copyright, or not, and hereinafter collectively called "discovery") related to the business of any member of the Group that the Executive, either solely or in collaboration with others, has made or may make, discover, invent, develop, perfect, or reduce to practice during the course of the Employment, whether or not during regular business hours and created, conceived or prepared on the premises of any member of the Group or otherwise shall be the sole and complete property of the Group.
- 1.2 More particularly, and without limiting the foregoing, the Executive agrees that all of the foregoing and any (i) inventions (whether patentable or not, and without regard to whether any patent therefor is ever sought), (ii) marks, names, or logos (whether or not registrable as trade or service marks, and without regard to whether registration therefor is ever sought), (iii) works of authorship (without regard to whether any claim of copyright therein is ever registered), and (iv) trade secrets, ideas, and concepts ((i) - (iv) collectively, "Intellectual Property Products") created, conceived, or prepared on the premises of any member of the Group or otherwise, whether or not during normal business hours, shall perpetually and throughout the world be the exclusive property of the Group, as shall all tangible media (including, but not limited to, papers, computer media of all types, and models) in which such Intellectual Property Products shall be recorded or otherwise fixed.
- 1.3 The Executive further agrees promptly to disclose in writing and deliver to the Employer all Intellectual Property Products created during his engagement by the Employer, whether or not during normal business hours. The Executive agrees that all works of authorship created by the Executive during his engagement by the Employer shall be works made for hire of which the Group is the author and owner of copyright.
- 1.4 To the extent that any competent decision-making authority should ever determine that any work of authorship created by the Executive during his engagement by the Employer is not a work made for hire, the Executive hereby assigns all right, title and interest in the copyright therein, in perpetuity and throughout the world, to the applicable Group entity. To the extent that this Agreement does not otherwise serve to grant or otherwise vest in the Group all rights in any Intellectual Property Product created by the Executive during his engagement by the Employer, the Executive hereby assigns all right, title and interest therein, in perpetuity and throughout the world, to the Employer. The Executive agrees to execute, immediately upon the Employer's reasonable request and without charge, any further assignments, applications, conveyances or other instruments, at any time after execution of this Agreement, whether or not the Executive is engaged by the Employer at the time such request is made, in order to permit the Group and/or its respective assigns to protect, perfect, register, record, maintain, or enhance their rights in any Intellectual Property Product; provided, that, the Employer shall bear the cost of any such assignments, applications or consequences.
- 1.5 Upon termination of the Executive's employment with the Employer for any reason whatsoever, and at any earlier time the Employer so requests, the Executive will immediately deliver to the custody of the person designated by the Employer all originals and copies of any documents and other property of the

Employer in the Executive's possession, under the Executive's control or to which he may have access.

13. Non-Disparagement.

- 1.1 The Executive acknowledges and agrees that he will not defame or criticize the services, business, integrity, veracity or personal or professional reputation of any member of the Group and its respective officers, directors, partners, executives or agents thereof in either a professional or personal manner at any time during or following the Employment Period. The Employer acknowledges and agrees that it will instruct its directors and senior officers not to defame or make any untruthful and disparaging statements regarding the services, integrity, veracity or personal or professional reputation of the Executive in either a professional or personal manner at any time during or following the Employment Period.

14. Enforcement.

- 1.1 If the Executive commits a breach, or threatens to commit a breach, of any of the provisions of Sections 11, 12 or 13 hereof, the Employer shall have the right and remedy to have the provisions specifically enforced by any court having jurisdiction by way of injunction or otherwise, it being acknowledged and agreed by the Executive that any such breach or threatened breach will cause irreparable injury to the Group and that money damages will not provide an adequate remedy to the Group. Such right and remedy shall be in addition to, and not in place of, any other rights and remedies available to the Employer at law or in equity. Accordingly, the Executive consents to the issuance of an injunction, whether preliminary or permanent, consistent with the terms of this Agreement. In addition, notwithstanding anything herein to the contrary, the Employer shall have the right to cease making any payments or provide any benefits to the Executive under this Agreement in the event he willfully breaches any of the provisions hereof (and such action shall not be considered a breach under the Agreement).
- 1.2 The Executive acknowledges that the restrictions contained in Sections 11, 12 and 13 of this Agreement are reasonable and intended to apply after the termination of his Employment whether such termination is lawful or otherwise and that the restrictions will apply even where the termination results from a breach of this Agreement.
- 1.3 If, at any time, any of the provisions of Sections 11, 12 or 13 hereof shall be determined to be invalid or unenforceable under any applicable law, by reason of being vague or unreasonable as to area, duration or scope of activity, this Agreement shall be considered divisible and shall become and be immediately amended to only such area, duration and scope of activity as shall be determined to be reasonable and enforceable by the court or other body having jurisdiction over the matter and the Executive and the Employer agree that this Agreement as so amended shall be valid and binding as though any invalid or unenforceable provision had not been included herein.

15. Dispute Resolution.

- 1.1 The Parties shall use good faith efforts to resolve any controversy or claim arising out of, or relating to this Agreement or the breach thereof, first in accordance with the Employer's internal review procedures, except that this requirement shall not

apply to any claim or dispute under or relating to Sections 11, 12 or 13 of this Agreement.

- 1.2 If despite their good faith efforts, the Parties are unable to resolve such controversy or claim through the Employer's internal review procedures, then such controversy or claim shall be resolved by binding arbitration seated in New York, New York in accordance with the rules and procedures of the Employment Dispute Resolution Rules of the American Arbitration Association then in effect. The decision of the arbitrator shall be final and binding on the Parties, and any court of competent jurisdiction may enter judgment upon the award. Each party shall pay its own expenses, including legal fees, in such dispute and shall split the cost of the arbitrator and the arbitration proceedings.

16. Indemnification.

- 1.1 The Employer agrees that if the Executive is made a party or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the Executive is or was a director or officer of the Employer or any other entity within the Group or is or was serving at the request of the Employer or any other member of the Group as a director, officer, member, employee or agent of another corporation or a partnership, joint venture, trust or other enterprise (each such event, an "Action"), the Executive shall be indemnified and held harmless by the Employer to the fullest extent permitted by applicable law and authorized by the Company's or the Subsidiary's by-laws and/or charter, as the same exists or may hereafter be amended, against all expenses incurred or suffered by the Executive in connection therewith, save in respect of any actual fraud, willful misconduct or any acts (or omissions) of gross negligence by the Executive.

17. Policies and Procedures.

- 1.1 The Executive hereby acknowledges that the Employer maintains written policies and procedures which may be amended from time to time, and hereby agrees to familiarize himself with and at all times abide by such policies and/or procedures.

18. Miscellaneous.

- 1.1 Successors: The rights and benefits of the Executive hereunder shall not be assignable, whether by voluntary or involuntary assignment or transfer by the Executive. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Employer, and the heirs, executors and administrators of the Executive, and shall be assignable by the Employer to any entity acquiring substantially all of the assets of the Company and/or the Subsidiary, whether by merger, consolidation, sale of assets or similar transactions.
- 1.2 Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered either personally or by overnight, certified or registered mail, return receipt requested, postage prepaid, addressed, in the case of the Executive, to the last address on file with the Employer and if to the Employer, to its executive offices or to such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

- 1.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Cayman Islands.
- 1.4 Amendment. No provisions of this Agreement may be amended, modified, or waived unless such amendment or modification is executed in writing by all Parties. No waiver by any Party hereto at any time of any breach by any other Party hereto of any condition or provision of this Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.
- 1.5 Survival. Upon any termination of the Executive's Employment, the provisions of this Agreement (together with any related definitions set forth herein) shall survive to the extent necessary to give effect to the provisions thereof.
- 1.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.
- 1.7 Entire Agreement. This Agreement sets forth the entire agreement of the Parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto in respect of such subject matter, including, without limitation, the Prior Agreement.
- 1.8 Section Headings. The section headings in this Agreement are for convenience of reference only and shall not affect its interpretation.
- 1.9 Representation. The Executive represents and warrants to the Employer, and acknowledges that the Employer has relied on such representations and warranties in employing the Executive, that neither the Executive's duties as an employee of the Employer nor his performance of this Agreement will breach any other agreement to which the Executive is a party, including without limitation, any agreement limiting the use or disclosure of any information acquired by the Executive prior to his employment by the Employer. The Executive further represents and warrants and acknowledges that the Employer has relied on such representations and warranties in employing the Executive, that he has not entered into, and will not enter into, any agreement, either oral or written, in conflict herewith. Notwithstanding anything herein to the contrary, if it is determined that the Executive is in breach or has breached any of the representations set forth herein, the Employer shall have the right to terminate the Executive's employment for Cause.
- 1.10 Section 409A of the Code. Notwithstanding anything herein to the contrary, this Agreement is intended to be interpreted and applied so that the payments and benefits set forth herein shall either be exempt from the requirements of Section 409A of the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("Section 409A"), or shall comply with the requirements of such provision and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be exempt from or in compliance with Section 409A. To the extent the Company determines that any provision of this Agreement would cause the Executive to incur any additional tax or interest under Section 409A, the Company shall be entitled to reform such provision to attempt to comply with or be exempt from Section 409A through good faith.

modifications. To the extent that any provision hereof is modified in order to comply with Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Executive and the Company without violating the provisions of Section 409A.

Notwithstanding anything in this Agreement or elsewhere to the contrary, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that constitute "non-qualified deferred compensation" within the meaning of Section 409A upon or following a termination of the Executive's employment unless such termination is also a "separation from service" within the meaning of Section 409A. For purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean a "separation from service" and the date of such separation from service shall be the date of termination for purposes of any such payment or benefits. Each payment under this Agreement or otherwise in a series of payments shall be treated as a separate payment for purposes of Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of any payment to be made under this Agreement or otherwise which constitutes a "deferral of compensation" within the meaning of Section 409A. Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment or benefit under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Section 409A be subject to offset by any other amount unless otherwise permitted by Section 409A.

All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A. To the extent that any reimbursements pursuant to this Agreement or otherwise are taxable to the Executive, any reimbursement payment due to the Executive shall be paid to the Executive on or before the last day of the Executive's taxable year following the taxable year in which the related expense was incurred; provided, that, the Executive has provided the Company written documentation of such expenses in a timely fashion and such expenses otherwise satisfy the Company's expense reimbursement policies. Reimbursements pursuant to this Agreement or otherwise are not subject to liquidation or exchange for another benefit and the amount of such reimbursements that the Executive receives in one taxable year shall not affect the amount of such reimbursements that the Executive receives in any other taxable year.

Notwithstanding any provision in this Agreement to the contrary, if on the date of his termination from employment with the Company the Executive is deemed to be a "specified employee" within the meaning of Section 409A using the identification methodology selected by the Company from time to time, or if none, the default methodology under Section 409A, any payments or benefits due upon a termination of the Executive's employment under any arrangement that constitutes a "deferral of compensation" within the meaning of Section 409A shall be delayed and paid or provided (or commence, in the case of installments) on the first payroll date on or following the earlier of (i) the date which is six (6) months and one (1) day after the Executive's termination of employment for any reason other than death, and (ii) the date of the Executive's death, and any remaining payments and benefits shall be paid or provided in accordance with the normal payment dates specified for such payment or benefit.

Notwithstanding any of the foregoing to the contrary, the Company Group and its and their respective officers, directors, employees, or agents make no guarantee that the terms of this Agreement as written comply with, or are exempt from, the provisions of Section 409A, and none of the foregoing shall have any liability, including, without limitation, for any tax, interest, penalty or damage, for the failure of the terms of this Agreement as written to comply with, or be exempt from, the provisions of Section 409A.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written.

GREENLIGHT CAPITAL RE, LTD.
By: /s/ Simon Burton
Name: Simon Burton
Title: Chief Executive Officer
By: /s/ Neil Greenspan
Name: Neil Greenspan
Title: Chief Financial Officer

GREENLIGHT REINSURANCE, LTD.
By: /s/ Simon Burton
Name: Simon Burton
Title: Chief Executive Officer
By: /s/ Neil Greenspan
Name: Neil Greenspan
Title: Chief Financial Officer

/s/ David Sigmon
DAVID SIGMON



CREDIT AGREEMENT
dated as of December 22, 2023
between

GREENLIGHT REINSURANCE, LTD.,
as Borrower,
and
CIBC BANK USA,
as Lender

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CREDIT AGREEMENT

THIS CREDIT AGREEMENT dated as of December 22, 2023 (this "**Agreement**") is entered into among GREENLIGHT REINSURANCE, LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands and licensed as a Class D insurance company with CIMA under license number 645363 ("**Borrower**"), and CIBC BANK USA ("**CIBC US**"), in its capacity as Lender.

Lender has agreed to make available to Borrower a revolving credit facility and letter of credit facility upon the terms and conditions set forth herein.

In consideration of the mutual agreements herein contained, the parties hereto agree as follows:

Section 1.

DEFINITIONS; PRINCIPLE OF CONSTRUCTION.

1.1 Definitions. When used herein the following terms shall have the following meanings:

"**Account Pledge Agreement**" means that certain Account Pledge Agreement substantially in the form of Exhibit C attached hereto by and between Borrower and Lender, as amended from time to time in accordance with its terms.

"**Advance**" means, collectively, any Loan and any unreimbursed draws on a Letter of Credit.

"**Affiliate**" of any Person means **(a)** any other Person which, directly or indirectly, controls or is controlled by or is under common control with such Person, **(b)** any officer or director of such Person and **(c)** with respect to Lender, any entity administered or managed by Lender or an Affiliate or investment advisor thereof and which is engaged in making, purchasing, holding or otherwise investing in commercial loans. A Person shall be deemed to be "controlled by" any other Person if such Person possesses, directly or indirectly, power to vote 15% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managers or power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise. Unless expressly stated otherwise herein, Lender shall not be deemed an Affiliate of Borrower. For purposes of clarity, Canadian Imperial Bank of Commerce and each of its direct and indirect subsidiaries are "Affiliates" of CIBC US.

"**Agreement**" is defined in the preamble of this Agreement.

"**Applicable Law**" means any Law which is applicable to Borrower, its business or properties, the Loan Documents or the Advances hereunder.

"**Attorney Costs**" means all reasonable and documented fees and charges of one law firm to Lender (including one local counsel law firm in each relevant jurisdiction to the extent reasonably necessary); provided, however, if a conflict of interest exists and a party affected by such conflict retains its own counsel, Attorney Costs shall include all reasonable and documented fees and charges of another firm of counsel for such affected party.

"**Auto-Extension Letter of Credit**" is defined in Section 2.3.7.

"**Bail-In Action**" is defined in Section 13.21.

"**Base Rate**" means for any day, the greatest of **(a)** the Federal Funds Rate for such day plus 0.5%, **(b)** the Prime Rate for such day and **(c)** one percent (1%) per annum.

"**Base Rate Margin**" means two and 50/100 percent (2.50%) per annum.

"Blocked Account Agreement" means that certain Blocked Account Control Agreement substantially in the form of Exhibit D attached hereto by and among Borrower, Lender and CIBC US as depository institution.

"Borrower" is defined in the preamble of this Agreement.

"BSA" is defined in Section 9.4.

"Business Day" means a day of the week (but not a Saturday, Sunday or holiday) on which (a) the Chicago, Illinois offices of Lender are open to the public for carrying on substantially all of Lender's business functions and (b) that is not a legal holiday or another day on which banks are required by law to close in the Cayman Islands. Unless specifically referenced in this Agreement as a Business Day, all references to "days" shall be to calendar days.

"Capital Lease" means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of such Person.

"Capital Securities" means, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued or acquired after the Closing Date, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership, interests in a trust, interests in other unincorporated organizations or any other equivalent of such ownership interest.

"Cash Collateral Account" means a blocked account to be opened and held with Lender, which shall at all times be subject to the Security Documents.

"Cash Collateralization Date" means the earlier to occur of that date which is (a) sixty (60) days after the issuance of any Letter of Credit (the **"Final Cash Collateralization Date"**) and (b) as soon as reasonably possible, but in any event, within five (5) Business Days following Borrower's receipt of the cash collateral securing the Existing Letter of Credit, if any, which is being replaced by such Letter of Credit.

"Cash Collateral Funding Event" is defined in the definition of Funding Event.

"Cash Collateralize" means to deliver cash collateral to Lender, to be held as cash collateral for outstanding Letters of Credit, pursuant to the terms of the Collateral Documents in an amount equal to the Stated Amount of the applicable Letter of Credit. Derivatives of such term have corresponding meanings.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means an event or series of events by which: (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall, unless otherwise approved by the Agent in its reasonable discretion, be deemed to

have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or unconditionally exercisable after the passage of time (such right, an "option right"), directly or indirectly, of 35% or more of the Capital Securities of Parent entitled to vote for members of the board of directors or equivalent governing body of Parent on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right) as set forth in the preceding parenthetical; (b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (c) all issued and outstanding Capital Securities of Borrower fail to be owned, directly or indirectly, by Parent.

"**CIBC US**" is defined in the preamble of this Agreement.

"**Closing Date**" is defined in Section 11.1.1.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time and any successor statute.

"**Collateral**" is defined in the Account Pledge Agreement.

"**Collateral Documents**" means, collectively, the Account Pledge Agreement, the Blocked Account Control Agreement, and any other agreement or instrument pursuant to which Borrower or any other Person grants or purports to grant collateral to Lender to secure the Obligations or otherwise relates to such collateral.

"**Commitment**" means Lender's commitment to issue Letters of Credit under this Agreement. The initial amount of Lender's commitment to issue Letters of Credit is \$200,000,000.

"**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time and any successor statute.

"**Connection Income Taxes**" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"**Contingent Liability**" means, with respect to any Person, each obligation and liability of such Person and all such obligations and liabilities of such Person incurred pursuant to any agreement, undertaking or arrangement by which such Person: **(a)** guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the indebtedness, dividend, obligation or other liability of any other Person in any manner (other than by endorsement of instruments in the course of collection), including any indebtedness, dividend or other obligation which may be issued or incurred at some future time; **(b)** guarantees the payment of dividends or other distributions upon the Capital Securities of any other Person; **(c)** undertakes or agrees (whether contingently or otherwise): **(i)** to purchase, repurchase, or otherwise acquire any indebtedness, obligation or liability of any other Person or any property or assets constituting security therefor, **(ii)** to advance or provide funds for the payment or discharge of any indebtedness, obligation or liability of any other Person (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain solvency, assets, level of income, working capital or other financial condition of any other Person, or **(iii)** to make payment to any other Person other than for value received; **(d)** agrees to lease property or to purchase securities, property or services from such other Person with the purpose or intent of assuring the owner of such indebtedness or obligation of the ability of such other Person to make payment of the indebtedness or obligation; **(e)** to induce the issuance of, or in connection with the issuance of, any letter of credit for the benefit of such other Person; or **(f)** undertakes or agrees otherwise

to assure a creditor against loss. The amount of any Contingent Liability shall (subject to any limitation set forth herein) be deemed to be the lesser of **(i)** the outstanding principal amount (or maximum permitted principal amount, if larger) of the indebtedness, obligation or other liability guaranteed or supported thereby and **(ii)** the maximum stated amount so guaranteed or supported.

"Debt" of any Person means, without duplication, **(a)** all indebtedness of such Person for borrowed money, **(b)** all indebtedness evidenced by bonds, debentures, notes or similar instruments, **(c)** all obligations of such Person as lessee under Capital Leases which have been or should be recorded as liabilities on a balance sheet of such Person in accordance with GAAP, **(d)** all obligations of such Person to pay the deferred purchase price of property or services (excluding (i) earn-outs and other Contingent Obligations in connection with Permitted Acquisitions until such obligations become a liability on the balance sheet of such Person in accordance with GAAP and (ii) trade accounts payable in the ordinary course of business), **(e)** all indebtedness secured by a Lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person; provided that if such Person has not assumed or otherwise become liable for such indebtedness, such indebtedness shall be measured at the lesser of **(i)** the aggregate principal amount of such indebtedness and **(ii)** the fair market value of such property securing such indebtedness at the time of determination, **(f)** all obligations, contingent or otherwise, with respect to the face amount of all letters of credit (whether or not drawn), bankers' acceptances and similar obligations issued for the account of such Person (including the letters of credit), **(g)** all Hedging Obligations of such Person, **(h)** all Contingent Liabilities of such Person, **(i)** all Debt of any partnership of which such Person is a general partner unless such Debt is expressly made non-recourse to such Person and **(j)** any Capital Securities or other equity instrument that under GAAP is characterized as debt, whether pursuant to financial accounting standards board issuance No. 150 or otherwise. For the avoidance of doubt, and notwithstanding anything herein to the contrary, no letter of credit facility shall constitute Debt until such time as a letter of credit is issued thereunder, following which time, only the undrawn face amount of any letters of credit issued thereunder plus any unreimbursed draws thereunder as of the applicable date of determination shall constitute Debt for purposes of this Agreement and the other Loan Documents.

"Default" means any event or condition that, if it continues uncured, will, with lapse of time or notice or both, constitute an Event of Default.

"Demand Note" means, collectively, those certain Notes in the form of Exhibit A dated as of the Closing Date in the original principal amounts of \$30,000,000 (with respect to the Unsecured Letter of Credit Limit) and \$200,000,000 (with respect to the Commitment), each as amended, restated or otherwise modified from time to time. For the avoidance of doubt, any outstanding principal amounts evidenced by both Demand Notes shall not be cumulative.

"Dollar" and the sign "\$" mean lawful money of the United States of America.

"Event of Default" means any of the events described in Section 12.1.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to Lender or required to be withheld or deducted from a payment to Lender, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of Lender being organized or incorporated under the laws of, or having its principal office or applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or Commitment pursuant to the Applicable Law in effect on the date on which (i) such Lender acquires such interest in the Advance or Commitment or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 6.5, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes that would not have been imposed but for Lender's failure to comply with Section 6.5(d) and (d) any Taxes imposed under FATCA.

"Existing Letter of Credit" means any standby letter of credit issued to Borrower or GRIL under the committed letter of credit facility provided by Citibank Europe Plc to Borrower pursuant to the terms of that certain letter agreement dated as of August 20, 2010 by and between Borrower and Citibank Europe Plc, as amended prior to the date hereof, and as further amended, restated or otherwise modified from time to time.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor or version that is substantially compatible and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into by the United States pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities entered into in connection with the implementation of the foregoing.

"FCPA" is defined in Section 8.13.1.

"Federal Funds Rate" means, for any day, a fluctuating interest rate equal for each day during such period to the greater of **(a)** the rate calculated by the Federal Reserve Bank of New York based on such day's Federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal Funds effective rate and **(b)** 0%, or, if such rate is not so published for any day which is a Business Day, the rate determined by Lender in its reasonable discretion. Lender's determination of such rate shall be binding and conclusive absent manifest error.

"Final Cash Collateralization Date" is defined in the definition of Cash Collateralization Date.

"Fiscal Quarter" means a fiscal quarter of a Fiscal Year.

"Fiscal Year" means the fiscal year of Borrower and its Subsidiaries, which period shall be the 12-month period ending on December 31 of each year.

"Floor" means a rate of interest equal to 0%.

"FRB" means the Board of Governors of the Federal Reserve System or any successor thereto.

"Funding Amount" means **(a)** in the case of a Cash Collateral Funding Event, the amount of Cash Collateral required to be delivered on the corresponding Cash Collateral Funding Date **(b)** in the case of a Reimbursement Funding Event, the amount of any draw made on an Unsecured Letter of Credit and **(c)** in the case of Payment Funding Event, the amount of the Obligations due and payable on the applicable date.

"Funding Event" means the occurrence of any one of the following: **(a)** Borrower's failure to Cash Collateralize any Letter of Credit on or before the corresponding Final Cash Collateralization Date (a **"Cash Collateral Funding Event"**); **(b)** Borrower's failure to reimburse Lender for any draw on any Unsecured Letter of Credit on or before noon, Chicago time, on the date of any such draw (a **"Reimbursement Funding Event"**) or **(c)** the becoming due of any Obligations (whether principal, interest, fees or other charges) (a **"Payment Funding Event"**).

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession) and the Securities and Exchange Commission, which are applicable to the circumstances as of the date of determination.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative,

judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"GRIL" means Greenlight Reinsurance Ireland, dac, a designated activity company formed under the laws of the Republic of Ireland.

"Indemnified Liabilities" is defined in [Section 13.15](#).

"Indemnified Taxes" means **(a)** Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by, or on account of any obligation of, Borrower under any Loan Document and **(b)** to the extent not otherwise described in (a), Other Taxes.

"ISP" means at any time the most recent International Standby Practices issued by the Institute for International Banking Law & Practice, Inc.

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, regulations (including, without limitation, insurance regulations), ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof, in each case whether or not having the force of law.

"L/C Application" means, with respect to any request for the issuance of a Letter of Credit, a letter of credit application in the form being used by the Lender at the time of such request for the type of letter of credit requested.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the renewal or increase of the amount thereof.

"L/C Document" means with respect to any Letter of Credit, the L/C Application, the Master Letter of Credit Agreement and any other document, agreement and instrument entered into by Lender and Borrower or in favor Lender and relating to any such Letter of Credit.

"Lender" means CIBC US, together with each of its permitted successors and assigns in such capacity.

"Lender Party" is defined in [Section 13.15](#).

"Letter of Credit" means a standby letter of credit issued by Lender under [Section 2.1.2](#).

"Letter of Credit Expiration Date" means, with respect to any Letter of Credit, that date which is one (1) year after the initial issuance (or, in the case of a Retroactive Letter of Credit, one (1) year after the effective date thereof) of such Letter of Credit, in each case, as may be extended pursuant to [Section 2.3.6](#).

"Lien" means, with respect to any Person, any interest granted by such Person in any real or personal property, asset or other right owned or being purchased or acquired by such Person (including an interest in respect of a Capital Lease) which secures payment or performance of any obligation and shall include any mortgage, lien, encumbrance, title retention lien, charge or other security interest of any kind, whether arising by contract, as a matter of law, by judicial process or otherwise.

"Loan or Loans" is defined in [Section 2.1.1](#).

"Loan Documents" means, collectively, this Agreement, the Notes, the Letters of Credit, the Master Letter of Credit Agreement, the L/C Applications, the Collateral Documents, and all documents, instruments and agreements delivered in connection with the foregoing.

"Margin Stock" means any "margin stock" as defined in Regulation U.

"Master Letter of Credit Agreement" means, the Master Letter of Credit Agreement, dated as of the date hereof, by Borrower in favor of Lender, as may be amended, restated, duplicated, replaced or otherwise modified from time to time.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business or properties of the Borrower, (b) a material impairment of the ability of Borrower to perform any of the material Obligations (as determined by Lender in its reasonable discretion) under any Loan Document, (c) a material adverse effect upon any substantial portion of the Collateral under the Collateral Documents or upon the legality, validity, binding effect or enforceability against Borrower of any material Loan Document (as determined by Lender in its reasonable discretion) or (d) a material impairment of Lender's rights and remedies under this Agreement and the other Loan Documents, taken as a whole.

"Maximum Revolving Loan Amount" means \$30,000,000.

"Non-Extension Notice Date" is defined in [Section 2.3.7](#).

"Note" means the Demand Note and the Revolving Note.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties (monetary (including post-petition interest, allowed or not) or otherwise) of Borrower under this Agreement and any other Loan Document including Attorney Costs and any reimbursement obligations of Borrower in respect of Letters of Credit, all in each case howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due and including interest and fees that accrue after the commencement by or against Borrower or any Affiliate thereof of any proceeding under any debtor relief laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include **(a)** the obligation to pay principal, interest, Letter of Credit commissions, charges, expenses, fees, indemnities and other amounts payable by Borrower under any Loan Document and **(b)** the obligation of Borrower to reimburse any amount in respect of any of the foregoing that Lender, in its sole discretion, may elect to pay or advance on behalf of Borrower.

"OFAC" is defined in [Section 9.4](#).

"Other Connection Taxes" means, with respect to Lender, Taxes imposed as a result of a present or former connection between Lender and the jurisdiction imposing such Tax (other than connections arising from Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Advance or Loan Document).

"Other Taxes" means all present or future stamp, court, transfer, value added, excise or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to [Section 7.2](#)).

"Paid in Full" means (a) the payment in full in cash and performance of all Secured Obligations, (b) the termination of the Commitment and (c) either (i) the cancellation and return to Lender of all Letters of Credit or (ii) the cash collateralization of all Letters of Credit in accordance with this Agreement.

"Parent" means Greenlight Capital Re, Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"Patriot Act" is defined in [Section 13.13](#).

"Payment Funding Event" is defined in the definition of Funding Event.

"Permitted Lien" means a Lien expressly permitted hereunder pursuant to [Section 10.2](#).

"Person" means any natural person, corporation, partnership, trust, limited liability company, association, Governmental Authority, or any other entity, whether acting in an individual, fiduciary or other capacity.

"Prime Rate" means, for any day, the rate of interest in effect for such day as announced from time to time by Lender as its prime rate (whether or not such rate is actually charged by Lender), which is not intended to be Lender's lowest or most favorable rate of interest at any one time. Lender may make commercial loans or other loans at rates of interest at, above or below the Prime Rate. Any change in the Prime Rate announced by Lender shall take effect at the opening of business on the day specified in the public announcement of such change; provided that Lender shall not be obligated to give notice of any change in the Prime Rate.

"Regulation D" means Regulation D of the FRB, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation U" means Regulation U of the FRB, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Reimbursement Funding Event" is defined in the definition of Funding Event.

"Relevant Governmental Body" means the Federal Reserve Board, the Federal Reserve Bank of New York, a committee officially endorsed or convened by either thereof, or any successor thereto.

"Retroactive Letter of Credit" is defined in [Section 2.3.8](#).

"Revolving Credit Facility" means the revolving line of credit in the Maximum Revolving Loan Amount as set forth in [Section 2.1.1](#).

"Revolving Credit Termination Date" means the earlier to occur of **(a)** December 21, 2024 and **(b)** the date on which the Commitment terminates pursuant to [Section 5](#) or [Section 12](#)

"Revolving Note" means that certain Note in the form attached hereto as [Exhibit A](#) dated as of the Closing Date in the original principal amount of \$30,000,000, as amended, restated or otherwise modified from time to time.

"Revolving Outstandings" means, at any time, the sum of the aggregate principal amount of all outstanding Loans.

"Sanctions" is defined in [Section 8.13.2](#).

"SEC" means the Securities and Exchange Commission or any other Governmental Authority succeeding to any of the principal functions thereof.

"Senior Officer" means any of the chief financial officer, president or any other officer of Borrower having financial responsibilities and material knowledge regarding financial matters.

"Stated Amount" means, with respect to any Letter of Credit at any date of determination, (a) the maximum aggregate amount available for drawing thereunder under any and all circumstances plus (b) the aggregate amount of all unreimbursed payments and disbursements under such Letter of Credit required to be reimbursed by Borrower pursuant to this Agreement.

"Subsidiary" means, with respect to any Person, a corporation, partnership, limited liability company, association, joint venture or other business entity of which such Person owns, directly or indirectly, such number of outstanding Capital Securities as have more than 50% of the ordinary voting

power for the election of directors or other managers of such corporation, partnership, limited liability company or other entity (other than securities or interest having such power only by reason of the happening of a contingency). Unless the context otherwise requires, each reference to Subsidiaries herein shall be a reference to Subsidiaries of Borrower, if any.

"Taxes" means any and all present and future taxes, duties, levies, imposts, deductions, assessments, charges or withholdings (including backup withholding), and any interest and penalties and other additions to taxes with respect to the foregoing.

"Term Loan Agreement" means that certain Credit Agreement dated as of June 16, 2023 by and among Parent, the other "Loan Parties" thereunder, the financial institutions that are or may from time to time become parties thereto and CIBC Bank USA, as administrative agent for the lenders, as amended from time to time.

"Termination Date" means the earlier to occur of (a) December 21, 2024; provided, however, that the Commitment shall automatically be extended for additional one-year terms unless Lender or Borrower provided the other party at least 120 days written notice of its desire not to extend before the then applicable Termination Date; and (b) the date on which the Commitment terminates pursuant to Section 5 or Section 12.

"UCP" means the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance of a Letter of Credit.

"Unsecured Letter of Credit" means any Letter of Credit which is not Cash Collateralized.

"Unsecured Letter of Credit Limit" means \$30,000,000.

"Withholding Agent" means Borrower and Lender.

1.2 Other Interpretive Provisions. The following provisions shall apply to this Agreement and each other Loan Document, unless otherwise specified or the context otherwise requires: (a) Definitions of terms shall apply equally to the singular and plural forms of such terms; (b) Any pronoun shall include the corresponding masculine, feminine and neuter forms; (c) The words "include," "includes" and "including" shall be deemed followed by the phrase "without limitation"; (d) The word "will" shall have the same meaning and effect as the word "shall"; (e) Any definition of or reference to any agreement, instrument or other document (including any organization document) shall include all amendments, supplements, modifications, exhibits, schedules and attachments thereto in effect (subject to any restrictions set forth in any Loan Document); (f) Any reference to any Person shall include its successors and assigns; (g) The words "herein," "hereof" and "hereunder," and words of similar import shall refer to such Loan Document in its entirety and not to any particular provision thereof; (h) All references to Sections, Exhibits and Schedules shall refer to such Loan Document; (i) Any reference to any law or regulation shall include all statutory, regulatory and self-regulatory rules, regulations, requirements, or provisions, including those consolidating, amending, modifying, supplementing, implementing, replacing or interpreting such law or regulation from time to time; (j) The words "asset" and "property" shall have the same meaning and effect and refer to any and all real and personal property, tangible and intangible assets, cash, securities, accounts and contract rights; (k) Section headings are included for convenience of reference only and shall not affect the interpretation thereof; (l) In calculating periods of time, the word "from" means "from and including", the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including"; (m) all references to times of day shall be references to Central time (daylight or standard, as applicable); (n) all limitations, tests or measurements in the Loan Documents shall be cumulative notwithstanding that they measure or regulate the same or similar matters; and (o) the Loan Documents have been reviewed, negotiated and produced by all parties hereto and their counsel and shall not be construed against Lender merely because of Lender's involvement in their drafting.

1.3 Accounting Terms; Changes in GAAP. Unless otherwise set forth herein, (a) all accounting terms not specifically or completely defined herein shall be construed in conformity with, and

all financial data required to be submitted hereunder shall be prepared in conformity with, GAAP, as in effect from time to time, applied on a consistent basis and in a manner consistent with that used in preparing the pre-Closing financial statements; **(b)** all financial statements delivered hereunder shall be prepared without giving effect to FASB ASC 825 and FASB ASC 470-20 (or any similar accounting principle) permitting a Person to value its financial liabilities at the fair value thereof; and **(c)** if any change in GAAP would affect the calculation of any financial ratio or requirement set forth in any Loan Document, and Borrower or Lender requests, Lender and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change, provided that, until so amended, **(i)** such ratio or requirement shall continue to be calculated under GAAP prior to such change therein and **(ii)** Borrower shall provide to Lender financial statements and other documents required hereunder or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. All obligations of any Person that are or would have been treated as operating leases for purposes of GAAP prior to the effectiveness of FASB ASC 842 shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purpose of this Agreement (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with FASB ASC 842 (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations in the financial statements.

Section 2.

CREDIT FACILITIES; ADVANCES; LETTER OF CREDIT PROCEDURES

1.1 Credit Facilities

1.1.1 Revolving Credit Facility. On and subject to the terms and conditions of this Agreement, Lender may make loans to Borrower (and Borrower hereby authorizes Lender to make such loans) on a revolving basis ("**Loans**") from time to time until the Revolving Credit Termination Date; provided that after giving effect to such Loans, the Revolving Outstandings will not at any time exceed the Maximum Revolving Loan Amount. Within the foregoing limits and subject to the terms and conditions set forth herein, the Loans may be borrowed, prepaid and reborrowed.

1.1.2 Commitment. Subject to the terms and conditions set forth herein, Lender agrees from time to time on any Business Day during the period from the Closing Date until the Termination Date, to issue Letters of Credit in Dollars (or in British Pounds, Canadian Dollars, Euros or Japanese Yen using a conversion rate reasonably acceptable to Lender in consultation with Borrower) at the request of Borrower for the account of Borrower or GRIL, and to amend Letters of Credit previously issued by it, in accordance with [Section 2.3.2](#) and [2.3.3](#) below; provided that Lender shall not be obligated to make any L/C Credit Extension, if as of the date of such L/C Credit Extension, **(a)** the aggregate Stated Amount of all Letters of Credit would exceed the Commitment or **(b)** the aggregate Stated Amount of all Unsecured Letters of Credit would exceed the Unsecured Letter of Credit Limit. Each request by Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by Borrower that the L/C Credit Extension so requested complies with the conditions set forth in this [Section 2.1.2](#).

1.2 Loan Procedures. The occurrence of any Funding Event shall be deemed to be a request by Borrower for a Loan on such Funding Event, in the corresponding Funding Amount. If Lender elects to advance a Loan upon the occurrence of a Funding Event, the proceeds of such Loans shall be disbursed as follows: **(a)** in the case of a Cash Collateral Funding Event, directly into the Cash Collateral Account; **(b)** in the case of a Reimbursement Funding Event, directly to Lender for reimbursement of a draw under the applicable Letter of Credit and **(c)** in the case of a Payment Funding Event, directly to Lender for payment of the relevant Obligation.

1.3 Letters of Credit

1.3.1 L/C Applications. Borrower shall give notice to Lender of the proposed issuance of each Letter of Credit on a Business Day which is at least three Business Days (or such lesser number of days as Lender shall agree in any particular instance in their sole discretion) prior to the proposed date of issuance of such Letter of Credit substantially in the form of [Exhibit B](#) attached hereto. Each such notice shall be accompanied by an L/C Application, duly executed by Borrower and in all

respects satisfactory to Lender, together with such other documentation as Lender may request in support thereof, it being understood that each L/C Application shall specify, among other things, the date on which the proposed Letter of Credit is to be issued, whether GRIL will be a co-applicant under the Letter of Credit, the expiration date of such Letter of Credit (which, except as otherwise permitted under this [Section 2.3](#), shall not be later than the scheduled Termination Date (unless such Letter of Credit is Cash Collateralized)), if Borrower desired that the Letter of Credit to be issued in a currency other than Dollars, such currency and whether such Letter of Credit is to be transferable in whole or in part. So long as the conditions precedent set forth in [Section 11](#) with respect to the issuance of such Letter of Credit have been satisfied, Lender shall issue such Letter of Credit on the requested issuance date. In the event of any inconsistency between the terms of the Master Letter of Credit Agreement, any L/C Application and the terms of this Agreement, the terms of this Agreement shall control. Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, Lender will also deliver to Borrower a true and complete copy of such Letter of Credit or amendment.

1.3.2 Limitations of Lender's Obligation to Issue Letters of Credit Lender shall not be under any obligation to issue any Letter of Credit if:

(a) subject to [Sections 2.3.6](#) and [2.3.7](#), the expiry date of such requested Letter of Credit would occur later than the earlier of (i) the Termination Date and (ii) the Letter of Credit Expiration Date;

(b) any order, judgment, decree or directive of any Governmental Authority or arbitrator or any Law shall by its terms purport to enjoin, restrain or prohibit Lender from issuing such Letter of Credit or shall impose upon Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which Lender is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date (for which Lender is not otherwise compensated hereunder); or

(c) the issuance of such Letter of Credit would violate one or more policies of Lender applicable to letters of credit generally.

1.3.3 Limitations of Lender's Obligation to Amend Letters of Credit Lender shall be under no obligation to amend any Letter of Credit if (a) Lender would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (b) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

1.3.4 Reimbursement Obligations

(a) Borrower hereby unconditionally and irrevocably agrees to reimburse Lender for each payment or disbursement made by Lender under any Letter of Credit honoring any demand for payment made by the beneficiary thereunder, in each case on the date that such payment or disbursement is made. Any amount not reimbursed on the date of such payment or disbursement shall bear interest from the date of such payment or disbursement to the date that Lender is reimbursed by Borrower therefor, payable on demand, at a rate per annum equal to the Base Rate from time to time in effect plus the Base Rate Margin from time to time in effect plus, beginning on the third Business Day after receipt of notice from Lender of such payment or disbursement, 3%. Lender shall notify Borrower whenever any demand for payment is made under any Letter of Credit by the beneficiary thereunder; provided that the failure of Lender to so notify Borrower shall not affect the rights of Lender in any manner whatsoever. Nothing in this [Section 2.3.4](#) shall limit or alter Lender's option to fund a Loan upon the occurrence of a Reimbursement Funding Event.

(b) Borrower's reimbursement obligations hereunder shall be irrevocable and unconditional under all circumstances, including (i) any lack of validity or enforceability of any Letter of Credit, this Agreement or any other Loan Document, (ii) the existence of any claim, set-off, defense or other right which Borrower may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting),

Lender or any other Person, whether in connection with any Letter of Credit, this Agreement, any other Loan Document, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between Borrower and the beneficiary named in any Letter of Credit), (iii) the validity, sufficiency or genuineness of any document which Lender has determined complies on its face with the terms of the applicable Letter of Credit, even if such document should later prove to have been forged, fraudulent, invalid or insufficient in any respect or any statement therein shall have been untrue or inaccurate in any respect, or (iv) the surrender or impairment of any security for the performance or observance of any of the terms hereof. Without limiting the foregoing, no action or omission whatsoever by Lender under or in connection with any Letter of Credit or any related matters shall result in any liability of Lender to Borrower, or relieve Borrower of any of its obligations hereunder to any such Person.

1.3.5 Letter of Credit Fees. Borrower agrees to pay to Lender the following letter of credit fees: **(a)** upon the issuance of a Letter Credit, an issuance fee for each Letter of Credit equal to 0.25% of the initial Stated Amount of such Letter of Credit and **(b)** on each one-year anniversary of the issuance of each Letter of Credit, a letter of credit fee equal to 0.25% of the average daily undrawn amount of such Letter of Credit (computed for the actual number of days elapsed on the basis of a year of 360 days); provided that, at Lender's election, the rate applicable to each Letter of Credit shall be increased by 3% at any time that an Event of Default exists. The letter of credit fee set forth in clause (b) above shall be payable in arrears on the last day of each calendar quarter and on the Termination Date (or such later date on which such Letter of Credit expires or is terminated) for the period from the date of the issuance of each Letter of Credit (or the last day on which the letter of credit fee was paid with respect thereto) to the date such payment is due or, if earlier, the date on which such Letter of Credit expired or was terminated. In addition, with respect to each Letter of Credit, Borrower agrees to pay to Lender (i) such fees and expenses as Lender customarily requires in connection with the issuance, negotiation, processing and/or administration of letters of credit in similar situations and (ii) a letter of credit fronting fee in the amount and at the times agreed to by Borrower and Lender.

1.3.6 Extended Expiry Date. Notwithstanding anything contained in this Section 2.3, **(a)** Borrower may request that Lender, at Lender's election, issue Letters of Credit with expiration dates extending beyond the Letter of Credit Expiration Date and the Termination Date (or that Lender permits an automatic extension of any Letter of Credit to a date beyond the earlier of Letter of Credit Expiration Date and the Termination Date) and **(b)** Borrower may request that Lender extend the Letter of Credit Expiration Date until that date which is eighteen (18) months beyond the Termination Date, in each case subject to the delivery to Lender by Borrower of Cash Collateral, and in any event, such Cash Collateral shall be deposited no later than 30 days prior to the Letter of Credit Expiration Date therefor.

1.3.7 Auto-Extension Letters of Credit. If Borrower so requests in any applicable L/C Application, Lender may, in its sole and absolute discretion, agree to issue a standby Letter of Credit that has automatic extension provisions (each, an **"Auto-Extension Letter of Credit"**); provided that any such Auto-Extension Letter of Credit must permit Lender to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the **"Non-Extension Notice Date"**) in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by Lender, Borrower shall not be required to make a specific request to Lender for any such extension.

1.3.8 Retroactive Letters of Credit. If Borrower so requests in any applicable L/C Application, Lender may agree to issue a Letter of Credit with an effective date that is before the issuance date of such Letter of Credit (each, a **"Retroactive Letter of Credit"**). Notwithstanding anything in this Agreement or the other Loan Documents to the contrary, **(a)** the letter of credit fees set forth in Section 2.3.5 shall be deemed to accrue on a Retroactive Letter of Credit as of the effective date thereof, and such accrued fees shall be due and payable in arrears on the last day of the calendar quarter in which such Retroactive Letter of Credit is issued; **(b)** all Retroactive Letters of Credit shall be Cash Collateralized simultaneously with the issuance thereof (it being understood that such Cash Collateral cannot be drawn under the Revolving Credit Facility) and **(c)** the expiry date of any Retroactive Letter of Credit will be

determined based upon the effective date of such Retroactive Letter of Credit regardless of the issuance date thereof.

1.3.9 Role of Lender as Issuer of Letters of Credit Borrower agrees that, in paying any drawing under a Letter of Credit, Lender shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided that this assumption is not intended to, and shall not, preclude Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and Lender shall not be responsible for the validity or sufficiency of any instrument endorsing, transferring or assigning or purporting to endorse, transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

1.3.10 Applicability of ISP and UCP. Unless otherwise expressly agreed by Lender and Borrower, when a Letter of Credit is issued, the rules of the ISP (or, if required by the applicable Governmental Authority regulating the beneficiary of such Letter of Credit, the UCP) shall apply to each standby Letter of Credit.

1.3.11 Conflict with L/C Documents. In the event of any conflict between the terms hereof and the terms of any L/C Document, the terms hereof shall control.

Section 3. EVIDENCING OF LOANS

1.1 Notes. At Lender's request, the Revolving Credit Facility shall be evidenced by the Revolving Note and the Unsecured Letter of Credit Limit shall be evidenced by the Demand Note.

1.2 Recordkeeping. Lender shall record in its records, the date and amount of each Advance made by Lender and each repayment. The aggregate unpaid principal amount so recorded shall be rebuttably presumptive evidence of the principal amount of the Advances owing and unpaid. The failure to so record any such amount or any error in so recording any such amount shall not, however, limit or otherwise affect the Obligations of Borrower hereunder or under any Note to repay the principal amount of the Advances hereunder, together with all interest accruing thereon.

Section 4. INTEREST.

1.1 Interest Rate. Borrower promises to pay interest on the unpaid principal amount of each Advance for the period commencing on the date of such Advance until such Advance is paid in full at a rate per annum equal to the sum of the Base Rate from time to time in effect plus the Base Rate Margin from time to time in effect; provided that at any time an Event of Default exists, at Lender's election, the interest rate applicable to each Advance shall be increased by 3% (and, in the case of Obligations not bearing interest, such Obligations shall bear interest at the Base Rate plus 3%); provided, however, that the default rate shall automatically terminate if all existing Events of Default have been waived in accordance with the terms of this Agreement. Notwithstanding the foregoing, upon the occurrence of an Event of Default under Section 12.1(a) or Section 12(c), such increase shall occur automatically. In no event shall interest payable by Borrower to Lender hereunder exceed the maximum rate permitted under Applicable Law, and if any such provision of this Agreement is in contravention of any such law, such provision shall be deemed modified to limit such interest to the maximum rate permitted under such law.

1.2 Interest Payment Dates. Accrued interest on each Advance shall be payable in arrears on the last day of each month and at maturity. After maturity, and at any time an Event of Default exists, accrued interest on all Advances shall be payable on demand.

1.3 Setting and Notice of Interest Rates. The applicable Base Rate shall be reasonably determined by Lender, and notice thereof shall be given by Lender promptly to Borrower. Each determination of the applicable Base Rate by Lender shall be conclusive and binding upon the parties hereto, in the absence of demonstrable error.

1.4 Computation of Interest. Interest on any applicable portion of the outstanding principal balance of an Advance shall be calculated by multiplying **(a)** the actual number of days elapsed in the period for which the calculation is being made by **(b)** a daily rate based on a 365/366 day year by **(c)** such portion of the outstanding principal balance of such Advance. Such interest shall be calculated on a daily basis based upon the outstanding principal amount of such Advance as of the applicable date of determination.

Section 5.

REDUCTION OR TERMINATION OF COMMITMENT; PREPAYMENTS.

1.1 Reduction or Termination of the Commitment. Borrower may from time to time on at least five Business Days' prior written notice received by Lender permanently reduce the Commitment to an amount not less than the aggregate undrawn face amount of all outstanding Letters of Credit. Concurrently with any reduction of the Commitment to zero, Borrower shall pay all accrued and unpaid letter of credit fees on the Commitment.

1.2 Prepayments.

1.2.1 Voluntary Prepayments. Borrower may from time to time prepay the Advances in whole or in part; provided that Borrower shall give Lender notice thereof not later than 11:00 A.M., Chicago time, on the day of such prepayment (which shall be a Business Day), specifying the Advances to be prepaid and the date and amount of prepayment.

1.2.2 Mandatory Prepayments. If on any day the Revolving Outstandings exceed the Maximum Revolving Loan Amount, Borrower shall immediately prepay Loans in an amount sufficient to eliminate such excess. If on any day on which the Commitment is reduced pursuant to **Section 5.1** the aggregate undrawn face amount of all outstanding Letters of Credit exceeds the Commitment, Borrower shall immediately Cash Collateralize the Letters of Credit in an amount sufficient to eliminate such excess.

1.3 Payment of Loans. Each Loan, shall be due and payable in full on the tenth (10th) Business Day following the funding of such Loan. All outstanding principal and interest on Loans shall be paid in full and the Revolving Credit Facility shall terminate on the Revolving Credit Termination Date.

Section 6.

MAKING AND PRORATION OF PAYMENTS; SETOFF; TAXES.

1.1 Making of Payments. All payments of principal or interest on the Advances, and of all fees, shall be made by Borrower to Lender in immediately available funds at the office specified by Lender not later than noon, Chicago time, on the date due; and funds received after that hour shall be deemed to have been received by Lender on the following Business Day. All payments shall be made by Borrower directly to Lender without setoff, counterclaim or other defense.

1.2 Application of Certain Payments. So long as no Default or Event of Default has occurred and is continuing, **(a)** payments matching specific scheduled payments then due shall be applied to those scheduled payments and **(b)** voluntary and mandatory prepayments shall be applied as set forth in **Section 5.2**. Notwithstanding anything to the contrary contained in this Agreement, if an Event of Default has occurred and is continuing Borrower hereby irrevocably waives the right to direct the application of payments received from or on behalf of Borrower, and Borrower hereby irrevocably agrees, as between Borrower on the one hand and Lender on the other, that Lender shall have the continuing exclusive right to apply any and all such payments against the Obligations as Lender may deem advisable

notwithstanding any previous entry by Lender in the loan account maintained by Lender with respect to the Advances or any other books and records.

1.3 Due Date Extension. If any payment of principal or interest with respect to any of the Advances, or of any fees, falls due on a day which is not a Business Day, then such due date shall be extended to the immediately following Business Day and, in the case of principal, additional interest shall accrue and be payable for the period of any such extension.

1.4 Setoff. Borrower agrees that Lender has all rights of set-off and bankers' lien provided by Applicable Law, and in addition thereto, Borrower agrees that at any time any Event of Default exists, Lender may apply to the payment of any Obligations of Borrower due and payable hereunder at such time, any and all balances, credits, deposits, accounts or moneys of Borrower then or thereafter with Lender. Lender agrees to notify Borrower promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

1.5 Taxes.

(a) All payments made by Borrower hereunder or under any Loan Documents shall be made without deduction or withholding for any Taxes, except as required by Applicable Law.

(b) If a Withholding Agent shall be required by Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) to deduct any Taxes from or in respect of any sum payable to Lender hereunder or any other Loan Document: (i) such Withholding Agent shall make such deductions; (ii) such Withholding Agent shall pay the full amount deducted to the relevant taxing or other authority in accordance with Applicable Law; and (iii) if the Taxes are Indemnified Taxes, the sum payable shall be increased by Borrower as much as shall be necessary so that after making all the required deductions (including deductions applicable to additional sums payable under this Section 6.5), Lender receives an amount equal to the sum it should have received had no such deductions been made. Without duplication of amounts payable pursuant to the preceding sentence, the Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of Lender timely reimburse it for the payment of, any Other Taxes. As soon as practicable after any payment of Taxes by Borrower to a Governmental Authority pursuant to this Section, Borrower shall deliver to Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Lender.

(c) Borrower shall indemnify, and within ten (10) days of demand therefor (without duplication of amounts payable pursuant to Section 6.5(b)), pay Lender for the full amount of Indemnified Taxes and reasonable expenses related thereto (including Indemnified Taxes imposed on amounts received under this Section 6.5) that are paid by, or imposed on, Lender, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth in reasonable details as to the amount of such payment delivered to the Borrower by Lender shall be conclusive absent manifest error.

(d) If Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, Lender shall deliver to the Borrower, at the time or times reasonably requested by the Borrower, such properly completed and executed documentation reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Lender, if reasonably requested by the Borrower, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower as will enable the Borrower to determine whether or not the Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (i) and (ii) of this Section 6.5(d)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject the Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of the Lender.

(e) If Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes as to which it has been indemnified pursuant to this ~~Section 6.5~~ (including by the payment of additional amounts pursuant to this Section 6.5), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Indemnified Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 6.5(e) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 6.5(e), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 6.5(e) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(f) VAT.

(i) All amounts set out or expressed to be payable under a Loan Document by any party to Lender which (in whole or in part) constitute the consideration for a supply or supplies for VAT purposes are deemed to be exclusive of any VAT which is chargeable on such supply or supplies, and accordingly, subject to clause (ii) below, if VAT is or becomes chargeable on any supply made by Lender to any party under a Loan Document and Lender is required to account to the relevant Tax authority for the VAT, that party shall pay to Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT.

(ii) Where a Loan Document requires any party to reimburse or indemnify Lender for any cost or expense, the party shall reimburse or indemnify (as the case may be) Lender for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that Lender reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant Tax authority.

(iii) Any reference in this Section 6.5 to any party shall, at any time when such party is treated as a member of a group for VAT purposes, include, where appropriate and unless the context otherwise requires, a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act of 1994 or in the relevant legislation of any other jurisdiction having implemented Council Directive 2003/112/EC).

(iv) In relation to any supply made by Lender to any party under a Loan Document, if reasonably requested by Lender, that party must promptly provide Lender with details of that party's VAT registration and such other information as is reasonably requested in connection with Lender's VAT reporting requirements in relation to such supply.

Section 7.
FUNDING LOSSES.

1.1 Increased Costs. (i) If, after the date hereof, any Change in Law: shall (i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "**Eurocurrency liabilities**" in Regulation D)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by Lender; (ii) subject Lender to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments or other obligations,

or its deposits reserves, other liabilities or capital attributable thereto; or (iii) impose on Lender any other condition cost or expense (other than Taxes) affecting this Agreement or Advances made by Lender, and the result of any of the foregoing shall be to increase the cost to Lender of making, converting to, continuing, or maintaining any Advance, or of maintaining its obligation to make any such Advance, or to increase the cost to Lender, or to reduce the amount of any sum received or receivable by Lender hereunder (whether of principal, interest or any other amount) then, upon request of Lender, Borrower will pay to Lender such additional amount or amounts as will compensate Lender for additional costs incurred or reduction suffered.

(a) If Lender determines that any Change in Law affecting Lender or any lending office of Lender or Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on Lender's capital or on the capital of Lender's holding company, if any, as a consequence of this Agreement, the Commitment of Lender or the Advances made by Lender to a level below that which Lender or Lender's holding company could have achieved but for such Change in Law (taking into consideration Lender's policies and the policies of Lender's holding company with respect to capital adequacy), then from time to time Borrower will pay to Lender such additional amount or amounts as will compensate Lender or Lender's holding company for any such reduction suffered.

(b) A certificate of Lender setting forth the amount or amounts necessary to compensate Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to Borrower shall be conclusive absent manifest error. Borrower shall pay Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(c) Failure or delay on the part of Lender to demand compensation pursuant to this Section shall not constitute a waiver of Lender's right to demand such compensation; provided that Borrower shall not be required to compensate Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that Lender notifies Borrower of the Change in Law giving rise to such increased costs or reductions, and of Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

1.2 Mitigation of Circumstances. Lender shall promptly notify Borrower of any event of which it has knowledge which will result in, and will use reasonable commercial efforts available to it (and not, in Lender's sole judgment, otherwise disadvantageous to Lender) to mitigate or avoid any obligation by Borrower to pay any amount pursuant to Section 7.1 (and, if Lender has given notice of any such event and thereafter such event ceases to exist, Lender shall promptly so notify Borrower). Without limiting the foregoing, Lender will designate a different funding office if such designation will avoid (or reduce the cost to Borrower of) any such event and such designation will not, in Lender's sole judgment, be otherwise disadvantageous to Lender. Borrower hereby agrees to pay all reasonable costs and expenses incurred by Lender in connection with any such designation or assignment.

1.3 Conclusiveness of Statements; Survival of Provisions. Determinations and statements of Lender pursuant to the foregoing provisions of this Section 7 shall be conclusive absent demonstrable error. Lender may use reasonable averaging and attribution methods in determining compensation under Section 7.1, and the provisions of such Sections shall survive repayment of the Obligations, cancellation of any Note(s), expiration or termination of any Letters of Credit and termination of this Agreement.

Section 8.

REPRESENTATIONS AND WARRANTIES.

To induce Lender to enter into this Agreement, issue Letters of Credit and provide the Revolving Credit Facility, Borrower represents and warrants to Lender that:

1.1 Organization. Borrower is validly existing and in good standing (to the extent the concept is applicable in such jurisdiction) under the laws of its jurisdiction of organization; and Borrower is duly qualified to do business in each jurisdiction where, because of the nature of its activities or

properties, such qualification is required, except for such jurisdictions where the failure to so qualify would not reasonably be expected to have a Material Adverse Effect.

1.2 Authorization; No Conflict. Borrower is duly authorized to execute and deliver each Loan Document to which it is a party, is duly authorized to borrow monies hereunder and is duly authorized to perform its Obligations under each Loan Document to which it is a party. The execution, delivery and performance by Borrower of each Loan Document to which it is a party, and the borrowings by Borrower hereunder, do not and will not (a) require any consent or approval of any Governmental Authority (other than any consent or approval which has been obtained and is in full force and effect)(b) conflict with (i) any provision of Applicable Law, (ii) the charter, by-laws or other organizational documents of Borrower or (iii) any agreement, indenture, instrument or other document, or any judgment, order or decree, which is binding upon Borrower or (c) require, or result in, the creation or imposition of any Lien on any asset of Borrower (other than Liens in favor of Lender created pursuant to the Collateral Documents), in the case of the foregoing clauses (a), (b)(i) or (c), to the extent the failure to obtain such consent or approval or such conflict would not reasonably be expected to have a Material Adverse Effect.

1.3 Validity and Binding Nature. Each of this Agreement and each other Loan Document is the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity.

1.4 No Material Adverse Effect. Since December 31, 2022, there has been no Material Adverse Effect.

1.5 Liens. Borrower owns good and, in the case of real property, marketable title to the Collateral, free and clear of all Liens, charges and claims, in each case, except for Permitted Liens.

1.6 Equity Ownership. All issued and outstanding Capital Securities of Borrower are duly authorized and validly issued, fully paid, non-assessable, and free and clear of all Liens other than those permitted by this Agreement, and such securities were issued in compliance with all applicable state and federal laws concerning the issuance of securities.

1.7 Investment Company Act. Borrower is not an "investment company" or a company "controlled" by an "investment company" or a "subsidiary" of an "investment company," within the meaning of the Investment Company Act of 1940.

1.8 Compliance with Laws. Borrower is in compliance in all material respects with the requirements of all laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

1.9 Regulation U. Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

1.10 Taxes. Borrower has timely filed all federal, material state and other material Tax returns and reports required by law to have been filed by it and has paid all federal, material state and other material Taxes and governmental charges due and payable with respect to such return or otherwise owing by Borrower, except any such Taxes which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

1.11 Solvency, etc. On the Closing Date, and immediately prior to and after giving effect to each borrowing hereunder and the use of the proceeds thereof, with respect to Borrower, (a) the fair value of its assets is greater than the amount of its liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated in accordance with GAAP, (b) the present fair saleable value of its assets is not less than the amount that will be required to pay the probable

liability on its debts as they become absolute and matured, **(c)** it is able to realize upon its assets and pay its debts and other liabilities (including contingent liabilities) as they mature in the normal course of business, **(d)** it does not intend to, and does not believe that it will, incur debts or liabilities beyond its ability to pay as such debts and liabilities mature and **(e)** it is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which its property would constitute unreasonably small capital.

1.12 Information. All information heretofore or contemporaneously herewith furnished in writing by Borrower to Lender for purposes of or in connection with this Agreement and the transactions contemplated hereby is, and all written information hereafter furnished by or on behalf of Borrower to Lender pursuant hereto or in connection herewith will be, true and accurate in every material respect on the date as of which such information is dated or certified, and none of such information is or will be incomplete by omitting to state any material fact reasonably necessary to make such information not misleading in light of the circumstances under which made (it being recognized by Lender that any projections and forecasts provided by Borrower are based on good faith estimates and assumptions believed by Borrower to be reasonable as of the date of the applicable projections or assumptions and that actual results during the period or periods covered by any such projections and forecasts may significantly differ from projected or forecasted results).

1.13 Patriot Act; Sanctions: Anti-Corruption

1.13.1 Patriot Act. To the extent applicable, each of Borrower and its Subsidiaries is in compliance in all material respects with **(i)** the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended), and any other enabling legislation or executive order relating thereto, **(ii)** the Patriot Act, **(iii)** the Cayman Islands AML Regulations, **(iv)** the Anti-Terrorism, Crime and Security Act 2001 of the United Kingdom and **(v)** any European or Irish equivalent of the foregoing.

1.13.2 Sanctioned Persons. None of Borrower, any of its Subsidiaries or, to the knowledge of Borrower, any director, officer or affiliate of Borrower or any of its Subsidiaries is an individual or entity ("**Person**") that is, or is owned or controlled by Persons that are: **(i)** the subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), the U.S. Department of State, the United Nations Security Council, the European Union, His Majesty's Treasury, or other relevant sanctions authority (collectively, "**Sanctions**"), or **(ii)** located, organized, incorporated or resident in a country or territory that is, or whose government is, the subject of Sanctions (including, currently, Crimea, the so-called Lubansk People's Republic, the so-called Donetsk People Republic, Cuba, Iran, North Korea and Syria).

1.13.3 Dealings with Sanctioned Persons. For the past five years, neither Borrower nor any of Borrower's Subsidiaries have knowingly engaged in, or is now knowingly engaged in any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was, or whose government is or was, the subject of Sanctions.

1.13.4 Anti-Corruption Laws. Borrower, its Subsidiaries and their respective directors, officers and employees and, to the knowledge of each Borrower, the agents of Borrower and its Subsidiaries, are in compliance with the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder ("**FCPA**"), the UK Bribery Act 2010 and any other applicable anti-corruption law in any jurisdiction applicable to Borrower, its Affiliates or any party to the Loan Documents, in all material respects. Borrower and its Subsidiaries have instituted and maintain policies and procedures designed to promote and achieve continued compliance with applicable Sanctions, the FCPA, the UK Bribery Act 2010 and any other applicable anti-corruption laws.

1.14 Borrower Information. On the date hereof, Annex B sets forth **(a)** Borrower's jurisdiction of organization, **(b)** the location of Borrower's chief executive office, **(c)** Borrower's exact legal name as it appears on its organizational documents and **(d)** Borrower's organizational identification number (to the extent Borrower is organized in a jurisdiction which assigns such numbers) and federal employer identification number.

Section 9.
AFFIRMATIVE COVENANTS.

Until the expiration or termination of the Commitment and Revolving Credit Facility and thereafter until all Obligations hereunder and under the other Loan Documents (other than contingent Obligations for which no claim has been asserted) are paid in full, Borrower agrees that, unless at any time Lender shall otherwise expressly consent in writing, it will:

1.1 Notices and Other Information. Furnish to Lender:

1.1.1 Notice of Default; Material Adverse Effect. Promptly upon becoming aware of any of the following, written notice describing the same and the steps being taken by Borrower affected thereby with respect thereto: **(a)** the occurrence of a Default or an Event of Default; and **(b)** any other event (including the enactment or effectiveness of any law, rule or regulation) which would reasonably be expected to have a Material Adverse Effect.

1.1.2 KYC Information. Promptly from time to time, such information and documentation related to compliance with applicable "know your customer" and anti-money laundering rules and regulations of any jurisdiction applicable to Borrower, its Affiliates or any party to the Loan Documents including without limitation the Proceeds of Crime Act and the Anti-Money Laundering Regulations of the Cayman Islands, the Patriot Act and the Beneficial Ownership Regulation, as any Lender or Agent may reasonably request.

1.1.3 Other Information. Promptly from time to time, such other information (including, without limitation, business or financial data, reports, appraisals and projections) concerning Borrower, its properties or business, as Lender may reasonably request.

1.2 Books, Records and Inspections. Keep its books and records in accordance with sound business practices reasonably sufficient to allow the preparation of financial statements in accordance with GAAP; permit, at any reasonable time and with reasonable notice, Lender or any representative thereof to inspect its properties and operations, to visit any or all of its offices, to discuss its financial matters with its directors, officers and its independent auditors (and Borrower hereby authorizes such independent auditors to discuss such financial matters with Lender or any representative thereof), and to examine any of its books or other records. All such inspections or audits by Lender shall be at Borrower's expense, provided that so long as no Default or Event of Default exists, Lender shall not be permitted to conduct and Borrower shall not be required to reimburse Lender for inspections or audits more frequently than twice each Fiscal Year; provided, further, that neither Borrower nor any of its Subsidiaries shall be required to disclose any information that it reasonably determines is entitled to the protection of attorney-client privilege or if such disclosure would violate any Applicable Law or confidentiality agreement.

1.3 Insurance. Maintain, with responsible insurance companies, such insurance coverage as may be required by any law or governmental regulation or court decree or order applicable to it and such other insurance, to such extent, against such hazards and liabilities and with such insured amounts and deductibles, as is customarily maintained by companies similarly situated; and, upon the reasonable request of Agent, furnish to Agent original or electronic copies of policies evidencing such insurance.

1.4 Compliance with Laws; Payment of Taxes and Liabilities **(a)** Comply (and cause each Subsidiary to comply) with all Applicable Laws, rules, regulations, decrees, orders, judgments, licenses and permits, except where failure to comply would not reasonably be expected to have a Material Adverse Effect; **(b)** without limiting clause (a) above, ensure (and cause each Subsidiary to ensure) that no person who owns a controlling interest in or otherwise controls Borrower is or shall be **(i)** listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("**OFAC**"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation or **(ii)** a person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders, **(c)** without limiting clause (a) above, comply (and cause each Subsidiary to comply) with all applicable Bank Secrecy Act ("**BSA**") and anti-money

laundrying laws and regulations and **(d)** pay, and cause its Subsidiaries to pay, prior to delinquency, all federal, state and other material Taxes and other governmental charges against it or any of its property, as well as claims of any kind which, if unpaid, could become a Lien on any of its property; provided that the foregoing shall not require Borrower or such Subsidiary to pay any such tax or charge so long as it shall contest the validity thereof in good faith by appropriate proceedings and shall set aside on its books adequate reserves with respect thereto in accordance with GAAP.

1.5 Maintenance of Existence, etc. Maintain and preserve (subject to Section 10.4) **(a)** its existence and good standing in the jurisdiction of its organization and **(b)** its qualification to do business and good standing in each jurisdiction where the nature of its business makes such qualification necessary (other than such jurisdictions in which the failure to be qualified or in good standing would not reasonably be expected to have a Material Adverse Effect).

1.6 Use of Proceeds. Use **(a)** the proceeds of the Loans solely for payment of Funding Amounts upon the occurrence of a Funding Event, and **(b)** the Letters of Credit, solely to replace the Existing Letters of Credit and to support reinsurance agreements or regulatory or supervisory requirements applicable to the Borrower. No part of the proceeds of the Obligations will be **(i)** used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulations T, U or X of the Board of Governors of the Federal Reserve System, or to reduce or retire any obligation originally incurred to purchase any margin stock, or for any other purpose which would be inconsistent with such Regulations T, U or X or any other Regulations of such Board of Governors; **(ii)** used, lent, contributed or otherwise made available to any Person **(x)** to fund any activities of business of or with any Person, or in any country or territory, that at the time of such funding is the subject of Sanctions, or **(y)** in any manner that would result in a violation of Sanctions by any Person or **(z)** in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of the FCPA or any other applicable anti-corruption law; or **(iii)** used for any purposes prohibited by any Applicable Laws or by the terms and conditions of this Agreement or any other Loan Document.

1.7 Further Assurances. Take such actions as are necessary or as Lender may reasonably request from time to time to ensure that the Obligations of Borrower under the Loan Documents are secured by a first priority perfected Lien in favor of Lender on the Collateral and, in each case as Lender may reasonably determine.

1.8 Cash Collateral Account. Prior to or simultaneously with the issuance of the first Letter of Credit, (i) the Cash Collateral Account shall have been opened (and shall at all times be maintained) at CIBC US; (b) Borrower shall have delivered the Account Pledge Agreement and Blocked Account Agreement; and (c) Agent shall have filed a UCC Financing Statement with the District of Columbia Recorder of Deeds substantially in the form attached hereto as Exhibit E. Borrower acknowledges that the Cash Collateral Account shall at all times be subject to Lender's sole control pursuant to the Blocked Account Agreement and Lender is authorized to withdraw funds from the Cash Collateral Account solely to apply such funds for any payments due hereunder (after giving effect to any grace period provided herein), including, without limitation, payments due as a result of the acceleration of the Obligations pursuant to Section 12.2.

Section 10. **NEGATIVE COVENANTS**

Until the expiration or termination of the Commitment and Revolving Credit Facility and thereafter until all Obligations hereunder and under the other Loan Documents (other than contingent Obligations for which no claim has been asserted) are paid in full, Borrower agrees that, unless at any time Lender shall otherwise expressly consent in writing, it will:

1.1 Debt. Not create, incur, assume or suffer to exist any Debt, except: **(a)** Obligations under this Agreement and the other Loan Documents; **(b)** Debt permitted by the terms of the Term Loan Agreement and **(c)** other Debt, the incurrence of which would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

1.2 Liens. Not create or permit to exist any Lien on any of the Collateral, except Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being diligently contested in good faith by appropriate proceedings and, in each case, for which it maintains adequate reserves in accordance with GAAP and the execution or other enforcement of which is effectively stayed.

1.3 Restricted Payments. Not (a) make any distribution to any holders of its Capital Securities, (b) purchase or redeem any of its Capital Securities, (c) pay any management fees or similar fees to any of its equity holders or any Affiliate thereof, (d) make any redemption, prepayment (whether mandatory or optional), defeasance, repurchase or any other payment in respect of any subordinated Debt or (e) set aside funds for any of the foregoing. Notwithstanding the foregoing, (i) Borrower may make any such payments which are permitted by the Term Loan Agreement and (ii) the making of such payment would not reasonably be expected to have a Material Adverse Effect.

1.4 Mergers. Not consolidate or merge with or into any other Person unless Borrower is the surviving entity of such merger or consolidation.

1.5 Sales. Not sell or otherwise dispose of its assets unless such sale or disposition would not reasonably be expected to result in a Material Adverse Effect.

1.6 Modification of Organizational Documents. Not amend or modify its charter, by-laws or other organizational documents in any way which would reasonably be expected to materially adversely affect the interests of the Lenders and not change its state of formation or its organizational form without prior written notice to the Agent.

1.7 Business Activities; Issuance of Equity. Not engage in any line of business other than the businesses engaged in on the date hereof and businesses (including, without limitation, insurance and reinsurance businesses) reasonably related thereto. Not issue any Capital Securities other than any issuance of shares of Borrower's Capital Securities that does not result in a Change of Control.

Section 11.

EFFECTIVENESS; CONDITIONS OF LENDING, ETC.

1.1 Effectiveness. The effectiveness of this Agreement is subject to the following conditions precedent, each of which must be satisfied in a manner satisfactory to Lender:

1.1.1 Documentation. Lender shall have received all of the following, each duly executed and dated the Closing Date (or such earlier date as shall be satisfactory to Lender), in form and substance satisfactory to Lender (and the date on which all such conditions precedent have been satisfied or waived in writing by Lender is called the "**Closing Date**");

(a) **Agreement and Notes.** This Agreement and, to the extent requested by Lender, a Note made payable to Lender.

(b) **Authorization Documents.** Borrower's (A) charter, certificate of incorporation and memorandum or articles of association (or similar formation or registration document), certified by the appropriate Governmental Authority; (B) good standing certificates (or local equivalents, if available) in its state or jurisdiction of incorporation (or formation or registration) and in each other jurisdiction where the failure to be qualified to do business would reasonably be expected to have a Material Adverse Effect; (C) bylaws or memorandum and articles of association (or similar governing document); (D) resolutions of its board of directors (or similar governing body) approving and authorizing Borrower's execution, delivery and performance of the Loan Documents to which it is party and the transactions contemplated thereby; and (E) signature and incumbency certificates of its officers or directors executing any of the Loan Documents (it being understood that Lender may conclusively rely on each such certificate until formally advised by a like certificate of any changes therein), all certified by its secretary or an assistant secretary (or similar officer) or director as being in full force and effect without modification.

(c) **Opinions of Counsel.** Opinions of counsel for each Borrower, including local counsel reasonably requested by Lender.

(d) **Solvency Certificate.** A Solvency Certificate executed by a Senior Officer of Borrower.

1.1.2 Payment of Fees. Evidence of payment by Borrower of all accrued and unpaid fees, costs and expenses to the extent then due and payable on the Closing Date, including, without limitation, an upfront fee payable to Lender in the amount of \$100,000, together with all Attorney Costs of Lender to the extent invoiced two (2) Business Days prior to the Closing Date, plus such additional amounts of Attorney Costs as shall constitute Lender's reasonable estimate of Attorney Costs incurred or to be incurred by Lender through the closing proceedings (provided that such estimate shall not thereafter preclude final settling of accounts between Borrower and Lender).

1.1.3 Search Results; Lien Terminations. Reasonably requested lien searches from the District of Columbia Recorder of Deeds disclosing no Liens other than Permitted Liens and evidence that any prohibited Liens have been or will, simultaneously with closing, be terminated.

1.1.4 Other. Such other documents as Lender may reasonably request.

1.2 Conditions to Issuance. The obligation of Lender to issue a Letter of Credit is subject to the following further conditions precedent that:

1.2.1 Compliance with Warranties, No Default, etc. Both before and after giving effect to such Letter of Credit, the following statements shall be true and correct:

(a) the representations and warranties of Borrower set forth in this Agreement and the other Loan Documents shall be true and correct in all respects with the same effect as if then made (except to the extent stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct as of such earlier date); and

(b) no Default or Event of Default shall have then occurred and be continuing.

1.2.2 Letter of Credit Documents. Lender shall have received the Letter of Credit Documents as and when required by the terms of this Agreement.

1.2.3 Existing Letter of Credit. Lender shall have received a copy of the Existing Letter of Credit that is being replaced with the requested Letter of Credit.

Section 12.

EVENTS OF DEFAULT AND THEIR EFFECT.

1.1 Events of Default. Each of the following shall constitute an Event of Default under this Agreement:

1.1.1 Non-Payment of the Advances, etc. Default in the payment when due of the principal of any Advance; or default, and continuance thereof for five (5) days, in the payment when due of any interest, fee or other amount payable by Borrower hereunder or under any other Loan Document.

1.1.2 Term Loan Agreement. Any "Event of Default" shall occur under the terms of the Term Loan Agreement for so long as such "Event of Default" is unremedied and not waived by the requisite lenders under the Term Loan Agreement.

1.1.3 Bankruptcy, Insolvency, etc. Parent or Borrower becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay, debts as they become due; or Parent or Borrower applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for Parent or Borrower or any property thereof, or makes a general assignment for the

benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for Parent or Borrower or for a substantial part of the property of any thereof and is not discharged, stayed, dismissed or bonded pending appeal within 60 days; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of Parent or Borrower, and if such case or proceeding is not commenced by Parent or Borrower, it is consented to or acquiesced in by Parent or Borrower, or remains for 60 days undismissed, undischarged, unstayed or unbonded; or Parent or Borrower takes any action to authorize, or in furtherance of, any of the foregoing.

1.1.4 Non-Compliance with Loan Documents. (i) Failure by Borrower to comply with or to perform any covenant set forth in Sections 9.1.1(a), 9.2 (with respect to inspections), 9.3, 9.5 (solely with respect to existence of Borrower), 9.6, 9.8 or 10 or (ii) failure by Borrower to comply with or to perform any other provision of this Agreement or any other Loan Document (and not constituting an Event of Default under any other provision of this Section 12.1) and continuance of such failure described in this clause (ii) for 30 days following the earlier to occur of (a) Borrower's knowledge of such failure and (b) written notice thereof from Lender to Borrower.

1.1.5 Representations; Warranties. Any representation or warranty made by Borrower herein or any other Loan Document is breached or is false or misleading in any material respect, or any schedule, certificate, financial statement, report, notice or other writing furnished by or on behalf of Borrower to Lender in connection herewith is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.

1.1.6 Invalidity of Collateral Documents, etc. Any Collateral Document shall cease to be in full force and effect; or Borrower (or any Person by, through or on behalf of Borrower) shall contest in any manner the validity, binding nature or enforceability of any Collateral Document.

1.1.7 Change of Control. A Change of Control shall occur.

1.2 Effect of Event of Default. If any Event of Default described in Section 12.1.3 shall occur in respect of Borrower, the Commitment and Revolving Credit Facility shall immediately terminate and the Advances and all other Obligations hereunder shall become immediately due and payable and Borrower shall become immediately obligated to Cash Collateralize all Letters of Credit, all without presentment, demand, protest or notice of any kind; and, if any other Event of Default shall occur and be continuing, Lender may declare the Commitment and Revolving Credit Facility to be terminated in whole or in part and/or declare all or any part of the Advances and all other Obligations hereunder to be due and payable and/or demand that Borrower immediately Cash Collateralize all or any Letters of Credit, whereupon the Commitment and Revolving Credit Facility shall immediately terminate (or be reduced, as applicable) and/or the Advances and other Obligations hereunder shall become immediately due and payable (in whole or in part, as applicable) and/or Borrower shall immediately become obligated to Cash Collateralize the Letters of Credit (all or any, as applicable), all without presentment, demand, protest or notice of any kind. Lender shall promptly advise Borrower of any such declaration, but failure to do so shall not impair the effect of such declaration. Any Cash Collateral delivered hereunder shall be held by Lender (without liability for interest thereon) and applied to the Obligations arising in connection with any drawing under a Letter of Credit. After the expiration or termination of all Letters of Credit, such Cash Collateral shall be applied by Lender to any remaining Obligations hereunder and any excess shall be delivered to Borrower or as a court of competent jurisdiction may elect.

Section 13. **GENERAL.**

1.1 Waiver; Amendments. No delay on the part of Lender in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by Lender of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement or the other Loan Documents shall in any event be effective unless the same shall be in

writing and acknowledged by Lender, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

1.2 Confirmations. Borrower and Lender agree from time to time, upon written request received by it from the other, to confirm to the other in writing the aggregate unpaid principal amount of the Advances.

1.3 Notices. All notices hereunder shall be in writing (including email) and shall be sent to the applicable party at its address shown on Annex A or at such other address as such party may, by written notice received by the other parties, have designated as its address for such purpose. Notices sent by email shall be deemed to have been given when sent; notices sent by mail shall be deemed to have been given three Business Days after the date when sent by registered or certified mail, postage prepaid; and notices sent by hand delivery or overnight courier service shall be deemed to have been given when received.

1.4 Costs and Expenses. Borrower agrees to pay on demand all reasonable and documented out-of-pocket costs and expenses of Lender (including Attorney Costs) in connection with the preparation, execution, syndication, delivery and administration (including perfection and protection of any Collateral and the costs of Intralinks (or other similar service), if applicable) of this Agreement, the other Loan Documents and all other documents provided for herein or delivered or to be delivered hereunder or in connection herewith (including any amendment, supplement or waiver to any Loan Document), whether or not the transactions contemplated hereby or thereby shall be consummated, and all reasonable and documented out-of-pocket costs and expenses (including Attorney Costs) incurred by Lender after an Event of Default in connection with the collection of the Obligations or the enforcement of this Agreement the other Loan Documents or any such other documents or during any workout, restructuring or negotiations in respect thereof. In addition Borrower agrees to pay, and to save Lender harmless from all liability for, any fees of Borrower's auditors in connection with any reasonable exercise by Lender of its rights pursuant to Section 9.2. All Obligations provided for in this Section 13.4 shall survive repayment of the Advances, cancellation of the Notes, expiration or termination of the Letters of Credit and termination of this Agreement.

1.5 GOVERNING LAW. THIS AGREEMENT AND EACH NOTE SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

1.6 Confidentiality. As required by federal law and Lender's policies and practices, Lender may need to obtain, verify, and record certain customer identification information and documentation in connection with opening or maintaining accounts, or establishing or continuing to provide services. Lender agrees to maintain as confidential all information provided to them by Borrower and designated as confidential, except that Lender may disclose such information **(a)** to Persons employed or engaged by Lender in evaluating, approving, structuring or administering the Advances and the Commitment; **(b)** to any assignee or participant or potential assignee or participant that has agreed to comply with the covenant contained in this Section 13.6 (and any such assignee or participant or potential assignee or participant may disclose such information to Persons employed or engaged by them as described in clause (a) above); **(c)** as required or requested by any federal or state regulatory authority or examiner, or any insurance industry association, or as reasonably believed by Lender to be compelled by any court decree, subpoena or legal or administrative order or process; **(d)** as, on the advice of Lender's counsel, is required by law; **(e)** in connection with the exercise of any right or remedy under the Loan Documents or in connection with any litigation to which Lender is a party; **(f)** to any nationally recognized rating agency that requires access to information about Lender's investment portfolio in connection with ratings issued with respect to Lender; **(g)** to any Affiliate of Lender or any other Person who may provide bank products to Borrower; **(h)** to Lender's independent auditors and other professional advisors as to which such information has been identified as confidential, it being understood that any such person shall be advised of the confidential nature of such information and instructed to keep such information confidential; or **(i)** that ceases to be confidential through no fault of Lender. Notwithstanding the foregoing, Borrower consents to the publication by Lender of a tombstone or similar advertising material relating to the financing transactions contemplated by this Agreement, and Lender reserves the right to provide to

industry trade organizations information necessary and customary for inclusion in league table measurements. If any provision of any confidentiality agreement, non-disclosure agreement or other similar agreement between Borrower and Lender conflicts with or contradicts this [Section 13.6](#) with respect to the treatment of confidential information, this section shall supersede all such prior or contemporaneous agreements and understandings between the parties.

1.7 Severability. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under Applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. All obligations of Borrower and rights of Lender expressed herein or in any other Loan Document shall be in addition to and not in limitation of those provided by Applicable Law.

1.8 Nature of Remedies. All Obligations of Borrower and rights of Lender expressed herein or in any other Loan Document shall be in addition to and not in limitation of those provided by Applicable Law. No failure to exercise and no delay in exercising, on the part of Lender, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

1.9 Entire Agreement. This Agreement, together with the other Loan Documents, embodies the entire agreement and understanding among the parties hereto and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof and any prior arrangements made with respect to the payment by Borrower of (or any indemnification for) any fees, costs or expenses payable to or incurred (or to be incurred) by or on behalf of Lender.

1.10 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement. Receipt of an executed signature page to this Agreement by facsimile or other electronic transmission shall constitute effective delivery thereof. The words "execution," "signed," "signature," and words of like import in this Agreement and the other Loan Documents shall be deemed to include electronic signatures or electronic records, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act or any other similar state laws governing this Agreement based on the Uniform Electronic Transactions Act or otherwise. Electronic records of executed Loan Documents maintained by Lender shall be deemed to be originals.

1.11 Successors and Assigns. This Agreement shall be binding upon Borrower, Lender and their respective successors and assigns, and shall inure to the benefit of Borrower, Lender and the successors and assigns of Lender. No other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents. Borrower shall not assign or transfer any of its rights or Obligations under this Agreement without the prior written consent of Lender.

1.12 Captions. Section captions used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

1.13 Customer Identification - USA Patriot Act Notice. CIBC US (for itself and not on behalf of any other party) hereby notifies Borrower that, pursuant to the requirements of the USA Patriot Act, Title III of Pub. L. 107-56, signed into law October 26, 2001 (the "**Patriot Act**"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow CIBC US, as applicable, to identify Borrower in accordance with the Act.

1.14 INDEMNIFICATION BY BORROWER. IN CONSIDERATION OF THE EXECUTION AND DELIVERY OF THIS AGREEMENT LENDER AND THE AGREEMENT TO EXTEND THE COMMITMENT PROVIDED HEREUNDER, BORROWER HEREBY AGREES TO INDEMNIFY, EXONERATE AND HOLD LENDER AND EACH OF THE OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES AND AGENTS OF LENDER (EACH A " **LENDER PARTY**") FREE AND HARMLESS FROM AND AGAINST ANY AND ALL ACTIONS, CAUSES OF ACTION, SUITS, LOSSES, LIABILITIES, DAMAGES AND EXPENSES, INCLUDING ATTORNEY COSTS (COLLECTIVELY, THE " **INDEMNIFIED LIABILITIES**"), INCURRED BY LENDER PARTIES OR ANY OF THEM AS A RESULT OF, OR ARISING OUT OF, OR RELATING TO (A) ANY PURCHASE OF CAPITAL SECURITIES OR OTHER SIMILAR TRANSACTION FINANCED OR PROPOSED TO BE FINANCED IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, WITH THE PROCEEDS OF ANY OF THE ADVANCES, (B) THE USE, HANDLING, RELEASE, EMISSION, DISCHARGE, TRANSPORTATION, STORAGE, TREATMENT OR DISPOSAL OF ANY HAZARDOUS SUBSTANCE AT ANY PROPERTY OWNED OR LEASED BY BORROWER, (C) ANY VIOLATION OF ANY ENVIRONMENTAL LAWS WITH RESPECT TO CONDITIONS AT ANY PROPERTY OWNED OR LEASED BY BORROWER OR THE OPERATIONS CONDUCTED THEREON, (D) THE INVESTIGATION, CLEANUP OR REMEDIATION OF OFFSITE LOCATIONS AT WHICH BORROWER OR THEIR RESPECTIVE PREDECESSORS ARE ALLEGED TO HAVE DIRECTLY OR INDIRECTLY DISPOSED OF HAZARDOUS SUBSTANCES OR (E) THE EXECUTION, DELIVERY, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT BY ANY OF THE LENDER PARTIES, EXCEPT FOR ANY SUCH INDEMNIFIED LIABILITIES ARISING ON ACCOUNT OF THE APPLICABLE LENDER PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS DETERMINED BY A FINAL, NONAPPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION. IF AND TO THE EXTENT THAT THE FOREGOING UNDERTAKING MAY BE UNENFORCEABLE FOR ANY REASON, BORROWER HEREBY AGREES TO MAKE THE MAXIMUM CONTRIBUTION TO THE PAYMENT AND SATISFACTION OF EACH OF THE INDEMNIFIED LIABILITIES WHICH IS PERMISSIBLE UNDER APPLICABLE LAW. ALL OBLIGATIONS PROVIDED FOR IN THIS **SECTION 13.14** SHALL SURVIVE REPAYMENT OF THE ADVANCES, CANCELLATION OF THE NOTES, EXPIRATION OR TERMINATION OF THE LETTERS OF CREDIT, ANY FORECLOSURE UNDER, OR ANY MODIFICATION, RELEASE OR DISCHARGE OF, ANY OR ALL OF THE COLLATERAL DOCUMENTS AND TERMINATION OF THIS AGREEMENT. THIS **SECTION 13.14** SHALL NOT APPLY WITH RESPECT TO TAXES OTHER THAN ANY TAXES THAT REPRESENT LOSSES, CLAIMS, DAMAGES, ETC. ARISING FROM ANY NON-TAX CLAIM.

1.15 Nonliability of Lender. The relationship between Borrower on the one hand and Lender on the other hand shall be solely that of borrower and lender. Lender has no fiduciary relationship with or duty to Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Borrower, on the one hand, and Lender, on the other hand, in connection herewith or therewith is solely that of debtor and creditor. Lender undertakes no responsibility to Borrower to review or inform Borrower of any matter in connection with any phase of Borrower's business or operations. Borrower agrees that Lender shall have no liability to any Borrower (whether sounding in tort, contract or otherwise) for losses suffered by Borrower in connection with, arising out of, or in any way related to the transactions contemplated and the relationship established by the Loan Documents, or any act, omission or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of competent jurisdiction that such losses resulted from the gross negligence or willful misconduct of the party from which recovery is sought. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST ANY LENDER PARTY, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, ANY LOAN OR LETTER OF CREDIT, OR THE USE OF THE PROCEEDS THEREOF. NO LENDER PARTY SHALL BE**

LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY OTHERS OF ANY INFORMATION OR OTHER MATERIALS OBTAINED THROUGH INTRALINKS OR OTHER SIMILAR INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH THIS AGREEMENT, NOR SHALL ANY LENDER PARTY HAVE ANY LIABILITY WITH RESPECT TO, AND BORROWER HEREBY WAIVES, RELEASES AND AGREES NOT TO SUE FOR ANY SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ARISING OUT OF ITS ACTIVITIES IN CONNECTION HERewith OR THEREWITH (WHETHER BEFORE OR AFTER THE CLOSING DATE). Borrower acknowledges that it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party. No joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among Borrower and Lender

1.16 FORUM SELECTION AND CONSENT TO JURISDICTION. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE LENDER FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION. BORROWER HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. BORROWER FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK. BORROWER HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

1.17 WAIVER OF JURY TRIAL. BORROWER AND LENDER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY NOTE, ANY OTHER LOAN DOCUMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR THEREWITH OR ARISING FROM ANY LENDING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

1.18 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and (b) any effects of any Bail-in Action on any such liability.

The following terms shall have the following meanings:

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"UK Financial Institutions" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.19 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedging Agreements or any other QFC (such support, **"QFC Credit Support"** and each such QFC, a **"Supported QFC"**), the parties acknowledge and agree that (a) if a Covered Entity party to such Supported QFC becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit

of such QFC Credit Support (and any interest and obligation therein or thereunder, and any property rights relating thereto) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime, and **(b)** if such Covered Entity or a BHC Act Affiliate thereof becomes subject to such a proceeding, Default Rights under the Loan Documents that might otherwise be exercised against such Covered Entity relating to such Supported QFC or any QFC Credit Support are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime.

The following terms shall have the following meanings:

"BHC Act Affiliate" of a party means an **"affiliate"** (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following: **(i)** a **"covered entity"** as defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b), **(ii)** a **"covered bank"** as defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or **(iii)** a **"covered FSI"** as defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and interpreted in accordance with, 12 C.F.R. § § 252.81, 47.2 or 382.1 as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"U.S. Special Resolution Regimes" means the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

[Signature pages follow]

The parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first set forth above.

BORROWER:

GREENLIGHT REINSURANCE, LTD.

By: /s/ Faramarz Romer
Faramarz Romer
Chief Financial Officer

CIBC BANK USA, as Agent and as a Lender

By: /s/Amanda Buzdum
Amanda Buzdum, Managing Director

ANNEX A
ADDRESSES FOR NOTICES

BORROWER:

Greenlight Reinsurance, Ltd.
65 Market St., Suite 1207
Jasmine Court, Camana Bay
P.O. Box 31110, KY1-1205
Grand Cayman, Cayman Islands
Attention: Faramarz Romer
Email: faramarz@greenlightre.ky

With copy to:

Greenlight Reinsurance, Ltd.
65 Market St., Suite 1207
Jasmine Court, Camana Bay
P.O. Box 31110, KY1-1205
Grand Cayman, Cayman Islands
Attention: David Sigmon
Email: dsigmon@greenlightre.ky

CIBC BANK USA, as Agent and a Lender

Notices of Borrowing, Conversion, Continuation

CIBC Bank USA
120 S. LaSalle St.
Chicago, Illinois 60603
Attention: Amanda Buzdum
Email: Amanda.buzdum@cibc.com

All Other Notices

CIBC Bank USA
120 S. LaSalle St.
Chicago, Illinois 60603
Attention: Amanda Buzdum
Email: Amanda.buzdum@cibc.com

With copy to:

Locke Lord LLP
111 South Wacker Drive
Chicago, Illinois 60606
Attention: Julianne Dziobak, Esq.
Email: julie.dziobak@lockelord.com

Annex A to Credit Agreement

135333485v.12

760053355.6

ANNEX B
BORROWER INFORMATION

| | |
|---|--|
| (a) Borrower's jurisdiction of organization | Cayman Islands |
| (b) the location of Borrower's chief executive office | 65 Market St., Suite 1207, Jasmine Court, Camana Bay, P.O. Box 31110, KY1-1205, Grand Cayman, Cayman Islands |
| (c) Borrower's exact legal name as it appears on its organizational documents | Greenlight Reinsurance, Ltd. |
| (d) Borrower's organizational identification number (to the extent Borrower is organized in a jurisdiction which assigns such numbers) and federal employer identification number | 137831 |

Annex B to Credit Agreement

135333485v.12

760053355.6

GREENLIGHT CAPITAL RE, LTD.
2023 OMNIBUS INCENTIVE PLAN

OPTION AGREEMENT

This Option Agreement (this "**Agreement**") is made and entered into as of the date of the grant of the Option set forth below (the "**Date of Grant**") by and between Greenlight Capital Re, Ltd. (the "**Company**"), and the participant named below ("**Participant**"). Capitalized terms not defined herein shall have the meaning ascribed to them in the Greenlight Capital Re, Ltd. 2023 Omnibus Incentive Plan (the "**Plan**").

| | |
|---------------------------|--|
| Participant: | Greg Richardson |
| Address: | 65 Market St, Camana Bay P.O. Box 31110, KY1-1205 Grand Cayman, Cayman Islands |
| Total Option Shares: | 250,000 |
| Exercise Price Per Share: | U.S.\$11.20 |
| Date of Grant: | 4 January 2024 |

1. Grant of the Option. The Company hereby grants to the Participant an Option to purchase the total number of Shares set forth above as the "Total Option Shares" ("**Option Shares**") at the "Exercise Price Per Share" set forth above (the "**Exercise Price**"), subject to all of the terms and conditions of this Agreement and the Plan.

2. Vesting and Exercise Period.

2.1 Provided that the Participant's Termination does not occur prior to the applicable Vesting Date (as defined below), the Option will become vested and exercisable with respect to 50,000 of the Option Shares thereto on the first five anniversaries of the Date of Grant until the Option is 100% vested on the fifth anniversary of the Date of Grant (each anniversary of the Date of Grant referred to as a "**Vesting Date**" and the fifth anniversary of the Date of Grant referred to as the "**Final Vesting Date**"). Except as provided in Section 3 of this Agreement, in the event of the Participant's Termination prior to the Final Vesting Date, any unvested portion of the Option shall be immediately forfeited and terminate on the Participant's Termination (and for the avoidance of doubt, the Option is only exercisable to the extent it is vested).

2.2 The Option shall expire on the Expiration Date (defined below) or earlier as provided in Section 2.1 or 3 of this Agreement or, if applicable, pursuant to the terms of the Plan.

3. Termination.

3.1 If the Participant incurs a Termination for Cause (as defined in the Employment Agreement by and between the Company, Greenlight Reinsurance, Ltd. (the "**Employer**") and the

Participant, dated as of November 3, 2023 (the "**Employment Agreement**")), the Option, whether or not vested, shall terminate and cease to be exercisable.

3.2 If the Participant incurs a Termination due to his death or Disability, any unvested portion of the Option shall terminate and be immediately forfeited, and any vested portion of the Option shall remain exercisable until ten years from the Date of Grant above (the "**Expiration Date**").

3.3 If the Participant incurs a Termination by the Employer without Cause or by the Participant for Good Reason (as defined in the Employment Agreement), subject to the Participant signing a release of claims as required in the Employment Agreement, any unvested portion of the Option shall become immediately vested and any vested portion of the Option (including the portion which becomes vested pursuant to this Section 3.3) shall remain exercisable until the Expiration Date.

3.4 Upon a Change in Control that occurs prior to a Termination, any unvested portion of the Option shall vest immediately and shall remain exercisable until the Expiration Date.

3.5 If the Participant incurs a Termination for any other reason, the unvested portion of the Option shall automatically terminate and cease to be exercisable and the vested portion of the Option shall remain exercisable by the Participant until the Expiration Date.

3.6 Nothing in the Plan or this Agreement shall confer on the Participant any right to continue in the employ of, or other relationship with, the Company, the Employer or any Affiliate, or limit in any way the right of the Company, the Employer or any Affiliate to terminate the Participant's employment, with or without Cause.

4. Manner of Exercise.

4.1 To exercise any part of the Option, the Participant (or in the case of exercise after the Participant's death or Disability, the applicable representative of the estate of the Participant (such as the Participant's executor, administrator, heir or legatee, as the case may be) or the Participant's duly appointed representative) must deliver to the Company an executed stock option exercise agreement in the form as may be approved by the Committee from time to time (the "**Exercise Agreement**"), which shall set forth, inter alia, (i) the Participant's (or the Participant's applicable representative) election to exercise the all or part of the Option, (ii) the number of Option Shares being purchased, (iii) any restrictions imposed on the Option Shares, (iv) any representations, warranties and agreements regarding the Participant's (or the Participant's applicable representative) investment intent and access to information as may be required by the Company to comply with applicable securities laws and (v) whether the Shares shall be certificated or held in book-form. If someone other than the Participant exercises all or part of the Option, then such person must submit documentation reasonably acceptable to the Company verifying that such person has the legal right to exercise all or part of the Option. All or part of the Option may not be exercised unless all necessary regulatory approvals have been obtained (if relevant), all relevant documentation has been submitted

to the Company and duly executed, where relevant and such exercise is in compliance with all applicable securities laws and all regulatory and other applicable laws of the Cayman Islands or any other relevant jurisdiction, as they are in effect on the date of exercise.

4.2 The Exercise Agreement shall be accompanied by full payment of the Exercise Price for the Option Shares being purchased, which may be made by the following payment methods: (1) in immediately available funds in U.S. dollars, or by certified or bank cashier's check; (2) by delivery of Shares having a value equal to the Exercise Price for the number of Shares being purchased; (3) by a broker-assisted cashless exercise in accordance with procedures approved by the Committee, whereby payment of the Option exercise price or tax withholding obligations may be satisfied, in whole or in part, with Shares subject to the Option by delivery of an irrevocable direction to a securities broker (on a form prescribed by the Committee) to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of the aggregate exercise price and, if applicable, the amount necessary to satisfy the Company's withholding obligations; or (4) by delivery of a notice of "net exercise" to the Company, pursuant to which the Participant shall receive (i) the number of Shares underlying the Option so exercised, reduced by (ii) the number of Shares equal to (A) the aggregate Exercise Price of the Option for the number of Shares being purchased divided by (B) the Fair Market Value on the date of exercise).

4.3 Additionally, at the time of exercise, the Participant shall pay to the Company such amount as the Company deems necessary to satisfy its obligation to withhold any applicable income or other taxes incurred by reason of the exercise of all or part of the Option granted hereunder. The Participant may satisfy any such tax withholding obligation relating to the exercise or acquisition of the Option Shares by any of the following means (in addition to the Company's right to withhold or to direct the withholding from any compensation paid to the Participant by the Company or by an Affiliate) or by a combination of such means: (i) tendering a cash payment; (ii) authorizing the Company to withhold Shares from the Shares otherwise issuable to the Participant as a result of the exercise or acquisition of Option Shares hereunder (and payment therefor) subject to the terms of Section 16 of the Plan.

5. Issuance of Shares. Except as otherwise provided in the Plan or this Agreement, as promptly as practicable after receipt of such written notification of exercise, full payment of the Exercise Price, receipt of all regulatory consents, as appropriate, and any required income tax withholding, the Company shall issue or transfer to the Participant the number of Shares with respect to all or part of the Option have been so exercised (less Shares withheld in satisfaction of tax withholding obligations, if any), and shall deliver to the Participant a certificate or certificates therefor, registered in the Participant's name (unless the Participant elects to have the Company hold the Shares in book-form) or, in the case of death or Disability, as directed by the Participant's or the estate of the Participant's, authorized representative, provided such direction is in accordance with all relevant laws.

6. **Company: Participant**

6.1 The term "**Company**" as used in this Agreement with reference to employment shall include the Company and its Affiliates, if any, as appropriate.

6.2 Whenever the word "**Participant**" is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the beneficiaries, the executors, the administrators, or the person or persons to whom the Option may be transferred by will or by the laws of descent and distribution, the word "Participant" shall be deemed to include such person or persons.

7. **Non-Transferability**. No part of the Option is transferable by the Participant otherwise than to a designated beneficiary upon death or by will or the laws of descent and distribution and is exercisable during the Participant's lifetime only by him. No assignment or transfer of all or part of the Option, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise (except to a designated beneficiary, upon death, by will or the laws of descent and distribution), shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the all or part of the Option, as is relevant, shall terminate and become of no further effect.

8. **Rights as Shareholder**. The Participant or a transferee of all or part of the Option shall have no rights as shareholder with respect to any Option Shares until he shall have become the holder of record of such shares, and no adjustment shall be made for dividends or distributions or other rights in respect of Option Shares for which the record date is prior to the date upon which he shall become the holder of record thereof.

9. **Adjustments**. The Option may be adjusted or terminated in any manner as contemplated by the Plan.

10. **General Compliance**. Notwithstanding any of the provisions hereof, the Participant hereby agrees that he will not exercise all or part of the Option, and that the Company will not be obligated to issue or transfer any Shares to the Participant hereunder, if the exercise hereof or the issuance or transfer of such Option Shares shall constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority or a violation of the terms and conditions of the Company's Memorandum and Articles of Association. Any determination in this connection by the Committee shall be final, binding and conclusive.

10. **Notice**. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Participant may

be given to the Participant personally or may be mailed to him at his address as recorded in the records of the Company.

11. **Binding Effect**. Subject to Section 7 hereof, this Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

12. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the Cayman Islands.

13. **Plan**. The terms and provisions of the Plan are incorporated herein by reference, and the Participant hereby acknowledges receiving a copy of the Plan. In the event of a conflict or inconsistency between the discretionary terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control.

12. **Clawback**. Notwithstanding anything in this Agreement to the contrary, the Participant's rights with respect to the Option shall also be subject to the Greenlight Capital Re, Ltd. Clawback Policy adopted on March 3, 2023, and as further amended from time to time.

13. **Nonqualified Stock Option**. No part of the Option granted hereunder is not intended to be an Incentive Stock Option.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized representative and the Participant has executed this Agreement, effective as of the Date of Grant.

GREENLIGHT CAPITAL RE, LTD.

PARTICIPANT

By: /s/ Faramarz Romer

/s/ Greg Richardson

Faramarz Romer
Chief Financial Officer

Greg Richardson

SUBSIDIARIES OF THE REGISTRANT
As of December 31, 2023

| Full Name of Subsidiary | Place of Incorporation |
|---|------------------------|
| Greenlight Reinsurance, Ltd. | Cayman Islands |
| Greenlight Reinsurance Ireland, Designated Activity Company | Ireland |
| Greenlight Re Marketing (UK) Limited | United Kingdom |
| Verdant Holding Company, Ltd. | Delaware |
| Greenlight Re Corporate Member Ltd. | United Kingdom |
| Viridis Re SPC, Ltd. | Cayman Islands |

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-257613 on Form S-3 and Registration Statement No. 333-249849 on Form S-8 of our reports dated March 5, 2024, relating to the financial statements of Greenlight Capital Re, Ltd. and the effectiveness of the Greenlight Capital Re, Ltd.'s internal control over financial reporting appearing in this Annual Report on Form 10-K of Greenlight Capital Re, Ltd. for the year ended December 31, 2023.

/s/ Deloitte Ltd.

Hamilton, Bermuda
March 5, 2024

Consent of Independent Registered Public Accounting Firm

Greenlight Capital Re, Ltd.
Grand Cayman, Cayman Islands

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-257613) and Form S-8 (No. 333-249849 and No. 333-273538) of Greenlight Capital Re, Ltd. of our report dated March 8, 2022, relating to the consolidated financial statements and financial statement schedules, which appears in this Annual Report on Form 10-K.

(Signed manually)
BDO USA, P.C.
Grand Rapids, Michigan
March 5, 2024

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement Form S-3 (No. 333-257613) and Form S-8 (No. 333-273538) of Greenlight Capital Re, Ltd. and in the related Prospectus of our report dated March 5, 2024, with respect to the financial statements of Solasglas Investments, LP, included in this Annual Report (Form 10-K filing) for the year ended December 31, 2023.

/s/ Ernst & Young Ltd.
Grand Cayman, Cayman Islands
March 5, 2024

**CERTIFICATION OF
CHIEF EXECUTIVE OFFICER OF
GREENLIGHT CAPITAL RE, LTD.**

I, Gregory Richardson, certify that:

1. I have reviewed this annual report report on Form 10-K of Greenlight Capital Re, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 5, 2024

/s/ GREGORY RICHARDSON

Gregory Richardson
Chief Executive Officer
(principal executive officer)

**CERTIFICATION OF
CHIEF FINANCIAL OFFICER OF
GREENLIGHT CAPITAL RE, LTD.**

I, Faramarz Romer, certify that:

1. I have reviewed this annual report report on Form 10-K of Greenlight Capital Re, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 5, 2024

/s/ FARAMARZ ROMER

Faramarz Romer
Chief Financial Officer
(principal financial officer)

**CERTIFICATION OF
CHIEF EXECUTIVE OFFICER OF
GREENLIGHT CAPITAL RE, LTD.**

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the annual report on Form 10-K (the "Form 10-K") for the period ended December 31, 2023 of Greenlight Capital Re, Ltd. (the "Issuer").

I, Gregory Richardson, the Principal Executive Officer of the Issuer, certify that to the best of my knowledge:

1. The Form 10-K fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)), as amended; and
2. The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: March 5, 2024

/s/ GREGORY RICHARDSON

Gregory Richardson
Chief Executive Officer
(principal executive officer)

CERTIFICATION OF
CHIEF FINANCIAL OFFICER OF
GREENLIGHT CAPITAL RE, LTD.

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the annual report on Form 10-K (the "Form 10-K") for the period ended December 31, 2023 of Greenlight Capital Re, Ltd. (the "Issuer").

I, Faramarz Romer, the Principal Financial Officer of the Issuer, certify that to the best of my knowledge:

1. The Form 10-K fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)), as amended; and
2. The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: March 5, 2024

/s/ FARAMARZ ROMER

Faramarz Romer

Chief Financial Officer

(principal financial officer)

GREENLIGHT CAPITAL RE, LTD.

Clawback Policy

Effective as of March 3, 2023

Section 1. Purpose

This Clawback Policy (this "Policy") has been adopted by the Board of Directors (the "Board") of Greenlight Capital Re., Ltd. (the "Company") effective as of March 3, 2023.

This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the "Exchange Act") and with Nasdaq Stock Market LLC ("Nasdaq") Rule 5608, and provides for the recoupment of certain Incentive Compensation (as defined below).

Section 2. Administration

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee of the Board (the "Committee"), in which case references herein to the Board shall be deemed references to the Committee.

Subject to the provisions of this Policy, the Board shall make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary or advisable. All determinations and interpretations made by the Board shall be final, binding and conclusive.

Section 3. Definitions

- i. "Accounting Restatement" means a restatement of the Company's financial statements due to material noncompliance of the Company with any financial reporting requirement under applicable securities laws, including: (A) a restatement to correct a material error in a previously issued financial statement; or (B) a restatement to correct an immaterial error from a previously issued financial statement would result in a material misstatement in the current-period financial statement.
 - ii. "Covered Employee" means any current and former Executive Officers, and such other senior executives who may from time to time be deemed subject to the Policy by the Board or Committee.
 - iii. "Excess Incentive Compensation" means the amount of Incentive Compensation received by the Covered Employee that exceeds the amount of Incentive Compensation that would have otherwise been received by the Covered Employee had it been determined based on the results of the Accounting Restatement, computed without regard to any taxes paid.
 - iv. "Executive Officer" shall have the meaning set forth in Nasdaq Rule 5608.
 - v. "Financial Reporting Measures" are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, whether presented in or outside of the Company's financial statements, any measure derived wholly or in part from such measures (including non-GAAP measures and other measures, metrics, and ratios that are non-GAAP measures). Stock price and total shareholder return are also financial reporting measures.
-

vi. "Incentive Compensation" means any compensation including, but not limited to: (i) annual bonuses and other short-term and long-term cash incentives; (ii) stock options; (iii) stock appreciation rights; (iv) restricted stock; (v) restricted stock units; (vi) performance shares; and (vii) performance units, in each case, that is granted, earned, or vested based wholly or in part on the attainment of any of the Financial Reporting Measures.

vii. "Recovery Period" means the three (3) completed fiscal years immediately preceding the Required Accounting Restatement Date. In addition, the Recovery Period shall include any transition period (that results from a change in the Company's fiscal year) within or immediately following the aforementioned three (3) completed fiscal years; *provided, however*, that a transition period between the last day of the Company's previous fiscal year end and the first of its new fiscal year that comprises a period of nine (9) to twelve (12) months would be deemed a completed fiscal year.

viii. "Required Accounting Restatement Date" means the earlier to occur of: (i) the date the Board, a committee of the Board, or the officers or officers of the Company authorized to take such action if the Board is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement or (ii) the date a court, regulatory, or other legally authorized body directs to the Company to prepare an Accounting Restatement.

Section 4. Persons Subject to this Policy

This Policy shall apply to all Incentive Compensation received by a Covered Employee: (i) after beginning service as an Executive Officer; (ii) who served as an Executive Officer during the Recovery Period; and (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association. Notwithstanding the foregoing, the Board may choose to apply this Policy, in its discretion, to Incentive Compensation received by a Covered Person during the Recovery Period even if such person did not serve as an Executive Officer during all or part of the Recovery Period.

Section 5. Erroneously Awarded Incentive Compensation and Amount Subject to Clawback.

In the event the Company is required to prepare an Accounting Restatement, the amount to be recovered from the Covered Employee shall be the Excess Incentive Compensation paid or awarded to a Covered Employee during the Recovery Period. For purposes of calculating the Excess Incentive Compensation amount, Incentive Compensation will be deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the incentive-based compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

Notwithstanding the foregoing, if the Board cannot determine the amount of Excess Incentive Compensation received by the Covered Employee directly from the information in the Accounting Restatement, the Board will make a determination as to the amount of Excess Incentive Compensation based on a reasonable estimate of the effect of the Accounting Restatement.

Section 6. Method of Recoupment

The Board shall determine, in its sole discretion, the method of recovering or cancelling, as the case may be, Excessive Incentive Compensation, which may include, without limitation, any one or more of the following:

- i. requiring reimbursement of cash Excessive Incentive Compensation previously paid;
- ii. seeking the recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity or equity-based awards;
- iii. offsetting the Excess Incentive Compensation from any compensation otherwise owed by the Company to the Covered Employee;
- iv. cancelling outstanding vested or unvested equity awards; and/or
- v. taking any other remedial recovery action permitted by law, as determined by the Board.

Section 7. Impracticability

The Board shall recover any Excess Incentive Compensation in accordance with this Policy unless the Board concludes such recovery would be impracticable, as determined by the Board pursuant to and in accordance with Rule 10D-1 of the Exchange Act and Nasdaq Rule 5608.

Section 8. Indemnification

The Company shall not indemnify any Covered Employee, directly or indirectly, for any losses that such Covered Employee may incur in connection with the recovery of any compensation set forth in this Policy.

Section 9. Other Recoupment Rights

Any applicable employment agreement, award agreement or other document setting forth the terms and conditions of any compensation covered by this Policy shall be deemed to include the restrictions imposed herein and incorporate this Policy by reference and, in the event of any inconsistency, the terms of this Policy will govern. To the extent that any applicable law or stock market or exchange rules or regulations permit or require recovery of compensation in circumstances in addition to those specified herein, nothing in this Policy will be deemed to limit or restrict the right or obligation of the Company to recover such compensation to the fullest extent permitted or required by such law, rules or regulations.

The Board shall provide notice and seek written acknowledgement of this Policy from each Covered Employee as soon as practicable after the later of (i) the Effective Date and (ii) the date on which the employee is designated as a Covered Officer; provided, however, that failure to obtain such acknowledgement shall have no impact on the enforceability of this Policy.

Section 10. Interpretation; Amendment; Termination

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to comply with the regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and with Nasdaq Rule 5608, or any successor regulations or rules. The Board may terminate this Policy at any time.

Section 11. Enforceability

If any provision of this Clawback Policy is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

Section 12. Successors

This Policy shall be binding and enforceable against all Covered Employees and their beneficiaries, heirs, executors, administrators or other legal representatives.

FINANCIAL STATEMENTS

Solasglas Investments, LP
For the years ended December 31, 2023, 2022 and 2021
With Report of Independent Auditors

DME Advisors, LP (the "Manager") is registered as a Commodity Pool Operator ("CPO") under the United States Commodity Exchange Act. A claim of exemption for this pool pursuant to Commodity Futures Trading Commission ("CFTC") Regulation 4.7 has been made with respect to Solasglas Investments, LP (the "Partnership") by the Manager. The exemption relieves the Partnership of certain disclosure and reporting obligations under Regulation 4.22 of the CFTC.

Solasglas Investments, LP

Financial Statements

As of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021

Contents

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AFFIRMATION OF THE COMMODITY POOL OPERATOR

DME Advisors, LP being the Manager and the Commodity Pool Operator for Solasglas Investments, LP (the "Partnership"), hereby affirms that the attached hereto is a copy of the audited financial statements of the Partnership for the years ended December 31, 2023, 2022 and 2021 and that, to the best of the undersigned's knowledge and belief, the information contained therein is accurate and complete.



Barrett C. Brown

Chief Financial Officer of DME
Advisors, LP, the Manager and
Commodity Pool Operator for
Solasglas Investments, LP



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Report of Independent Registered Public Accounting Firm

The General Partner
Solaglas Investments, LP

Opinion on the Financial Statements

We have audited the accompanying statements of financial condition of Solaglas Investments, LP (the "Partnership"), including the condensed schedules of investments, as of December 31, 2023 and 2022, the related statements of operations and performance allocation, changes in partners' capital and cash flows for the years ended December 31, 2023, December 31, 2022 and December 31, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2023 and 2022, and the results of its operations, changes in its partners' capital and its cash flows for the years ended December 31, 2023, December 31, 2022 and December 31, 2021 in conformity with U.S. generally accepted accounting principles.

Basis of Opinion

These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally applied in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

We have served as the Partnership's auditor since 2018.
March 5, 2024

Solaglas Investments, LP
Statements of Financial Condition

December 31, 2023 and 2022
(In U.S. Dollars)

| | <u>2023</u> | <u>2022</u> |
|---|-----------------------|-----------------------|
| Assets | | |
| Investments, at fair value (cost of \$275,467,994 and \$256,727,469, respectively) | \$ 453,358,240 | \$ 304,805,973 |
| Due from brokers | 121,754,095 | 109,168,853 |
| Derivative contracts, at fair value (cost of \$5,783,444 and \$12,761,674, respectively) | 11,167,396 | 17,547,013 |
| Interest and dividends receivable | 1,143,053 | 526,646 |
| Total assets | <u>587,422,784</u> | <u>432,048,485</u> |
| Liabilities and partners' capital | | |
| Liabilities | | |
| Investments sold short, at fair value (proceeds of \$172,243,571 and \$199,470,228, respectively) | 197,571,457 | 159,382,485 |
| Due to brokers | 17,397,796 | 2,050,424 |
| Derivative contracts, at fair value (proceeds of \$8,117,870 and \$16,592,324, respectively) | 12,916,712 | 12,442,643 |
| Interest and dividends payable | 2,315,188 | 759,600 |
| Capital withdrawals payable | 1,000,000 | 75,000 |
| Accrued expenses and other liabilities | 247,303 | 158,702 |
| Total liabilities | <u>231,448,456</u> | <u>174,868,854</u> |
| Partners' capital | <u>355,974,328</u> | <u>257,179,631</u> |
| Total liabilities and partners' capital | <u>\$ 587,422,784</u> | <u>\$ 432,048,485</u> |

See accompanying notes to financial statements.

Solasglas Investments, LP
Condensed Schedules of Investments

December 31, 2023
(In U.S. Dollars)

| Number of Units | Description | Fair Value Hierarchy | | | % of Partners' Capital | Fair Value | | | | |
|-----------------------------|--|----------------------|-------------|---------|---------------------------|------------|---|--------|----|-------------|
| | | Level 1 | Level 2 | Level 3 | | | | | | |
| Investments: | | | | | | | | | | |
| Common stock: | | | | | | | | | | |
| United States of America: | | | | | | | | | | |
| Consumer discretionary: | | | | | | | | | | |
| Green Brick Partners, Inc.: | | | | | | | | | | |
| 1,804,030 | Common stock | \$ | 93,696,683 | \$ | - | \$ | - | 26.3 % | \$ | 93,696,683 |
| 937,500 | Common stock subject to the Forward Transaction (Note 4) | | 48,693,750 | | - | | - | 13.7 | | 48,693,750 |
| | Forward Transaction (Note 4) | | - | | (5,434,154) | | - | (1.5) | | (5,434,154) |
| | Total Green Brick Partners, Inc. | | 142,390,433 | | (5,434,154) | | - | 38.5 | | 136,956,279 |
| Energy: | | | | | | | | | | |
| 343,633 | CONSOL Energy, Inc. | | 34,545,425 | | - | | - | 9.7 | | 34,545,425 |
| | Other | | 18,445,484 | | - | | - | 5.2 | | 18,445,484 |
| Financial: | | | | | | | | | | |
| 453,406 | Brighthouse Financial, Inc. | | 23,994,246 | | - | | - | 6.7 | | 23,994,246 |
| | Other | | 11,967,581 | | - | | - | 3.3 | | 11,967,581 |
| | Healthcare | | 18,807,280 | | - | | - | 5.3 | | 18,807,280 |
| | Industrials | | 21,204,867 | | - | | - | 5.9 | | 21,204,867 |
| | Materials | | 10,564,744 | | - | | - | 3.0 | | 10,564,744 |
| Technology: | | | | | | | | | | |
| 921,284 | Kyndryl Holdings, Inc. | | 19,144,282 | | - | | - | 5.4 | | 19,144,282 |
| | Other | | 1,263,635 | | - | | - | 0.4 | | 1,263,635 |
| | Total United States of America (cost \$143,728,010) | | 302,327,977 | | (5,434,154) | | - | 83.4 | | 296,893,823 |
| Bermuda: | | | | | | | | | | |
| | Energy (cost \$6,852,259) | | 7,468,293 | | - | | - | 2.1 | | 7,468,293 |
| Canada: | | | | | | | | | | |
| | Financial | | 4,982,414 | | - | | - | 1.4 | | 4,982,414 |
| | Materials | | 13,299,673 | | - | | - | 3.8 | | 13,299,673 |
| | Total Canada (cost \$12,263,572) | | 18,282,087 | | - | | - | 5.2 | | 18,282,087 |
| Germany: | | | | | | | | | | |
| Consumer discretionary: | | | | | | | | | | |
| 245,198 | Vitesco Technologies Group AG (cost \$16,030,462) | | 23,295,718 | | - | | - | 6.6 | | 23,295,718 |
| Great Britain: | | | | | | | | | | |
| | Healthcare (cost \$11,051,484) | | 10,833,839 | | - | | - | 3.0 | | 10,833,839 |
| Greece: | | | | | | | | | | |
| | Utilities (cost \$4,216,027) | | 5,830,803 | | - | | - | 1.6 | | 5,830,803 |
| Italy: | | | | | | | | | | |
| | Materials (cost \$3,805,074) | | 7,176,754 | | - | | - | 2.0 | | 7,176,754 |
| Netherlands: | | | | | | | | | | |
| | Healthcare (cost \$4,653,831) | | 3,731,670 | | - | | - | 1.1 | | 3,731,670 |

Solasglas Investments, LP

Condensed Schedules of Investments (continued)

December 31, 2023

(In U.S. Dollars)

| Number of Units | Description | Fair Value Hierarchy | | | % of Partners' Capital | Fair Value |
|--------------------|---|----------------------|----------------|-----------|---------------------------|----------------|
| | | Level 1 | Level 2 | Level 3 | | |
| | Investments (continued): | | | | | |
| | Common stock (continued): | | | | | |
| | Norway: | | | | | |
| | Energy (cost \$430,937) | \$ 517,852 | \$ - | \$ - | 0.2 % | \$ 517,852 |
| | Total common stock (cost \$203,031,656) | 379,464,993 | (5,434,154) | - | 105.2 | 374,030,839 |
| | Exchange-traded funds: | | | | | |
| 137,523 | Commodities: | | | | | |
| | SPDR Gold Trust | 26,290,272 | - | - | 7.4 | 26,290,272 |
| | Other | 10,545,804 | - | - | 2.9 | 10,545,804 |
| | Equity indices | 6,374,561 | - | - | 1.8 | 6,374,561 |
| | Total exchange-traded funds (cost \$37,050,475) | 43,210,637 | - | - | 12.1 | 43,210,637 |
| 12,336 | Commodities: | | | | | |
| | Gold (cost \$22,962,782) | 25,453,043 | - | - | 7.1 | 25,453,043 |
| | Corporate bonds: | | | | | |
| | United States of America: | | | | | |
| | Consumer staples | - | 493,559 | - | 0.1 | 493,559 |
| | Energy | - | 190,286 | - | 0.1 | 190,286 |
| | Industrials | - | 936,000 | - | 0.3 | 936,000 |
| | Total corporate bonds (cost \$4,139,814) | - | 1,619,845 | - | 0.5 | 1,619,845 |
| | Private equity: | | | | | |
| | United States of America: | | | | | |
| | Healthcare (cost \$202,928) | - | - | 39,342 | 0.0 | 39,342 |
| | Total investments subject to fair value hierarchy (cost \$267,387,655) | \$ 448,128,673 | \$ (3,814,309) | \$ 39,342 | 124.9 % | \$ 444,353,706 |
| | Investment funds⁽¹⁾: | | | | | |
| | United States of America: | | | | | |
| | Consumer staples | | | | 0.0 % | \$ 23,412 |
| | Energy | | | | 0.9 | 3,218,972 |
| | Technology | | | | 0.4 | 1,709,744 |
| | Cayman Islands: | | | | | |
| | Financial | | | | 1.1 | 3,872,450 |
| | Materials | | | | 0.1 | 179,956 |
| | Total investment funds (cost \$8,080,339) | | | | 2.5 | 9,004,534 |
| | Total investments (cost \$275,467,994) | | | | 127.4 % | \$ 453,358,240 |

⁽¹⁾ The Partnership's investments in investment funds that are valued at their net asset value as reported by the underlying funds are not categorized within the fair value hierarchy. See Note 2.

Solasglas Investments, LP

Condensed Schedules of Investments (continued)

December 31, 2023
(In U.S. Dollars)

| Number of Units | Description | Fair Value Hierarchy | | | % of Partners' Capital | Fair Value |
|--------------------|--|----------------------|---------------|---------|---------------------------|---------------|
| | | Level 1 | Level 2 | Level 3 | | |
| | Derivative contract assets: | | | | | |
| | Total return swaps - long exposure: | | | | | |
| | Price indices | \$ - | \$ 5,304,605 | \$ - | 1.5 % | \$ 5,304,605 |
| | United States of America: | | | | | |
| | Financial: | | | | | |
| 541,745 | Brighthouse Financial, Inc. | - | 2,742,292 | - | 0.8 | 2,742,292 |
| | Great Britain: | | | | | |
| | Industrials | - | 1,105,835 | - | 0.3 | 1,105,835 |
| | Total total return swaps - long exposure (cost \$1,722) | - | 9,152,732 | - | 2.6 | 9,152,732 |
| | Put options: | | | | | |
| | Foreign exchange | - | 54,055 | - | 0.0 | 54,055 |
| | Other | - | 1,261,736 | - | 0.4 | 1,261,736 |
| | Total put options (cost \$1,971,334) | - | 1,315,791 | - | 0.4 | 1,315,791 |
| | Call options: | | | | | |
| | Commodities | - | 192,250 | - | 0.0 | 192,250 |
| | Foreign exchange | - | 20,511 | - | 0.0 | 20,511 |
| | Interest rates | - | 137,054 | - | 0.0 | 137,054 |
| | Other | - | 35,326 | - | 0.0 | 35,326 |
| | Total call options (cost \$3,408,224) | - | 385,141 | - | 0.0 | 385,141 |
| | Credit default swaps - sell protection: | | | | | |
| | Corporate (cost \$402,164) | - | 247,168 | - | 0.1 | 247,168 |
| | Total return swaps - short exposure: | | | | | |
| | Spain: | | | | | |
| | Utilities | - | 66,564 | - | 0.0 | 66,564 |
| | Total derivative contract assets (cost \$5,783,444) | \$ - | \$ 11,167,396 | \$ - | 3.1 % | \$ 11,167,396 |

Solasglas Investments, LP

Condensed Schedules of Investments (continued)

December 31, 2023

(In U.S. Dollars)

| Number of Units | Description | Fair Value Hierarchy | | | % of Partners' Capital | Fair Value |
|--------------------|--|-----------------------|-------------|-------------|---------------------------|-----------------------|
| | | Level 1 | Level 2 | Level 3 | | |
| | Investments sold short: | | | | | |
| | Common stock: | | | | | |
| | United States of America: | | | | | |
| | Communication services | \$ 10,105,785 | \$ - | \$ - | 2.8 % | \$ 10,105,785 |
| | Consumer discretionary | 24,711,745 | - | - | 6.9 | 24,711,745 |
| | Consumer staples | 13,158,716 | - | - | 3.7 | 13,158,716 |
| | Energy | 151,386 | - | - | 0.1 | 151,386 |
| | Financial | 47,408,066 | - | - | 13.3 | 47,408,066 |
| | Healthcare | 4,427,337 | - | - | 1.2 | 4,427,337 |
| | Industrials | 27,875,890 | - | - | 7.8 | 27,875,890 |
| | Materials | 2,402,154 | - | - | 0.7 | 2,402,154 |
| | Real estate | 6,694,376 | - | - | 1.9 | 6,694,376 |
| | Technology | 41,589,583 | - | - | 11.7 | 41,589,583 |
| | Utilities | 3,490,992 | - | - | 1.0 | 3,490,992 |
| | Total United States of America (proceeds \$157,048,089) | 182,016,030 | - | - | 51.1 | 182,016,030 |
| | Canada: | | | | | |
| | Consumer discretionary | 1,160,945 | - | - | 0.3 | 1,160,945 |
| | Financial | 3,553,769 | - | - | 1.0 | 3,553,769 |
| | Industrials | 858,762 | - | - | 0.3 | 858,762 |
| | Total Canada (proceeds \$6,544,449) | 5,573,476 | - | - | 1.6 | 5,573,476 |
| | Luxembourg: | | | | | |
| | Technology (proceeds \$3,906,635) | 5,474,017 | - | - | 1.5 | 5,474,017 |
| | Sweden: | | | | | |
| | Real estate (proceeds \$2,230,221) | 2,990,244 | - | - | 0.8 | 2,990,244 |
| | Total common stock (proceeds \$169,729,394) | 196,053,767 | - | - | 55.0 | 196,053,767 |
| | Exchange-traded funds: | | | | | |
| | Equity indices | 770,002 | - | - | 0.3 | 770,002 |
| | Other | 747,688 | - | - | 0.2 | 747,688 |
| | Total exchange-traded funds (proceeds \$2,514,177) | 1,517,690 | - | - | 0.5 | 1,517,690 |
| | Total investments sold short (proceeds \$172,243,571) | \$ 197,571,457 | \$ - | \$ - | 55.5 % | \$ 197,571,457 |

Solasglas Investments, LP

Condensed Schedules of Investments (continued)

December 31, 2023

(In U.S. Dollars)

| Number of Units | Description | Fair Value Hierarchy | | | % of Partners' Capital | Fair Value |
|--------------------|---|----------------------|---------------|---------|---------------------------|---------------|
| | | Level 1 | Level 2 | Level 3 | | |
| | Derivative contract liabilities: | | | | | |
| | Credit default swaps - buy protection: | | | | | |
| | Corporate (proceeds \$7,339,478) | \$ - | \$ 7,333,017 | \$ - | 2.1 % | \$ 7,333,017 |
| | Total return swaps - short exposure: | | | | | |
| | Equity indices | - | 2,572,854 | - | 0.7 | 2,572,854 |
| | Great Britain: | | | | | |
| | Utilities | - | 737,941 | - | 0.2 | 737,941 |
| | Total total return swaps - short exposure (proceeds \$0) | - | 3,310,795 | - | 0.9 | 3,310,795 |
| | Futures contracts: | | | | | |
| | Commodities (cost \$754) | 1,158,159 | - | - | 0.3 | 1,158,159 |
| | Total return swaps - long exposure: | | | | | |
| | Price indices | - | 343,036 | - | 0.1 | 343,036 |
| | Great Britain: | | | | | |
| | Financial | - | 277,178 | - | 0.1 | 277,178 |
| | Total total return swaps - long exposure (cost \$1,012) | - | 620,214 | - | 0.2 | 620,214 |
| | Call options: | | | | | |
| | Foreign exchange (proceeds \$152,250) | - | - | - | 0.0 | - |
| | United States of America: | | | | | |
| | Consumer discretionary (proceeds \$460,660) | - | 427,968 | - | 0.1 | 427,968 |
| | Put options: | | | | | |
| | Foreign exchange | - | 46,498 | - | 0.0 | 46,498 |
| | United States of America: | | | | | |
| | Consumer discretionary | - | 20,061 | - | 0.0 | 20,061 |
| | Total put options (proceeds \$167,248) | - | 66,559 | - | 0.0 | 66,559 |
| | Total derivative contract liabilities (proceeds \$8,117,870) | \$ 1,158,159 | \$ 11,758,553 | \$ - | 3.6 % | \$ 12,916,712 |

See accompanying notes to financial statements.

Solasglas Investments, LP

Condensed Schedules of Investments (continued)

December 31, 2022
(In U.S. Dollars)

| Number of Units | Description | Fair Value Hierarchy | | | % of Partners' Capital | Fair Value |
|--------------------|---|----------------------|---------|---------|---------------------------|---------------|
| | | Level 1 | Level 2 | Level 3 | | |
| | Investments: | | | | | |
| | Common stock: | | | | | |
| | United States of America: | | | | | |
| | Consumer discretionary: | | | | | |
| 2,741,530 | Green Brick Partners, Inc. | \$ 66,422,637 | \$ - | \$ - | 25.8 % | \$ 66,422,637 |
| | Other | 2,980,542 | - | - | 1.1 | 2,980,542 |
| 282,926 | Energy: | | | | | |
| | CONSOL Energy, Inc. | 18,390,190 | - | - | 7.2 | 18,390,190 |
| | Other | 17,278,562 | - | - | 6.7 | 17,278,562 |
| 559,306 | Financial: | | | | | |
| | Brighthouse Financial, Inc. | 28,675,619 | - | - | 11.1 | 28,675,619 |
| | Other | 916,697 | - | - | 0.4 | 916,697 |
| | Industrials | 15,548,645 | - | - | 6.1 | 15,548,645 |
| | Healthcare | 5,107,894 | - | - | 2.0 | 5,107,894 |
| | Materials | 3,440,740 | - | - | 1.3 | 3,440,740 |
| | Technology: | | | | | |
| 1,339,892 | Kyndryl Holdings, Inc. | 14,899,599 | - | - | 5.8 | 14,899,599 |
| | Other | 10,436,885 | - | - | 4.1 | 10,436,885 |
| | Total United States of America (cost \$141,564,093) | 184,098,010 | - | - | 71.6 | 184,098,010 |
| | Canada: | | | | | |
| | Energy | 620,860 | - | - | 0.2 | 620,860 |
| 365,240 | Materials: | | | | | |
| | Teck Resources Limited | 13,813,377 | - | - | 5.4 | 13,813,377 |
| | Other | 1,043,320 | - | - | 0.4 | 1,043,320 |
| | Total Canada (cost \$11,453,352) | 15,477,557 | - | - | 6.0 | 15,477,557 |
| | China: | | | | | |
| | Industrials (cost \$140,669) | 202,248 | - | - | 0.1 | 202,248 |
| | Germany: | | | | | |
| | Consumer discretionary (cost \$4,572,628) | 5,088,355 | - | - | 2.0 | 5,088,355 |
| | Great Britain: | | | | | |
| | Consumer discretionary | 8,115,652 | - | - | 3.2 | 8,115,652 |
| | Healthcare | 6,859,745 | - | - | 2.6 | 6,859,745 |
| | Total Great Britain (cost \$14,448,651) | 14,975,397 | - | - | 5.8 | 14,975,397 |
| | Italy: | | | | | |
| | Materials (cost \$5,713,136) | 6,024,780 | - | - | 2.3 | 6,024,780 |
| | Netherlands: | | | | | |
| | Financial | 270,000 | - | - | 0.1 | 270,000 |
| | Healthcare | 5,081,954 | - | - | 2.0 | 5,081,954 |
| | Total Netherlands (cost \$6,014,343) | 5,351,954 | - | - | 2.1 | 5,351,954 |

Solasglas Investments, LP

Condensed Schedules of Investments (continued)

December 31, 2022

(In U.S. Dollars)

| Number of Units | Description | Fair Value Hierarchy | | | % of Partners' Capital | Fair Value |
|--------------------|---|----------------------|--------------|-----------|---------------------------|----------------|
| | | Level 1 | Level 2 | Level 3 | | |
| | Investments (continued): | | | | | |
| | Common stock (continued): | | | | | |
| | Norway: | | | | | |
| | Energy (cost \$276,029) | \$ 443,449 | \$ - | \$ - | 0.2 % | \$ 443,449 |
| | Total common stock (cost \$184,182,901) | 231,661,750 | - | - | 90.1 | 231,661,750 |
| 27,392 | Commodities: | | | | | |
| | Gold (cost \$48,774,174) | 49,945,056 | - | - | 19.4 | 49,945,056 |
| | Exchange-traded funds: | | | | | |
| | Commodities | 9,786,157 | - | - | 3.8 | 9,786,157 |
| | Other | 626,380 | - | - | 0.2 | 626,380 |
| | Total exchange-traded funds (cost \$11,323,237) | 10,412,537 | - | - | 4.0 | 10,412,537 |
| | Corporate bonds: | | | | | |
| | United States of America: | | | | | |
| | Communication services | - | 270,509 | - | 0.1 | 270,509 |
| | Consumer staples | - | 286,268 | - | 0.1 | 286,268 |
| | Energy | - | 105,201 | - | 0.0 | 105,201 |
| | Industrials | - | 1,381,840 | - | 0.6 | 1,381,840 |
| | Total corporate bonds (cost \$3,950,769) | - | 2,043,818 | - | 0.8 | 2,043,818 |
| | Private equity: | | | | | |
| | United States of America: | | | | | |
| | Healthcare (cost \$193,342) | - | - | 39,342 | 0.0 | 39,342 |
| | Total investments subject to fair value hierarchy (cost \$248,424,423) | \$ 292,019,343 | \$ 2,043,818 | \$ 39,342 | 114.3 % | \$ 294,102,503 |
| | Investment funds ⁽¹⁾: | | | | | |
| | United States of America: | | | | | |
| | Consumer staples | | | | 0.1 % | \$ 121,670 |
| | Energy | | | | 1.7 | 4,492,124 |
| | Technology | | | | 0.6 | 1,594,754 |
| | Cayman Islands: | | | | | |
| | Financial | | | | 1.7 | 4,302,843 |
| | Materials | | | | 0.1 | 192,079 |
| | Total investment funds (cost \$8,303,046) | | | | 4.2 | 10,703,470 |
| | Total investments (cost \$256,727,469) | | | | 118.5 % | \$ 304,805,973 |

⁽¹⁾ The Partnership's investments in investment funds that are valued at their net asset value as reported by the underlying funds are not categorized within the fair value hierarchy. See Note 2.

Solasglas Investments, LP

Condensed Schedules of Investments (continued)

December 31, 2022
(In U.S. Dollars)

| Number of Units | Description | Fair Value Hierarchy | | | % of Partners' Capital | Fair Value |
|--------------------|--|----------------------|---------------|---------|---------------------------|---------------|
| | | Level 1 | Level 2 | Level 3 | | |
| | Derivative contract assets: | | | | | |
| | Put options: | | | | | |
| | Foreign currencies | \$ - | \$ 160,498 | \$ - | 0.1 % | \$ 160,498 |
| | Interest rates | - | 8,733,063 | - | 3.4 | 8,733,063 |
| | Total put options (cost \$10,838,910) | - | 8,893,561 | - | 3.5 | 8,893,561 |
| | Total return swaps - long exposure: | | | | | |
| | Price indices | - | 3,945,699 | - | 1.5 | 3,945,699 |
| | United States of America: | | | | | |
| | Financial: | | | | | |
| 97,928 | Brighthouse Financial, Inc. | - | 536,564 | - | 0.2 | 536,564 |
| | Great Britain: | | | | | |
| | Financial | - | 155,576 | - | 0.1 | 155,576 |
| | Total total return swaps - long exposure (cost \$875) | - | 4,637,839 | - | 1.8 | 4,637,839 |
| | Call options: | | | | | |
| | Equity indices | - | 1,295,960 | - | 0.5 | 1,295,960 |
| | Other | - | 39,542 | - | 0.0 | 39,542 |
| | Total call options (cost \$1,516,739) | - | 1,335,502 | - | 0.5 | 1,335,502 |
| | Total return swaps - short exposure: | | | | | |
| | Equity indices | - | 741,564 | - | 0.3 | 741,564 |
| | Great Britain: | | | | | |
| | Consumer discretionary | - | 373,201 | - | 0.1 | 373,201 |
| | Spain: | | | | | |
| | Utilities | - | 192,271 | - | 0.0 | 192,271 |
| | Total total return swaps - short exposure (cost \$0) | - | 1,307,036 | - | 0.4 | 1,307,036 |
| | Futures contracts - short exposure: | | | | | |
| | Interest rates (cost \$2,867) | 839,861 | - | - | 0.3 | 839,861 |
| | Credit default swaps - sell protection: | | | | | |
| | Corporate (cost \$402,164) | - | 391,081 | - | 0.2 | 391,081 |
| | Futures contracts - long exposure: | | | | | |
| | Commodities (cost \$119) | 142,133 | - | - | 0.1 | 142,133 |
| | Total derivative contract assets (cost \$12,761,674) | \$ 981,994 | \$ 16,565,019 | \$ - | 6.8 % | \$ 17,547,013 |

Solasglas Investments, LP

Condensed Schedules of Investments (continued)

December 31, 2022

(In U.S. Dollars)

| Number of Units | Description | Fair Value Hierarchy | | | % of Partners' Capital | Fair Value |
|--------------------|--|-----------------------|-------------|-------------|---------------------------|-----------------------|
| | | Level 1 | Level 2 | Level 3 | | |
| | Investments sold short: | | | | | |
| | Common stock: | | | | | |
| | United States of America: | | | | | |
| | Communication services | \$ 13,548,906 | \$ - | \$ - | 5.3 % | \$ 13,548,906 |
| | Consumer discretionary | 41,805,635 | - | - | 16.2 | 41,805,635 |
| | Consumer staples | 8,315,779 | - | - | 3.2 | 8,315,779 |
| | Energy | 675,454 | - | - | 0.3 | 675,454 |
| | Financial | 12,358,340 | - | - | 4.8 | 12,358,340 |
| | Healthcare | 15,134,440 | - | - | 5.9 | 15,134,440 |
| | Industrials | 12,671,941 | - | - | 4.9 | 12,671,941 |
| | Real estate | 5,382,132 | - | - | 2.1 | 5,382,132 |
| | Technology | 31,524,833 | - | - | 12.3 | 31,524,833 |
| | Total United States of America (proceeds \$177,565,892) | 141,417,460 | - | - | 55.0 | 141,417,460 |
| | Brazil: | | | | | |
| | Financial (proceeds \$477,233) | 276,394 | - | - | 0.1 | 276,394 |
| | Canada: | | | | | |
| | Industrials | 820,304 | - | - | 0.3 | 820,304 |
| | Technology | 217,632 | - | - | 0.1 | 217,632 |
| | Total Canada (proceeds \$2,018,122) | 1,037,936 | - | - | 0.4 | 1,037,936 |
| | Germany: | | | | | |
| | Communication services (proceeds \$1,126,183) | 1,099,917 | - | - | 0.4 | 1,099,917 |
| | Israel: | | | | | |
| | Consumer discretionary (proceeds \$457,667) | 184,456 | - | - | 0.1 | 184,456 |
| | South Korea: | | | | | |
| | Consumer discretionary (proceeds \$1,335,021) | 1,546,757 | - | - | 0.6 | 1,546,757 |
| | Sweden: | | | | | |
| | Consumer discretionary (proceeds \$1,466,745) | 1,383,148 | - | - | 0.5 | 1,383,148 |
| | Switzerland: | | | | | |
| | Consumer discretionary (proceeds \$3,004,780) | 2,820,418 | - | - | 1.1 | 2,820,418 |
| | Total common stock (proceeds \$187,451,643) | 149,766,486 | - | - | 58.2 | 149,766,486 |
| | Exchange-traded funds: | | | | | |
| | Equity indices (proceeds \$12,018,585) | 9,615,999 | - | - | 3.8 | 9,615,999 |
| | Total investments sold short (proceeds \$199,470,228) | \$ 159,382,485 | \$ - | \$ - | 62.0 % | \$ 159,382,485 |

Solasglas Investments, LP

Condensed Schedules of Investments (continued)

December 31, 2022

(In U.S. Dollars)

| Number of Units | Description | Fair Value Hierarchy | | | % of Partners' Capital | Fair Value |
|--------------------|--|----------------------|---------------|---------|---------------------------|---------------|
| | | Level 1 | Level 2 | Level 3 | | |
| | Derivative contract liabilities: | | | | | |
| | Put options: | | | | | |
| | Interest rates (proceeds \$7,595,504) | \$ - | \$ 6,977,875 | \$ - | 2.7 % | \$ 6,977,875 |
| | Credit default swaps - buy protection: | | | | | |
| | Corporate (proceeds \$7,339,478) | - | 3,002,597 | - | 1.2 | 3,002,597 |
| | Call options: | | | | | |
| | Interest rates (proceeds \$1,489,044) | - | 1,147,906 | - | 0.5 | 1,147,906 |
| | Equity indices (proceeds \$28,236) | - | 56,472 | - | 0.0 | 56,472 |
| | United States of America: | | | | | |
| | Technology | - | 27,629 | - | 0.0 | 27,629 |
| | Healthcare | - | 1,505 | - | 0.0 | 1,505 |
| | Materials | - | 1,165 | - | 0.0 | 1,165 |
| | Industrials | - | 255 | - | 0.0 | 255 |
| | Consumer discretionary | - | 190 | - | 0.0 | 190 |
| | Total United States of America (proceeds \$142,237) | - | 30,744 | - | 0.0 | 30,744 |
| | Total call options (proceeds \$1,659,517) | - | 1,235,122 | - | 0.5 | 1,235,122 |
| | Total return swaps - long exposure: | | | | | |
| | Price indices | - | 508,890 | - | 0.2 | 508,890 |
| | Great Britain: | | | | | |
| | Consumer discretionary | - | 241,662 | - | 0.1 | 241,662 |
| | Energy | - | 7,960 | - | 0.0 | 7,960 |
| | Total Great Britain (proceeds \$0) | - | 249,622 | - | 0.1 | 249,622 |
| | Ireland: | | | | | |
| | Industrials | - | 191,321 | - | 0.1 | 191,321 |
| | United States of America: | | | | | |
| | Financial | - | 114,688 | - | 0.0 | 114,688 |
| | Total total return swaps - long exposure (cost \$1,860) | - | 1,064,521 | - | 0.4 | 1,064,521 |
| | Total return swaps - short exposure: | | | | | |
| | Price indices | - | 79,341 | - | 0.0 | 79,341 |
| | United States of America: | | | | | |
| | Financial | - | 83,187 | - | 0.0 | 83,187 |
| | Total total return swaps - short exposure (cost \$315) | - | 162,528 | - | 0.0 | 162,528 |
| | Total derivative contract liabilities (proceeds \$16,592,324) | \$ - | \$ 12,442,643 | \$ - | 4.8 % | \$ 12,442,643 |

See accompanying notes to financial statements.

Solasglas Investments, LP

Statements of Operations and Performance Allocation

For the years ended December 31, 2023, 2022 and 2021
(In U.S. Dollars)

| | 2023 | 2022 | 2021 |
|---|---------------|---------------|---------------|
| Investment income | | | |
| Interest | \$ 9,211,136 | \$ 2,389,894 | \$ 228,164 |
| Dividends, net of withholding taxes of \$451,918, \$468,726 and \$262,913, respectively | 1,869,248 | 1,585,558 | 640,662 |
| Total investment income | 11,080,384 | 3,975,452 | 868,826 |
| Expenses | | | |
| Management fee | 4,766,322 | 3,580,408 | 3,491,704 |
| Dividends | 2,801,935 | 1,373,924 | 1,146,899 |
| Interest | 6,969,313 | 1,949,566 | 1,055,418 |
| Professional fees and other | 1,749,615 | 988,163 | 1,221,012 |
| Total expenses | 16,287,185 | 7,892,061 | 6,915,033 |
| Net investment loss | (5,206,801) | (3,916,609) | (6,046,207) |
| Realized and change in unrealized gains (losses) on investment transactions | | | |
| Net realized gains (losses) on | | | |
| Investments | (4,935,144) | 63,980,470 | (1,154,302) |
| Derivative contracts (including \$13,774,756, \$6,623,587 and \$1,347,703 respectively, on commodity interest positions) | 3,877,007 | 10,731,736 | (2,065,059) |
| Currencies | (335,676) | 459,779 | (200,716) |
| Net realized gains (losses) | (1,393,813) | 75,171,985 | (3,420,077) |
| Net change in unrealized appreciation on | | | |
| Investments | 64,396,113 | 2,162,960 | 30,553,364 |
| Derivative contracts (including \$(2,485,433), \$2,937,645 and \$(562,372) respectively, on commodity interest positions) | (8,349,910) | 10,115,502 | 5,000,477 |
| Currencies | (767,841) | (392,809) | (71,112) |
| Net change in unrealized appreciation | 55,278,362 | 11,885,653 | 35,482,729 |
| Net gain on investment transactions | 53,884,549 | 87,057,638 | 32,062,652 |
| Net increase in partners' capital resulting from operations before performance allocation | 48,677,748 | 83,141,029 | 26,016,445 |
| Performance allocation allocated to the General Partner | 3,188,442 | 6,093,839 | 2,009,642 |
| Net increase in partners' capital resulting from operations after performance allocation | \$ 45,489,306 | \$ 77,047,190 | \$ 24,006,803 |

See accompanying notes to financial statements.

Solasglas Investments, LP

Statements of Changes in Partners' Capital

For the years ended December 31, 2023, 2022 and 2021
(In U.S. Dollars)

| | General Partner | Limited Partners | Total |
|---|----------------------------|-----------------------------|-----------------------|
| Balance, December 31, 2020 | \$ 53,384,229 | \$ 166,734,792 | \$ 220,119,021 |
| Capital contributions | - | 114,604,410 | 114,604,410 |
| Capital withdrawals | (10,174,000) | (115,835,045) | (126,009,045) |
| Allocation of net increase in partners' capital resulting from operations | 5,920,030 | 20,096,415 | 26,016,445 |
| Performance allocation | 2,009,642 | (2,009,642) | - |
| Balance, December 31, 2021 | <u>\$ 51,139,901</u> | <u>\$ 183,590,930</u> | <u>\$ 234,730,831</u> |
| Capital contributions | \$ - | \$ 65,126,729 | \$ 65,126,729 |
| Capital withdrawals | (454,000) | (125,364,958) | (125,818,958) |
| Allocation of net increase in partners' capital resulting from operations | 22,202,639 | 60,938,390 | 83,141,029 |
| Performance allocation | 6,093,839 | (6,093,839) | - |
| Balance, December 31, 2022 | <u>\$ 78,982,379</u> | <u>\$ 178,197,252</u> | <u>\$ 257,179,631</u> |
| Capital contributions | \$ - | \$ 125,993,509 | \$ 125,993,509 |
| Capital withdrawals | (1,880,000) | (73,996,560) | (75,876,560) |
| Allocation of net increase in partners' capital resulting from operations | 16,793,331 | 31,884,417 | 48,677,748 |
| Performance allocation | 3,188,442 | (3,188,442) | - |
| Balance, December 31, 2023 | <u>\$ 97,084,152</u> | <u>\$ 258,890,176</u> | <u>\$ 355,974,328</u> |

See accompanying notes to financial statements.

Solasglas Investments, LP

Statements of Cash Flows

For the years ended December 31, 2023, 2022 and 2021
(In U.S. Dollars)

| | 2023 | 2022 | 2021 |
|--|---------------|---------------|---------------|
| Cash flows from operating activities | | | |
| Net increase in partners' capital resulting from operations before performance allocation | \$ 48,677,748 | \$ 83,141,029 | \$ 26,016,445 |
| Adjustments to reconcile net increase in partners' capital resulting from operations before performance allocation to net cash provided by (used in) operating activities: | | | |
| Net realized (gain) loss on investments and derivative contracts | 1,058,137 | (74,712,206) | 3,219,362 |
| Net change in unrealized appreciation on investments and derivative contracts | (56,046,203) | (12,278,462) | (35,553,841) |
| Purchases of investments | (318,554,317) | (376,796,810) | (351,538,539) |
| Proceeds from sales of investments | 303,124,540 | 236,929,655 | 261,599,604 |
| Proceeds from investments sold short | 404,973,789 | 642,786,664 | 601,040,673 |
| Purchases to cover investments sold short | (440,446,338) | (416,622,945) | (505,226,428) |
| Purchases of derivative contracts | (30,183,169) | (14,951,521) | (42,678,831) |
| Proceeds from sales of derivative contracts | 32,563,952 | 25,982,999 | 46,062,560 |
| Changes in operating assets and liabilities: | | | |
| Due from brokers | (12,585,242) | (24,393,886) | 7,277,564 |
| Interest and dividends receivable | (616,407) | (497,894) | 30,511 |
| Due to brokers | 15,347,372 | 2,050,424 | (9,179,279) |
| Interest and dividends payable | 1,555,588 | 179,374 | 151,212 |
| Accrued expenses and other liabilities | 88,601 | (199,192) | 183,622 |
| Net cash provided by (used in) operating activities | (51,041,949) | 70,617,229 | 1,404,635 |
| Cash flows from financing activities | | | |
| Capital contributions | 125,993,509 | 65,126,729 | 114,604,410 |
| Capital withdrawals | (74,951,560) | (135,743,958) | (116,009,045) |
| Net cash provided by (used in) financing activities | 51,041,949 | (70,617,229) | (1,404,635) |
| Net increase (decrease) in cash and cash equivalents | - | - | - |
| Cash and cash equivalents, beginning of year | - | - | - |
| Cash and cash equivalents, end of year | \$ - | \$ - | \$ - |
| Supplemental disclosure of cash flow information | | | |
| Cash paid during the year for interest | \$ 7,224,658 | \$ 2,235,725 | \$ 1,067,312 |

See accompanying notes to financial statements.

Solasglas Investments, LP

Notes to Financial Statements

December 31, 2023, 2022 and 2021
(In U.S. Dollars)

1. Organization

Solasglas Investments, LP (the “Partnership”) is an exempted Cayman Islands limited partnership formed on August 17, 2018 and commenced operations on September 1, 2018. The Partnership is registered with the Cayman Islands Monetary Authority under the Cayman Islands Mutual Funds Act. The Partnership will continue until terminated, wound up or dissolved in accordance with the Partnership Agreement (the “Agreement”).

DME Advisors, LP (the “Manager”) is registered as an investment adviser under the Investment Advisers Act of 1940 with the U.S. Securities and Exchange Commission, and serves as the investment manager of the Partnership. DME Advisors II, LLC (the “General Partner”), is the general partner. Morgan Stanley Fund Services (Cayman) Ltd. serves as the administrator of the Partnership pursuant to an administration agreement.

Effective October 5, 2023, the Manager is registered with the U.S. Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator and is a member of the National Futures Association. The Manager relies on the exemptive relief provided by CFTC Regulation 4.7 with respect to certain reporting requirements. Certain prior year disclosures and the manner of presentation have been modified to conform to guidance issued by the CFTC.

The Partnership was organized to invest and trade in securities and other investment vehicles and instruments. The Manager is a value-oriented investment management firm that primarily invests and trades in long and short publicly listed equity securities, as well as distressed debt when cyclically attractive. The primary investment objective of the Partnership is to achieve capital appreciation by buying securities with trading values materially lower than their intrinsic values and by selling short securities with trading values materially higher than their intrinsic values. The Partnership aims to achieve high absolute rates of return while minimizing the risk of capital loss. There can be no assurance that such investment objective will be achieved, and investment results may vary substantially.

The Partnership was created primarily for the benefit of Greenlight Reinsurance, Ltd. (“GLRE”) and Greenlight Reinsurance Ireland, Designated Activity Company (collectively with GLRE, the “Limited Partners”) and the General Partner (and collectively with the Limited Partners, the “Partners”).

Solasglas Investments, LP

Notes to Financial Statements (continued)

2. Significant Accounting Policies

Basis of Presentation

The Partnership is an investment company which applies the specialized accounting and reporting requirements for investment companies. The financial statements have been prepared in accordance with the relevant articles of Regulation S-X, CFTC guidance and accounting principles generally accepted in the United States of America ("U.S. GAAP") and are expressed in United States ("U.S.") dollars. Certain prior period amounts may be reclassified to conform to the current presentation, with no effect on the Partnership's assets, liabilities, partners' capital, results of operations or cash flows.

The Partnership, along with other funds managed by the Manager or its affiliates, may utilize special purpose vehicles ("SPVs") for tax, regulatory or other purposes. The underlying investments held by SPVs are included within the condensed schedules of investments and reflect the Partnership's proportionate share of each such underlying investment. All investments held by the SPVs are for the benefit of the Partnership, along with other funds managed by the Manager or its affiliates and they conduct no other business.

Cash and Cash Equivalents

The Partnership considers all highly-liquid investments, with original maturities of less than 90 days that are not held for sale in the ordinary course of business, as cash equivalents. Cash and cash equivalents held at financial institutions, at times, may exceed the amount insured by the Federal Deposit Insurance Corporation. At December 31, 2023 and 2022, the Partnership held no cash or cash equivalents.

Investment Transactions

The Partnership records investment transactions on a trade date basis. Realized gains and losses on investment transactions are determined on a specific identification basis. Dividend income, net of withholding taxes, and dividend expense are recognized on the ex-dividend date and interest income and expense are recognized on an accrual basis. Withholding taxes on dividends have been accounted for in accordance with the Partnership's understanding of the applicable country's tax rules and rates.

Foreign Currency Transactions

Investments and derivative contracts denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investments denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

Solasglas Investments, LP

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Foreign Currency Transactions (continued)

The Partnership does not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments and derivative contracts from the fluctuations arising from changes in market prices of investments and derivative contracts owned or sold short. Such fluctuations are included with applicable net realized gain or loss on investments or derivative contracts and net change in unrealized appreciation on investments or derivative contracts in the statements of operations and performance allocation.

Fair Value Measurements and Investment Valuation

The fair values of the Partnership's assets and liabilities that qualify as financial instruments under U.S. GAAP approximate the carrying amounts presented in the financial statements.

The Partnership records all investments and derivative contracts (collectively "investments") at fair value. U.S. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing investments based on market data obtained from sources independent of the Partnership. Unobservable inputs are inputs that reflect the Partnership's assumptions about the factors market participants would use in pricing investments based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 - Valuations based on quoted prices in active markets for identical investments. An active market for the investment is a market in which transactions for the investment occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments are not applied to Level 1 investments.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Level 2 inputs include: (i) quoted prices for similar investments in active markets; (ii) quoted prices for identical investments traded in non-active markets (i.e., dealer or broker markets); and (iii) inputs other than quoted prices that are observable or inputs derived from or corroborated by market data.

Level 3 - Valuations based on inputs that are unobservable, supported by little or no market activity, and significant to the overall fair value measurement (including the Partnership's assumptions in determining the fair value of investments). The availability of observable inputs can vary from investment to investment and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new and not yet established in the market place, the liquidity of markets, and other characteristics particular to the transaction.

Solasglas Investments, LP

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Fair Value Measurements and Investment Valuation (continued)

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Partnership's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

A description of the valuation techniques applied and inputs utilized in measuring fair value of the Partnership's major categories of assets and liabilities as of December 31, 2023 and 2022 are as follows:

Common Stock and Exchange-Traded Funds

Common stock and exchange-traded funds are generally valued based on quoted prices from the relevant exchange. To the extent these investments are actively traded, they are categorized in Level 1 of the fair value hierarchy. In instances when investments in common stock or exchange-traded funds are not actively traded or valuation adjustments are applied, they are categorized in Level 2 of the fair value hierarchy and in instances where significant inputs are unobservable, they are categorized in Level 3 of the fair value hierarchy.

Corporate Bonds

The fair value of corporate bonds are estimated using recently executed transactions and market price quotations (where observable). When recent transactions or observable price quotations are not available, fair value is determined based on cash flow models. These investments are generally categorized in Level 2 of the fair value hierarchy; in instances where significant inputs are unobservable, they are categorized in Level 3 of the fair value hierarchy.

Commodities

Actively traded commodities are valued based on quoted dealer prices and are categorized in Level 1 of the fair value hierarchy. Commodities that are not actively traded are generally included in Level 2 of the fair value hierarchy.

Solasglas Investments, LP

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Fair Value Measurements and Investment Valuation (continued)

Investment Funds

Investments in investment funds are valued at their net asset value as reported by the underlying fund's administrator or manager. Management of the underlying funds generally charge management and/or incentive fees to the Partnership and other investors in the underlying funds. Such fees are included in the net asset value reported by the Partnership for the investment funds. The management and incentive fees range from 0-1.5% and 0-20%, respectively, subject to conditions and terms of each investment fund's legal agreements. Due to restrictions on the transferability and timing of withdrawals from the investment funds, the amounts realized upon liquidation will likely differ from such reported values. As of December 31, 2023 and 2022, none of the Partnership's investments in investment funds allow for a voluntary right of withdrawal. Investments valued based on their unadjusted net asset value are not categorized within the fair value hierarchy.

The Manager may determine that the net asset value provided by the underlying fund does not represent fair value. In such situations, the fair value of the underlying fund will be valued in accordance with the Partnership's valuation policy. This may include calculating an independent value of the underlying fund's assets and liabilities, reviewing secondary market transactions, or other techniques depending upon the circumstances. At December 31, 2023 and 2022, no investment funds were valued by management of the Partnership as all were based on values reported by the underlying fund.

Private Equity

The transaction price is used as the best estimate of fair value upon acquisition. Thereafter, valuation is based on an assessment of each investment, incorporating factors that consider the evaluation of financing and sale transactions with third parties, financial information provided by management of the investee company, expected cash flows and market-based information, including comparable transactions, performance multiples and changes in market outlook, among other factors. These investments are included in Level 3 of the fair value hierarchy.

Solasglas Investments, LP

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Fair Value Measurements and Investment Valuation (continued)

Derivative Contracts

The fair value of derivatives actively traded on a national exchange and based on quoted prices from the relevant exchange are categorized in Level 1 of the fair value hierarchy. Over-the-counter (“OTC”) derivatives valued based on market price quotations and listed derivatives that are not actively traded are generally categorized in Level 2 of the fair value hierarchy. Fair values for other OTC derivative investments are based on pricing models intended to approximate the amounts that would be paid to or received from a third party in settlement of the respective contract. Factors taken into consideration include credit spreads, market liquidity and concentrations, foreign currency rates, and funding and administrative costs incurred over the lives of the investments. As these inputs are typically observable, these OTC derivatives are also categorized within Level 2 of the fair value hierarchy. Refer to Note 5 for additional information on the Partnership’s derivative contracts.

Investments Sold Short

The Partnership has sold investments that it does not own and will, therefore, be obligated to purchase such investments at a future date. A gain, limited to the price at which the Partnership sold the investment, or a loss, unlimited in amount, will be realized upon the liquidation of the investment. The Partnership has recorded this obligation in the financial statements at fair value. There is an element of market risk in that, if the investments increase in value, it will be necessary to purchase the investments at a cost in excess of the obligation reflected in the statements of financial condition.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires the Partnership to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting year. Actual results could differ from those estimates and those differences could be material.

Income Taxes

The Partnership is not subject to taxes on income, capital gains or withholding tax in the Cayman Islands. Each partner in the Partnership may be subject to taxation on its share of the Partnership’s ordinary income and capital gains. In certain jurisdictions other than the Cayman Islands, taxes are withheld at the source on dividends and interest received by the Partnership. Capital gains derived by the Partnership in such jurisdictions generally will be exempt from foreign income or withholding taxes at the source.

Solaglas Investments, LP
Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Income Taxes (continued)

U.S. GAAP requires the evaluation of tax positions taken or expected to be taken to determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes. In evaluating whether a tax position has met the more likely than not recognition threshold, the Partnership presumes that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. Tax positions not deemed to meet a more likely than not threshold would be recorded as an income tax expense in the current period.

Upon the completion of any potential examination by U.S. federal, state or foreign tax jurisdiction in which the Partnership trades, tax adjustments may be necessary and retroactive to all open tax years. If an adjustment is necessary, the Partnership would recognize interest and penalties, if any, related to unrecognized tax as income tax expense in the statements of operations and performance allocation. As of December 31, 2023 and 2022, there was no impact to the financial statements relating to accounting for uncertainty in income taxes.

3. Investments and Fair Value

The Partnership's assets and liabilities measured at fair value have been categorized based upon the fair value hierarchy as reflected in the condensed schedule of investments.

Changes in Level 3 assets and liabilities for the year ended December 31, 2023 are as follows:

| | Purchases | Sales | Transfers |
|----------------|-----------|-------|-----------|
| Assets | | | |
| Investments: | | | |
| Private equity | \$ 9,586 | \$ - | \$ - |

Changes in Level 3 assets and liabilities for the year ended December 31, 2022 are as follows:

| | Purchases | Sales | Transfers |
|----------------|-----------|----------------|-----------|
| Assets | | | |
| Investments: | | | |
| Private equity | \$ 23,605 | \$ (1,515,266) | \$ - |

Solasglas Investments, LP

Notes to Financial Statements (continued)

3. Investments and Fair Value (continued)

The Manager has established valuation processes and procedures to ensure each investment's fair value is in accordance with U.S. GAAP. In the event the Partnership has an investment that cannot be readily valued per its valuation procedures as discussed in Note 2, a Valuation Committee has been designated to oversee the valuation process of such investments. The Valuation Committee is comprised of employees of the Manager and meets at least monthly to ensure that each investment is valued in accordance with the Partnership's valuation policy.

The Partnership's Level 3 investments as of December 31, 2023 and 2022, have been valued based upon the transaction price of the most recent offering from the underlying company. No unobservable inputs internally developed by the Manager have been applied to these investments.

4. Forward Transactions

On September 11, 2023, the Manager, on behalf of the Partnership, entered into a forward sales transaction to sell 937,500 shares of Green Brick Partners, Inc. ("GRBK") (the "Forward Transaction") to facilitate a reduction in the concentration of GRBK within the Partnership's portfolio. Under the terms of this transaction, sales were to be completed prior to the second quarter of 2024. This transaction was completed on January 3, 2024, generating proceeds of \$43,353,003.

The Forward Transaction, pursuant to a variable price forward sale transaction confirmation, provides for the Partnership to deliver the applicable number of GRBK shares to the counterparty at a price based on the volume weighted average price ("VWAP") of the common stock as reported in Bloomberg VWAP over a valuation period, which period will be determined by the counterparty, subject to an agreed maturity window. As these inputs are typically observable, the Forward Transaction has been categorized within Level 2 of the fair value hierarchy.

To secure its obligations under the Forward Transaction, the Partnership entered into a pledge agreement, pursuant to which it has pledged to the counterparty GRBK shares equal to the number of shares to be sold under the applicable Forward Transaction. Under the terms of the Forward Transaction, the Partnership received an initial cash payment of \$15,345,000, which is included in due to brokers in the statement of financial condition.

The Manager has entered into a second forward sales transaction to sell an additional 500,000 shares of GRBK. Under the terms of this transaction, settlement is scheduled to occur in or prior to the fourth quarter of 2024.

Solasglas Investments, LP

Notes to Financial Statements (continued)

5. Derivative Contracts

In the normal course of business, the Partnership enters into derivative contracts for investment purposes. The Partnership uses these instruments as part of its trading strategy. The Partnership's policy is to recognize each derivative contract as either an asset or liability and to measure each contract at fair value. The resulting change in unrealized appreciation or depreciation is included in the statements of operations and performance allocation.

The Partnership utilizes swap contracts as economic substitutes for investments in equity, indexes, interest rates, credit and other instruments. Swap contracts are arrangements whose valuation and resultant appreciation or depreciation is based upon the fair value fluctuations of an underlying instrument.

The Partnership enters into credit default swap contracts which are agreements in which the Partnership or a counterparty pays fixed periodic payments or an agreed-upon fixed fee to a counterparty or the Partnership in consideration for a guarantee from the counterparty or the Partnership to make a specific payment should a negative credit event take place in the underlying credit instrument. At December 31, 2023, the Partnership had outstanding contingent guarantees scheduled to terminate in December 2026 with a notional value of \$1,821,000 and a fair value of \$247,168. At December 31, 2022, the Partnership had outstanding contingent guarantees scheduled to terminate in December 2026 with a notional value of \$1,821,000 and a fair value of \$391,081.

Forward contracts obligate the Partnership to either buy or sell an asset at a specified future date and price. Futures contracts are contracts to buy or sell a standardized quantity of a specified instrument on a specified future date. Initial margin deposits are required to trade in the futures market. Futures contracts are marked to market daily. When forward and futures contracts are terminated, the Partnership recognizes a realized gain or loss equal to the difference between the value of the contract at the time it was entered into and the time it was closed.

The Partnership may buy and write put and call options or warrants. The buyer of an option has the right to purchase (in the case of a call option) or sell (in the case of a put option) a specified quantity of a specific financial instrument at a specified price prior to or on a specified expiration date.

Solasglas Investments, LP

Notes to Financial Statements (continued)

5. Derivative Contracts (continued)

The writer of an option is exposed to the risk of loss if the market price of the underlying financial instrument declines (in the case of a put option) or increases (in the case of a call option). The premium received by the Partnership upon writing an option contract is recorded as a liability and marked to market on a daily basis. The writer of an option can never profit by more than the premium paid by the buyer. In the case of a written call option, losses could be unlimited and in the case of written put options, losses are limited to the number of contracts written multiplied by the applicable strike price. As of December 31, 2023, the Partnership had written call options with a fair value of \$427,968 and had written put options with a fair value of \$66,559. As of December 31, 2022, the Partnership had written call options with a fair value of \$1,235,122 and had written put options with a fair value of \$6,977,875. Potential losses on the Partnership's written options are not representative of its net economic exposure as the Partnership has long and short exposure across a variety of different financial instruments, whereby losses on one instrument are offset by gains in other instruments.

The following tables set forth the gross fair value of derivative asset and liability contracts by primary risk type as of December 31, 2023 and 2022. The fair values of these derivatives are presented on a gross basis, even when derivatives are subject to master netting arrangements. The tables also include information on the volume of derivative activity that is approximated, on an absolute basis, by the average quarterly outstanding notional amounts for the years ended December 31, 2023 and 2022.

Solaglas Investments, LP
Notes to Financial Statements (continued)

5. Derivative Contracts (continued)

Derivative contracts as of December 31, 2023:

| <i>Underlying risk type</i> | Average notional amount outstanding | Gross derivative | |
|-----------------------------|---|----------------------|----------------------|
| | | Assets | Liabilities |
| Commodity: | | | |
| Call options ⁽¹⁾ | 350,807 | \$ 192,250 | \$ - |
| Futures contracts | 15,219,218 | - | 1,158,159 |
| Credit: | | | |
| Credit default swaps | 111,580,613 | 247,168 | 7,333,017 |
| Currency: | | | |
| Call options | 563,937 | 20,511 | - |
| Put options | 1,126,940 | 54,055 | 46,498 |
| Equity price: | | | |
| Call options ⁽¹⁾ | 11,586,634 | 35,326 | 427,968 |
| Put options ⁽¹⁾ | 16,615,251 | 1,261,736 | 20,061 |
| Total return swaps | 47,446,901 | 3,914,691 | 3,587,973 |
| Inflation: | | | |
| Total return swaps | 241,062,400 | 5,304,605 | 343,036 |
| Interest rate: | | | |
| Call options | 19,890,400 | 137,054 | - |
| Put options | 32,156,500 | - | - |
| Futures contracts | 2,533,300 | - | - |
| | | <u>\$ 11,167,396</u> | <u>\$ 12,916,712</u> |

⁽¹⁾ Average notional amounts presented are based on the quarterly delta-adjusted exposure for the respective underlying investment for the year ended December 31, 2023.

Solaglas Investments, LP
Notes to Financial Statements (continued)

5. Derivative Contracts (continued)

Derivative contracts as of December 31, 2022:

| <i>Underlying risk type</i> | Average notional amount outstanding | Gross derivative | |
|-----------------------------|---|----------------------|----------------------|
| | | Assets | Liabilities |
| Commodity: | | | |
| Call options ⁽¹⁾ | 7,575,761 | \$ - | \$ - |
| Put options ⁽¹⁾ | 385,308 | - | - |
| Futures contracts | 2,727,488 | 142,133 | - |
| Credit: | | | |
| Credit default swaps | 133,306,871 | 391,081 | 3,002,597 |
| Currency: | | | |
| Call options | 410,320 | - | - |
| Put options | 602,609 | 160,498 | - |
| Equity price: | | | |
| Call options ⁽¹⁾ | 11,103,979 | 1,335,502 | 87,216 |
| Put options ⁽¹⁾ | 5,056,144 | - | - |
| Futures contracts | 433,365 | - | - |
| Total return swaps | 23,158,219 | 1,999,176 | 638,818 |
| Inflation: | | | |
| Total return swaps | 168,362,000 | 3,945,699 | 588,231 |
| Interest rate: | | | |
| Call options | 499,629,407 | - | 1,147,906 |
| Put options | 13,056,500 | 8,733,063 | 6,977,875 |
| Futures contracts | 899,900 | 839,861 | - |
| | | <u>\$ 17,547,013</u> | <u>\$ 12,442,643</u> |

⁽¹⁾ Average notional amounts presented are based on the quarterly delta-adjusted exposure for the respective underlying investment for the year ended December 31, 2022.

Solasglas Investments, LP

Notes to Financial Statements (continued)

5. Derivative Contracts (continued)

The following is a summary of the components of the gains and losses on derivative contracts reported in the statement of operations and performance allocation for the year ended December 31, 2023:

| <i>Underlying risk type</i> | Net realized gain on derivative contracts | Net change in unrealized appreciation on derivative contracts |
|-----------------------------|---|---|
| Commodity: | | |
| Call options | \$ (1,129,361) | \$ (1,562,527) |
| Futures contracts | (2,207,174) | (1,300,928) |
| Credit: | | |
| Credit default swaps | (3,267,350) | (4,474,333) |
| Currency: | | |
| Call options | 126,130 | (236,550) |
| Put options | (1,256,374) | 728,528 |
| Equity price: | | |
| Call options | 1,319,340 | (252,974) |
| Futures contracts | (1,571,652) | - |
| Put options | (3,619,893) | (103,529) |
| Total return swaps | (3,079,100) | (1,033,640) |
| Inflation: | | |
| Total return swaps | (221,908) | 1,604,415 |
| Interest rate: | | |
| Call options | 13,399,028 | (1,029,246) |
| Put options | 1,303,770 | 147,867 |
| Futures contracts | 4,081,551 | (836,993) |
| | <u>\$ 3,877,007</u> | <u>\$ (8,349,910)</u> |

Solasglas Investments, LP

Notes to Financial Statements (continued)

5. Derivative Contracts (continued)

The following is a summary of the components of the gains and losses on derivative contracts reported in the statement of operations and performance allocation for the year ended December 31, 2022:

| <i>Underlying risk type</i> | Net realized gain on derivative contracts | Net change in unrealized appreciation on derivative contracts |
|-----------------------------|---|---|
| Commodity: | | |
| Call options | \$ 336,829 | \$ (110,643) |
| Put options | 457,184 | (142,791) |
| Futures contracts | 856,605 | (12,916) |
| Credit: | | |
| Credit default swaps | (3,592,695) | 5,573,600 |
| Currency: | | |
| Call options | (403,063) | - |
| Put options | 250,959 | (1,179,854) |
| Equity price: | | |
| Call options | 1,825,068 | 403,831 |
| Put options | (4,721,656) | 561,039 |
| Futures contracts | 2,102,457 | - |
| Total return swaps | 8,494,976 | 639,389 |
| Inflation: | | |
| Total return swaps | - | 3,354,415 |
| Interest rate: | | |
| Call options | (1,722,855) | 341,138 |
| Put options | 3,536,779 | (147,867) |
| Futures contracts | 3,284,579 | 836,161 |
| Total return swaps | 26,569 | - |
| | <u>\$ 10,731,736</u> | <u>\$ 10,115,502</u> |

Solasglas Investments, LP

Notes to Financial Statements (continued)

5. Derivative Contracts (continued)

The following is a summary of the components of the gains and losses on derivative contracts reported in the statement of operations and performance allocation for the year ended December 31, 2021:

| <i>Underlying risk type</i> | Net realized loss on derivative contracts | Net change in unrealized appreciation on derivative contracts |
|-----------------------------|---|---|
| Commodity: | | |
| Call options | \$ 88,752 | \$ 110,643 |
| Put options | 177,260 | 142,791 |
| Futures contracts | 11,885 | 143,416 |
| Total return swaps | 474,860 | (330,460) |
| Credit: | | |
| Credit default swaps | (1,711,118) | (140,181) |
| Currency: | | |
| Call options | 1,556,740 | - |
| Equity price: | | |
| Call options | 6,944,673 | (542,062) |
| Put options | (14,256,563) | 3,208,633 |
| Futures contracts | 638,141 | (629,597) |
| Total return swaps | 5,610,246 | 3,036,459 |
| Interest rate: | | |
| Call options | (976,105) | - |
| Futures contracts | (623,830) | 835 |
| | <u>\$ (2,065,059)</u> | <u>\$ 5,000,477</u> |

The Partnership's OTC derivative contracts are generally entered into with its counterparties pursuant to the International Swaps and Derivatives Association ("ISDA") Master Agreement and related documentation. If the Partnership were to default under a provision of this agreement, the counterparty could terminate the applicable derivative contract and request immediate payment of any amounts due to it or pay the Partnership any amounts due to the Partnership pursuant to such agreement.

The Partnership's statements of financial condition includes derivative contracts that are eligible for offset and that are subject to a fully-executed master netting arrangement. The Partnership presents these contracts on a gross basis (without taking into account any offset). A master netting arrangement could allow the counterparty to net payment obligations and liabilities (including collateral held by the counterparty) that the counterparty owes to the Partnership against payment obligations and liabilities (including collateral held by the Partnership) that the Partnership owes to the counterparty.

Solasglas Investments, LP

Notes to Financial Statements (continued)

5. Derivative Contracts (continued)

As of December 31, 2023, the following table provides, by counterparty, what amounts the counterparties could offset under master netting arrangements against the gross derivative assets and liabilities set forth in the Partnership's statement of financial condition:

| | Gross derivative assets ⁽¹⁾ | Gross derivative liabilities subject to master netting arrangements | Cash collateral held that could be offset | Net amounts |
|----------------|---|---|--|---------------------|
| Counterparty A | \$ 237,867 | \$ (237,867) | \$ - | \$ - |
| Counterparty C | 4,167,996 | (3,067,381) | - | 1,100,615 |
| Counterparty E | 2,905,571 | (2,905,571) | - | - |
| Counterparty F | 1,145,335 | - | - | 1,145,335 |
| Counterparty I | 2,702,792 | - | - | 2,702,792 |
| Total | <u>\$ 11,159,561</u> | <u>\$ (6,210,819)</u> | <u>\$ -</u> | <u>\$ 4,948,742</u> |

⁽¹⁾ Derivative assets exclude call options of \$7,835 which are not subject to master netting arrangements.

| | Gross derivative liabilities ⁽¹⁾ | Gross derivative assets subject to master netting arrangements | Cash collateral posted that could be offset | Net amounts |
|----------------|--|--|--|-------------|
| Counterparty A | \$ 1,015,119 | \$ (237,867) | \$ (777,252) | \$ - |
| Counterparty C | 3,067,381 | (3,067,381) | - | - |
| Counterparty E | 7,676,053 | (2,905,571) | (4,770,482) | - |
| Total | <u>\$ 11,758,553</u> | <u>\$ (6,210,819)</u> | <u>\$ (5,547,734)</u> | <u>\$ -</u> |

⁽¹⁾ Derivative liabilities exclude futures contracts of \$1,158,159 which are not subject to master netting arrangements.

Solasglas Investments, LP

Notes to Financial Statements (continued)

5. Derivative Contracts (continued)

As of December 31, 2022, the following table provides, by counterparty, what amounts the counterparties could offset under master netting arrangements against the gross derivative assets and liabilities set forth in the Partnership's statement of financial condition:

| | Gross derivative assets ⁽¹⁾ | Gross derivative liabilities subject to master netting arrangements | Cash collateral held that could be offset | Net amounts |
|----------------|---|---|--|--------------|
| Counterparty A | \$ 721,048 | \$ (249,621) | \$ - | \$ 471,427 |
| Counterparty C | 5,147,098 | (3,590,828) | - | 1,556,270 |
| Counterparty D | 1,295,960 | (56,472) | - | 1,239,488 |
| Counterparty E | 91,745 | (83,187) | - | 8,558 |
| Counterparty I | 536,563 | - | - | 536,563 |
| Total | \$ 7,792,414 | \$ (3,980,108) | \$ - | \$ 3,812,306 |

⁽¹⁾ Derivative assets exclude futures of \$981,994, call options of \$39,542 and put options of \$8,733,063, which are not subject to master netting arrangements.

| | Gross derivative liabilities ⁽¹⁾ | Gross derivative assets subject to master netting arrangements | Cash collateral posted that could be offset | Net amounts |
|----------------|--|--|--|-------------|
| Counterparty A | \$ 249,621 | \$ (249,621) | \$ - | \$ - |
| Counterparty C | 3,590,828 | (3,590,828) | - | - |
| Counterparty D | 56,472 | (56,472) | - | - |
| Counterparty E | 83,187 | (83,187) | - | - |
| Counterparty F | 306,008 | - | (306,008) | - |
| Total | \$ 4,286,116 | \$ (3,980,108) | \$ (306,008) | \$ - |

⁽¹⁾ Derivative liabilities exclude call options of \$1,178,650 and put options of \$6,977,875, which are not subject to master netting arrangements.

6. Due From/To Brokers

The due from/to brokers balances, recorded on a net-by-counterparty basis, in the accompanying statements of financial condition include cash, margin debt balances, collateral pledged or received and amounts receivable or payable for investment transactions that have not yet settled at December 31, 2023 and 2022. At December 31, 2023 and 2022, due from brokers included \$29,304,672 and \$19,512,354, respectively, related to collateral balances underlying the Partnership's derivative contracts, which may be restricted in nature.

The cash at the brokers, at times, may exceed the amount insured by the Securities Investor Protection Corporation.

Solasglas Investments, LP

Notes to Financial Statements (continued)

7. Partnership Terms and Related Party Transactions

Management Fees

The Partnership pays the Manager, an affiliate of the General Partner, a monthly management fee in advance equal to 0.125% (1.5% per annum) of each limited partner's Investment Portfolio, in accordance with the Partnership Agreement (the "Agreement"). The Investment Portfolio is equal to the product of a limited partner's capital account at the beginning of each month multiplied by a ratio agreed upon by the Partners in accordance with the Agreement.

Allocation of Income (Loss) and Performance Allocation

The Agreement specifies that the net increase or decrease in partners' capital resulting from operations for each fiscal period shall be allocated to the partners in proportion to the ratio of each partner's capital account to the sum of all capital accounts with the exception of net income or loss on security transactions deemed new issues ("New Issues") as defined by the Financial Industry Regulatory Authority, Inc. ("FINRA"). The net increase on New Issues is allocated to the Partners based on each partner's eligibility to participate in New Issues. The Agreement also specifies that any investment may, from time to time, be deemed a Designated Security by the Manager. The net increase or decrease on Designated Securities will be allocated as deemed appropriate by the Manager.

At the end of each calendar year, 20% of the net increase in partners' capital resulting from operations (subject to a reduction to 10% for an amount equal to any carryforward loss as specified in the Agreement) is reallocated to the capital account of the General Partner from the capital account of each limited partner as a performance allocation.

Withdrawal Policy

The Limited Partners may withdraw all or part of their capital account with a three day notice period, subject to the terms and restrictions set forth in the Agreement. The General Partner shall give ten days' written notice to the Limited Partners prior to making a withdrawal that would cause its capital account to be less than ten percent of the aggregate capital accounts of all partners.

Contribution Policy

The Limited Partners may contribute capital to the Partnership in accordance with the Agreement. From time to time, the General Partner may contribute additional capital to ensure that its capital account balance is at least ten percent of the aggregate capital account balances of all partners.

Solasglas Investments, LP

Notes to Financial Statements (continued)

7. Partnership Terms and Related Party Transactions (continued)

Other Related Party Transactions

The President of the Manager serves as the chairman of the board of directors of GRBK. He also serves as chairman of the board of directors of Greenlight Capital Re, Ltd., the parent company of the Limited Partners.

The Partnership is responsible for the payment of its own operating and other expenses. For operational efficiency, an affiliate of the Manager may act as a common pay agent and pay for some of these expenses on behalf of the Partnership and will subsequently be reimbursed. There was no such liability on December 31, 2023 or 2022.

8. Risks

In the normal course of business, the performance of any investment is subject to numerous factors which are not predictable by or within the control of the Partnership. Such factors include a wide range of economic, political, competitive and other conditions that may affect investments in general or specific industries or companies. These investments may include investments sold short, commodities, options, swaps and other derivative contracts.

The Partnership's investment objective necessarily subjects the Partnership to various significant risks, both on and off balance sheet, including those that follow. The following summary is not intended to be a comprehensive summary of all risks relating to the operations and investment activities that the Partnership is exposed to.

Market Risk

Market risk represents the potential loss that can be caused by a change in the fair value of an investment. The Partnership's exposure to market risk may be due to many factors, including the movement in interest rates, foreign exchange rates, indices, market volatility, and commodity and security values underlying its investments.

Lack of Valuation Data; Limited Liquidity of Investments

The Partnership may invest in securities and other assets which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices for such investments tend to be volatile and may not be readily ascertainable, and the Partnership may not be able to sell such investments when the Partnership desires to do so or to realize what the Partnership perceives to be the fair value of such investments in the event of a sale. The Partnership may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Solasglas Investments, LP

Notes to Financial Statements (continued)

8. Risks (continued)

Potential Concentration of Investments

The Partnership seeks to maintain a diversified portfolio. Although the Manager expects to spread the Partnership's capital among a number of investments, it may depart from such policy from time to time and may hold a few, relatively large positions in relation to the Partnership's capital (subject to the investment guidelines per the Agreement). Since the Partnership's portfolio is not necessarily widely diversified, the net assets of the Partnership may be subject to more rapid changes in value than would be the case if the Partnership maintained a more diversified investment portfolio.

Investments in Foreign Securities

Investments in foreign securities involve certain risks not typically associated with investing in U.S. securities, such as risks relating to (a) currency exchange matters between the U.S. dollar and the various foreign currencies in which the Partnership's portfolio securities will be denominated and costs associated with conversion of investment principal and income from one currency into another, (b) differences between the U.S. and foreign securities markets, (c) political, social or economic instability, and (d) certain tax-related risks including, without limitation, uncertainties in the application of tax laws by non-U.S. jurisdictions, the imposition of withholding and other taxes on dividends, interest, capital gains or other income.

Investments Sold Short

Short sales require the Partnership to borrow a security that it does not own. If the price of a security sold short increases, the Partnership may have to provide additional collateral to maintain the short position. This could require the Partnership to increase the amount of the Partnership's leverage or sell other portfolio investments to provide such additional collateral. Also, the lender of the securities sold short can request their return. Under adverse market conditions, the Partnership might not be able to purchase securities to meet the delivery requirement or may not be able to borrow securities from other lenders. In such an event, the Partnership may be subject to a mandatory close-out of the short position, which could result in unintended costs and losses. It may not be possible to borrow securities when the Manager wishes to make a short sale, particularly in illiquid markets. Traditional lenders of securities might be less likely to lend securities under certain market conditions. As a result, the Partnership may not be able to effectively pursue a short selling strategy due to a limited supply of securities available for borrowing. In addition, regulatory authorities may impose restrictions and prohibitions on short selling activities that could adversely affect the Partnership's ability to engage in short sales or borrow certain securities in connection with short sales.

Solasglas Investments, LP

Notes to Financial Statements (continued)

8. Risks (continued)

Leverage

As part of the Partnership's investment strategy (subject to the investment guidelines per the Agreement) and subject to applicable margin and other limitations, the Partnership may borrow funds from its counterparties in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of the Partnership's portfolio would be amplified. In addition, the Partnership could potentially create leverage via the use of instruments such as options, swaps and other derivative contracts.

Credit Risk

Although the Partnership intends to enter into transactions only with counterparties that the Manager believes to be creditworthy, there can be no assurance that a counterparty will not default and that the Partnership will not sustain a loss on a transaction as a result. If an obligor (such as the issuer or a party offering credit enhancement) for an investment held by the Partnership, a counterparty to a derivative contract with the Partnership, or a prime broker or other service provider to the Partnership, fails to pay, otherwise defaults or is perceived to be less creditworthy, a security's credit rating is downgraded or the credit quality or value of any underlying assets declines, the value of such investment could decline. In addition, the Partnership may incur expenses to protect the Partnership's interests in securities experiencing these events.

Counterparty Risk

The Partnership has relationships that provide prime brokerage, derivative intermediation and financing services that permit the Partnership to trade in a variety of markets and asset classes as well as custody its cash, investments and derivatives. However, there can be no assurance that the Partnership will be able to maintain such relationships. An inability to maintain such relationships could limit the Partnership's trading activities, create losses, preclude the Partnership from engaging in certain transactions or prevent the Partnership from trading at optimal rates and terms.

The assets of the Partnership will generally be held in accounts maintained for it by its prime brokers or in accounts with other market participants, including non-U.S. sub-custodians. The accounts generally will not be segregated, bankruptcy-remote accounts titled in the Partnership's name and, therefore, a failure of any broker or market participant is likely to have a greater adverse impact than if the assets, or the accounts in which they are held, were registered in the name of the Partnership. In addition, because the Partnership's investments generally will be held in margin accounts, and the prime brokers will have the ability to lend those securities to other market participants, the Partnership's ability to recover all of its assets in the context of a bankruptcy or other failure of a prime broker may be further limited.

Solasglas Investments, LP

Notes to Financial Statements (continued)

8. Risks (continued)

Counterparty Risk (continued)

Many of the markets in which the Partnership will effect transactions are not exchange-based. The stability and liquidity of OTC transactions will depend in large part on the creditworthiness of the parties to the transactions. OTC transactions could expose the Partnership to the risk that a counterparty will not settle a transaction in accordance with its terms or because of a credit or liquidity problem, causing the Partnership to suffer a loss. Such counterparty risk is accentuated where the Partnership has concentrated its transactions with a single or small group of counterparties.

If a counterparty defaults, under normal circumstances the Partnership will have contractual remedies against the counterparty. However, exercising such contractual rights may involve delays or costs. Furthermore, there is a risk that a counterparty could become insolvent. In such an event, the Partnership's ability to recover securities from such counterparty or receive payment of claims therefore may be significantly delayed and the Partnership may recover less than the full value of its securities. This is particularly true with respect to counterparties located in jurisdictions outside the United States where the application of non-U.S. insolvency laws may be subject to substantial limitations and uncertainties.

Currency Risk

It is expected that the Partnership's portfolio will contain investments denominated in currencies other than the U.S. dollar. Changes in the value of other currencies against the value of the U.S. dollar could have an adverse impact on the performance of the Partnership. The Partnership may enter into currency hedging transactions, but is not required or expected to do so, and such transactions have an associated cost that could reduce investment returns. Spot and forward currency prices are highly volatile and price movements for spot and forward currency contracts may be influenced by, among other things, the foregoing risks.

Commitments

In the normal course of business, the Partnership enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Partnership's maximum exposure under these arrangements is unknown, as this would involve future claims against the Partnership that have not yet occurred. However, the Partnership has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

At December 31, 2023 and 2022, the Partnership is committed to invest up to \$5,738,998, and \$6,185,568, respectively, of additional capital in various investments.

Solaglas Investments, LP
Notes to Financial Statements (continued)

8. Risks (continued)

Contingencies

The Partnership's investment activities expose the Partnership to legal and tax matters that may result in contingencies including threatened or asserted litigations or claims. Any such matters that give rise to probable litigation and can be reasonably estimated are accrued. Based on its current assessment of any ongoing matters, the Partnership expects the loss from any such contingencies to be remote and there are no accruals for any such matters at December 31, 2023 or 2022.

9. Financial Highlights

The financial highlights represent the Partnership's financial performance for the years ended December 31, 2023, 2022, 2021, 2020 and 2019.

An individual limited partner's performance may vary based on the timing of capital transactions, the applicable loss carryforward and the allocation of Designated Securities.

The net investment loss ratio does not include the effect of any performance allocation.

Total return is computed based on geometric linking of monthly returns of the Limited Partners' capital, as required by U.S. GAAP, which differ from returns based upon the Limited Partners' Investment Portfolio. Monthly rates of return are compounded to derive total return for the year. The expense and net investment loss ratios are calculated based on the expenses and net investment loss allocated to the Limited Partners' capital accounts during the years ended December 31, 2023, 2022, 2021, 2020 and 2019.

| | For the year ended December 31, | | | | |
|--|---------------------------------|--------|--------|--------|--------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Percentages to average Limited Partners' capital: | | | | | |
| Expenses | 6.2 % | 3.7 % | 3.4 % | 2.5 % | 3.6 % |
| Performance allocation | 1.5 | 3.5 | 1.1 | 0.2 | 2.0 |
| Total expenses and performance allocation | 7.7 % | 7.2 % | 4.5 % | 2.7 % | 5.6 % |
| Net investment loss | (2.5)% | (2.1)% | (3.0)% | (1.7)% | (1.3)% |
| Total return before performance allocation | 17.4 % | 39.9 % | 9.7 % | 4.8 % | 18.9 % |
| Performance allocation | (1.7) | (4.0) | (1.2) | (0.3) | (1.7) |
| Total return after performance allocation | 15.7 % | 35.9 % | 8.5 % | 4.5 % | 17.2 % |

Solasglas Investments, LP

Notes to Financial Statements (continued)

9. Subsequent Events

Subsequent events have been evaluated by the Manager from January 1, 2024 through March 5, 2024, the date the financial statements were available to be issued. The Manager has determined that there are no material events that would require disclosure in the Partnership's financial statements.

