

## Report of Independent Auditors

The Board of Directors  
Odin Re Ltd

### Opinions

We have audited the accompanying condensed financial statements of Odin Re Ltd (the “Company”), which comprise the condensed balance sheets and condensed statements of capital and surplus as of December 31, 2022 and 2021, and the related condensed statements of income for the years then ended, including the related notes (collectively referred to as the “condensed financial statements”).

#### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the accompanying condensed financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations for the years then ended in accordance with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to condensed general purpose financial statements (the “Legislation”).

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the *Basis for adverse opinion on U.S. generally accepted accounting principles* section of our report, the accompanying condensed financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2022 and 2021, or the results of its operations for the years then ended.

### Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the *Auditors’ responsibilities for the audit of the condensed financial statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Reference: Report of Independent Auditors on the condensed financial statements of Odin Re Ltd as at December 31, 2022 and for the year then ended.*

### *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 3 to the condensed financial statements, the condensed financial statements are prepared by the Company on the basis of the financial reporting provisions of the Legislation, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Bermuda Monetary Authority.

The effects on the condensed financial statements of the variances between the regulatory basis of accounting described in Note 3 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### **Responsibilities of Management for the Condensed Financial Statements**

Management is responsible for the preparation and fair presentation of the condensed financial statements in accordance with the financial reporting provisions of the Legislation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the condensed financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the condensed financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Condensed Financial Statements**

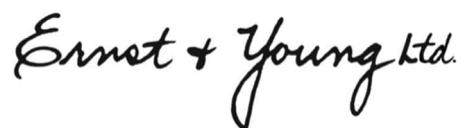
Our objectives are to obtain reasonable assurance about whether the condensed financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the condensed financial statements.

*Reference: Report of Independent Auditors on the condensed financial statements of Odin Re Ltd as at December 31, 2022 and for the year then ended.*

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the condensed financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the condensed financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the condensed financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



April 27, 2023

Chartered Professional Accountants

*Reference: Report of Independent Auditors on the condensed financial statements of Odin Re Ltd as at December 31, 2022 and for the year then ended.*

# CONDENSED CONSOLIDATED BALANCE SHEET

Union Re Ltd

As at

expressed in ['000s]

December 31, 2022

United States Dollars

LINE No.

2022

2021

1. CASH AND CASH EQUIVALENTS

1,678,773

1,642,208

2. QUOTED INVESTMENTS:

(a) Bonds and Debentures

i. Held to maturity

ii. Other

(b) Total Bonds and Debentures

(c) Equities

i. Common stocks

ii. Preferred stocks

iii. Mutual funds

(d) Total equities

(e) Other quoted investments

(f) Total quoted investments

-

-

-

-

-

-

-

-

3. UNQUOTED INVESTMENTS:

(a) Bonds and Debentures

i. Held to maturity

ii. Other

(b) Total Bonds and Debentures

(c) Equities

i. Common stocks

ii. Preferred stocks

iii. Mutual funds

(d) Total equities

(e) Other unquoted investments

(f) Total unquoted investments

-

-

-

-

56,357

106,220

56,357

106,220

4. INVESTMENTS IN AND ADVANCES TO AFFILIATES

(a) Unregulated entities that conduct ancillary services

(b) Unregulated non-financial operating entities

(c) Unregulated financial operating entities

(d) Regulated non-insurance financial operating entities

(e) Regulated insurance financial operating entities

(f) Total investments in affiliates

(g) Advances to affiliates

(h) Total investments in and advances to affiliates

-

-

-

-

5. INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:

(a) First liens

(b) Other than first liens

(c) Total investments in mortgage loans on real estate

-

-

6. POLICY LOANS

7. REAL ESTATE:

(a) Occupied by the company (less encumbrances)

(b) Other properties (less encumbrances)

(c) Total real estate

-

-

8. COLLATERAL LOANS

9. INVESTMENT INCOME DUE AND ACCRUED

10. ACCOUNTS AND PREMIUMS RECEIVABLE:

(a) In course of collection

(b) Deferred - not yet due

(c) Receivables from retrocessional contracts

(d) Total accounts and premiums receivable

140,463

160,908

140,463

160,908

11. REINSURANCE BALANCES RECEIVABLE:

(a) Foreign affiliates

(b) Domestic affiliates

(c) Pools & associations

(d) All other insurers

(e) Total reinsurance balance receivable

33,157

44,234

33,157

44,234

12. FUNDS HELD BY CEDING REINSURERS

178,678

186,279

13. SUNDRY ASSETS:

(a) Derivative instruments

(b) Segregated accounts companies - long-term business - variable annuities

# CONDENSED CONSOLIDATED BALANCE SHEET

Odin Rø Ltd

As at

expressed in ['000s]

December 31, 2022

United States Dollars

## LINE No.

- (c) Segregated accounts companies - long-term business - other
- (d) Segregated accounts companies - general business
- (e) Deposit assets
- (f) Deferred acquisition costs
- (g) Net receivables for investments sold
- (h) Expense reimbursement debtor
- (i) Prepaids Cash Call and Expenses
- (j) Interest Receivable
- (k) Total sundry assets

2022	2021
2,775	4,305
428	524
89	55
95	
3,387	4,884

- 14. LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS
- (a) Letters of credit
- (b) Guarantees
- (c) Other instruments
- (e) Total letters of credit, guarantees and other instruments

-	-

- 15. TOTAL

2,090,815	2,144,732
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## TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS

- 16. UNEARNED PREMIUM RESERVE
- (a) Gross unearned premium reserves
- (b) Less: Ceded unearned premium reserve
  - i. Foreign affiliates
  - ii. Domestic affiliates
  - iii. Pools & associations
  - iv. All other insurers
- (c) Total ceded unearned premium reserve
- (d) Net unearned premium reserve

21,651	36,176
21,651	36,176
21,651	36,176
-	-

- 17. LOSS AND LOSS EXPENSE PROVISIONS:
- (a) Gross loss and loss expense provisions
- (b) Less : Reinsurance recoverable balance
  - i. Foreign affiliates
  - ii. Domestic affiliates
  - iii. Pools & associations
  - iv. All other reinsurers
- (c) Total reinsurance recoverable balance
- (d) Net loss and loss expense provisions

346,305	359,868
346,305	359,868
346,305	359,868
-	-

- 18. OTHER GENERAL BUSINESS INSURANCE RESERVES

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- 19. TOTAL GENERAL BUSINESS INSURANCE RESERVES

-	-
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# CONDENSED CONSOLIDATED BALANCE SHEET

Union Re Ltd

As at

expressed in ['000s]

December 31, 2022

United States Dollars

LINE No.

2022

2021

## LONG-TERM BUSINESS INSURANCE RESERVES

20. RESERVE FOR REPORTED CLAIMS

21. RESERVE FOR UNREPORTED CLAIMS

22. POLICY RESERVES - LIFE

23. POLICY RESERVES - ACCIDENT AND HEALTH

24. POLICYHOLDERS' FUNDS ON DEPOSIT

25. LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS

26. OTHER LONG-TERM BUSINESS INSURANCE RESERVES

27. TOTAL LONG-TERM BUSINESS INSURANCE RESERVES

(a) Total Gross Long-Term Business Insurance Reserves

(b) Less: Reinsurance recoverable balance on long-term business

(i) Foreign Affiliates

(ii) Domestic Affiliates

(iii) Pools and Associations

(iv) All Other Insurers

(c) Total Reinsurance Recoverable Balance

(d) **Total Net Long-Term Business Insurance Reserves**

## OTHER LIABILITIES

28. INSURANCE AND REINSURANCE BALANCES PAYABLE

29. COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE

30. LOANS AND NOTES PAYABLE

31. (a) INCOME TAXES PAYABLE

(b) DEFERRED INCOME TAXES

32. AMOUNTS DUE TO AFFILIATES

33. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

34. FUNDS HELD UNDER REINSURANCE CONTRACTS:

35. DIVIDENDS PAYABLE

36. SUNDRY LIABILITIES:

(a) Derivative instruments

(b) Segregated accounts companies

(c) Deposit liabilities

(d) Net payable for investments purchased

(e) Ceded Deferred Acquisition Costs

(f)

(g)

(h) Total sundry liabilities

37. LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:

(a) Letters of credit

(b) Guarantees

(c) Other instruments

(d) Total letters of credit, guarantees and other instruments

38. TOTAL OTHER LIABILITIES

39. TOTAL INSURANCE RESERVES AND OTHER LIABILITIES

## CAPITAL AND SURPLUS

40. TOTAL CAPITAL AND SURPLUS

41. TOTAL

275,788

294,545

21,773

3,272

1,724,763

1,705,821

56,357

128,007

314

211

2,775

4,305

59,446

132,524

2,081,770

2,136,162

2,081,770

2,136,162

9,045

8,570

2,090,815

2,144,732

# CONDENSED CONSOLIDATED STATEMENT OF INCOME

Odin Re Ltd

As at

expressed in ['000s]

December 31, 2022

United States Dollars

LINE No.		2022	2021
	<b>GENERAL BUSINESS UNDERWRITING INCOME</b>		
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written	235,823	251,372
	(b) Assumed gross premiums written		
	(c) Total gross premiums written	235,823	251,372
2.	REINSURANCE PREMIUMS CEDED	235,823	251,372
3.	NET PREMIUMS WRITTEN	0	-
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS		
5.	NET PREMIUMS EARNED	0	-
6.	OTHER INSURANCE INCOME	-	
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	0	-
	<b>GENERAL BUSINESS UNDERWRITING EXPENSES</b>		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED		
9.	COMMISSIONS AND BROKERAGE	-	
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	-	-
11.	<b>NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS</b>	0	-
	<b>LONG-TERM BUSINESS INCOME</b>		
12.	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations		
	(b) Assumed gross premiums and other considerations		
	(c) Total gross premiums and other considerations	-	-
13.	PREMIUMS CEDED		
14.	NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total net premiums and other considerations	-	-
15.	OTHER INSURANCE INCOME		
16.	TOTAL LONG-TERM BUSINESS INCOME	-	-
	<b>LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES</b>		
17.	CLAIMS - LIFE		
18.	POLICYHOLDERS' DIVIDENDS		
19.	SURRENDERS		
20.	MATURITIES		
21.	ANNUITIES		
22.	ACCIDENT AND HEALTH BENEFITS		
23.	COMMISSIONS		
24.	OTHER		
25.	TOTAL LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES	-	-
26.	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES):		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total increase (decrease) in policy reserves	-	-

# CONDENSED CONSOLIDATED STATEMENT OF INCOME

Odin Re Ltd

As at

expressed in ['000s]

December 31, 2022

United States Dollars

LINE No.		2022	2021
27.	TOTAL LONG-TERM BUSINESS EXPENSES	-	-
28.	<b>NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS</b>	-	-
29.	<b>COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS</b>	0	-
	<b>UNDERNOTED ITEMS</b>		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	202	138
	(b) Personnel cost		
	(c) Other		
	(d) Total combined operating expenses	202	138
31.	COMBINED INVESTMENT INCOME - NET	746	5
32.	COMBINED OTHER INCOME (DEDUCTIONS)	(28)	(94)
33.	COMBINED INCOME BEFORE TAXES	516	(226)
34.	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current		
	(b) Deferred		
	(c) Total	-	-
35.	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	516	(226)
36.	COMBINED REALIZED GAINS (LOSSES)		
37.	COMBINED INTEREST CHARGES		
38.	NET INCOME	516	(226)



# CONDENSED CONSOLIDATED STATEMENT OF CAPITAL AND SURPLUS

Odin Re Ltd

As at  
expressed in ['000s]

December 31, 2022  
United States Dollars

LINE No.

2022

2021

## 1. CAPITAL:

### (a) Capital Stock

#### (i) Common Shares

authorized 120,000 shares of par  
value \$ 1,000 each issued and  
fully paid 120,000 shares

120

120

#### (ii)

#### (A) Preferred shares:

authorized \_\_\_\_\_ shares of par  
value \_\_\_\_\_ each issued and  
fully paid \_\_\_\_\_ shares

aggregate liquidation value for –

2022 \_\_\_\_\_

2021 \_\_\_\_\_

#### (B) Preferred shares issued by a subsidiary:

authorized \_\_\_\_\_ shares of par  
value \_\_\_\_\_ each issued and  
fully paid \_\_\_\_\_ shares

aggregate liquidation value for –

2022 \_\_\_\_\_

2021 \_\_\_\_\_

#### (iii) Treasury Shares

repurchased \_\_\_\_\_ shares of par  
value \_\_\_\_\_ each issued

### (b) Contributed surplus

7,838

7,879

### (c) Any other fixed capital

#### (i) Hybrid capital instruments

#### (ii) Guarantees and others

#### (iii) Total any other fixed capital

-

-

### (d) Total Capital

7,958

7,999

## 2. SURPLUS:

### (a) Surplus - Beginning of Year

571

797

### (b) Add: Income for the year

516

(226)

### (c) Less: Dividends paid and payable

### (d) Add (Deduct) change in unrealized appreciation (depreciation) of investments

### (e) Add (Deduct) change in any other surplus

-

### (f) Surplus - End of Year

1,087

571

## 3. MINORITY INTEREST

## 4. TOTAL CAPITAL AND SURPLUS

9,045

8,570

**ODIN RE LTD**  
**NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**  
**(Expressed in US\$ 000s)**

**Matters to be set forth in a General Note to the Financial Statements**

1. Odin Re Ltd (the "Company") is a Bermuda exempted company limited by shares incorporated in Bermuda on November 19, 2018, licensed as a Class 3A insurer effective July 17, 2019 under the Bermuda Insurance Act 1978 and Related Regulations, as amended (the "Insurance Act") and licensed as a Segregated Accounts Company effective December 6, 2018 under the Segregated Accounts Companies Act 2000 ("SAC Act"). The Company is a wholly owned direct subsidiary of Securis (Bermuda) SPI Holding Ltd., a Bermuda exempted holding company limited by shares incorporated on November 19, 2018 ("Securis Holding") which in turn is directly and wholly owned by Securis SPI Trust, a Bermuda purpose trust formed on November 15, 2018.
2. The Company, through its Segregated Accounts, writes reinsurance contracts collateralized to the contractual limit. The reinsurance coverage provided relates primarily to catastrophe reinsurance contracts which provides cover for unpredictable events such as hurricanes, windstorms, earthquakes, fires, floods and other man made or natural disasters. The counterparties acting as cedants are predominately located in North America, Europe, Japan and Australia and fulfill predefined due diligence and credit risk criteria. In addition, every reinsurance contract is separately structured and funded via a trust account pursuant to a Quota Share Agreement between the Company and a fellow subsidiary, Freya Re Ltd.
3. The condensed general purpose financial statements are prepared in accordance with financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Accounts Rules 2016 with respect to condensed general purpose financial statements (the "Legislation"). The recognition and measurement principles applied are in line with accounting principles generally accepted in the United States of America ("US GAAP"). The presentation of these financial statements in accordance with the guidance prescribed under the legislation differs from US GAAP in certain respects as follows:
  - a) The format of the financial statements is prescribed by schedules IX and X of the Insurance Accounts Rules 2016.
  - b) Statement of Cash Flows or equivalent is not included; and
  - c) Certain disclosures required by US GAAP are not included.
4. The significant accounting policies of the Company are as set out below:

**Functional and presentation currency**

The condensed general purpose financial statements are presented in U.S. dollars, which is the Company's functional and presentation currency. All financial information presented in U.S. dollars has been rounded to the nearest thousands, except when otherwise indicated.

**Uses of estimates and judgments**

The preparation of the condensed general purpose financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and amounts reported in the condensed consolidated general purpose balance sheet, condensed consolidated general purpose income statement and related supporting notes. Actual results may differ from these estimates.

**Financial assets and liabilities**

Financial assets and liabilities are recognized on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instruments. The Company's financial assets and liabilities are recorded initially at fair value. Financial assets are derecognized when the Company no longer has rights to cash flows, the risk and rewards of ownership or control of the assets. Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled or it expires.

**Cash and cash equivalents**

Cash and cash equivalents include amounts held in banks and funds having short term liquidity. The carrying value approximates fair market value because of the short-term liquidity.

**ODIN RE LTD**

**NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDING DECEMBER 31, 2022**

**(Expressed in US\$ 000s)**

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized at fair value plus any directly attributable transaction cost. After initial recognition, these are measured at amortized cost less any impairment losses.

**Investments**

The Company holds a number of unquoted investments in redeemable preference shares in other third-party insurance transformer vehicles within segregated accounts. These third-party vehicles are party to reinsurance contracts. These investments have been accounted for as equity securities and are held on the balance sheet at fair value in accordance with the provisions set out in ASC 320-10. These investments were assessed for their fair value by an independent loss reserving specialist as at the balance sheet date and any movements in fair value are adjusted through the Income Statement.

**Derivative financial instruments**

The Company's investments in third party insurance transformer vehicles described above is also retroceded to its affiliate, Freya Re Ltd under the terms of the Quota Share Agreement described in 2 above. This results in an embedded derivative since the Company has effectively reinsured its risk of loss under the investment held contracts. The embedded derivative is valued at fair value based on changes in unrealized gain or loss in the underlying investments.

**Accounts payable and accrued liabilities**

Accounts payable and accrued liabilities are recognized when due and measured on initial recognition at fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost. Included in this balance is interest payable to Freya Re Ltd and accrual of administrative expenses.

**Fair value of financial instruments**

Estimated fair value of financial instruments held by the Company approximate carrying value due to their liquid and short-term nature.

**Segregated account assets and liabilities**

The Company operates segregated accounts, each of which insure certain risks of the owners of that segregated account. Losses incurred by each segregated account are limited to the assets available within that segregated account. The segregated accounts do not transfer insurance risk to the Company. The Company has aggregated assets and liabilities held within its General Account and segregated accounts in the balance sheet. Similarly, the result of assets and liabilities and operations of the General Account and segregated accounts have been aggregated and included in the income statement.

**Premiums**

Premiums assumed and ceded within the segregated accounts are recorded on an accrual basis. Premiums are included in the segregated accounts earnings on a pro-rata basis over the periods of the respective policies. The portion of the premium related to the unexpired portion of the policy is reflected in unearned premiums at the end of the fiscal year. The reinsurer's share of unearned premiums, net of a provision for doubtful amounts, is recognized as an asset at the same time and using principles consistent with the Company's method for determining unearned premiums.

**Acquisition costs and deferred acquisition costs**

Acquisition costs represent commissions, brokerage and other variable costs that relate directly to the successful sale of new contracts and the renewal of existing contracts. Acquisition costs are deferred and amortized in the period(s) over which the related premiums are earned. Deferred acquisition costs are reviewed at the reporting date and impaired where they are no longer considered to be recoverable out of future margins from the related revenues. Deferred Acquisition Cost and commissions at the Odin Re Ltd level are then ceded out to Freya Re Ltd as part of the 100% quota share agreement.

**Provision for Loss and Loss expenses**

**ODIN RE LTD**  
**NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**  
**(Expressed in US\$ 000s)**

The provision for losses and loss expenses, which includes the estimated liability for claims reported to the segregated accounts (outstanding loss reserves) and for claims incurred but not reported (IBNR reserves). Outstanding loss reserves are established by management based on reports from brokers and cedants and represents the unpaid portion of the ultimate cost of events that have been reported to, or specifically identified by, the Company. IBNR reserves are established by management based on actuarially determined estimates of ultimate losses and loss expenses. The estimates are regularly reviewed and updated, and any resulting adjustments are included in the statutory statement of income in the period in which they are made. While management believes that the amount is adequate, the ultimate liability may be in excess of, or less than the amount provided.

**Reinsurance Recoverable**

Company losses recoverable under the Quota Share Agreement for reserves are recognized within segregated accounts. Such assets are recognized in a manner consistent with the provision for loss and loss expenses.

**Translation of Foreign Currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at year-end and non-monetary assets and liabilities at historical exchange rates. Revenues and expenses are translated using the average rate for the period. The resulting translation gain or loss is included in the determination of net income.

**Investment/Interest income**

Interest income on bank and trust account balances is earned on an accrual basis.

**Income Taxes**

Under current Bermuda law the Company is not required to pay any taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Minister of Finance in Bermuda that in event of any such taxes being imposed the Company will be exempted from taxation until the year 2035.

The Company is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority. Based on its analysis, the Company has determined that it has not incurred any liability for unrecognised tax benefits as of December 31, 2022.

5. The basis of recognition of premium, acquisition cost, ceded acquisition cost, and investment income are set out in note 4 above. The Company does not earn commission income.
6. The Company's functional currency is the U.S. dollar. Transactions in foreign currencies are recorded in U.S. dollars at the exchange rate in effect on the transaction date. Monetary assets and liabilities in foreign currencies are translated at the exchange rates in effect at the reporting date and foreign exchange gains and losses are included in the statement of income.
7. There are no foreign exchange control restrictions affecting the assets of the Company.
8. There are no material contingencies or commitments at the balance sheet date.
9. The Company did not issue any securities or enter any credit agreements during the financial year.
10. The Company did not have any preferred cumulative shares.
11. There was no loan made by the Company to any director or officer of the Company outside the ordinary course of business during the financial year.
12. The Company has no employees, hence no retirement benefit obligations.
13. All investments are held at fair value and are Level 3.
14. No investments have a contractual maturity date.

**ODIN RE LTD**

**NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDING DECEMBER 31, 2022**

**(Expressed in US\$ 000s)**

15. The Company retrocedes all of its insurance exposure under the Quota Share Agreements to an affiliate, Freya Re Ltd. All reinsurance premium payable, reinsurance recoveries receivable, reinsurer collateral and interest payable with the Company's segregated accounts are due to or from Freya Re Ltd. Below are the values of balances and transactions with Freya Re Ltd.

Balance Sheet – Segregated Accounts	US\$ 000 2022	US\$ 000 2021
Reinsurance recoveries receivable	378,931	404,102
Derivative asset	10,781	-
Expense reimbursement	428	524
Reinsurance premium payable	(236,546)	(233,640)
Reinsurer collateral	(1,791,900)	(1,821,190)
Derivative payable	-	(12,639)
Payable to Freya	(21,773)	(2,800)

**Statement of Income and Retained Earnings – Segregated Accounts**

Reinsurance ceded (net of underwriting expenses)	(214,659)	(217,042)
Reinsurance recovery received	129,814	166,305
Movement in Reinsurance recoveries	(13,563)	145,822
Interest expense	(19,543)	(170)
Expense reimbursement	584	434

16. There are no subsequent events which in the opinion of the Board of Directors is required to be disclosed.
17. There is no other information which in the opinion of the Board of Directors is required to be disclosed.

**Matters to be set forth in Notes to the Statement of Capital and Surplus**

- 1(a) Authorized, issued and fully paid 120,000 common shares at par value US\$1 each;
- 1(b) The Company's parent company has Securis (Bermuda) SPI Holding Ltd. invested US\$ 7,838 (2021 - US\$7,879) of contributed surplus.
- 2(c) Not applicable.

**Matters to be set forth in Notes to the Balance Sheet**

1. Cash and cash equivalents are held as collateral in trust accounts for the benefit of third party cedants.
2. Not applicable.
3. Unquoted investments are reported at fair value with changes in fair value recorded in line 32 of the Condensed Consolidated Statement of Income. Also see Part I, Note 4 of General Notes above.
- 4– 9. Not applicable.
- 10(b). The premium receivable is due from third party cedants under fully collateralized arrangements.

**ODIN RE LTD**  
**NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**  
**(Expressed in US\$ 000s)**

11. Reinsurance balances receivable relates to a receivable on paid losses which is fully collateralized by the reinsurer.
12. Not applicable.
13. Sundry assets include:
- Deferred acquisition costs. Please refer to Part I, Note 4 of General Notes for a description of the policy of deferred acquisition costs
  - Expense reimbursement debtor which relates to general and administrative expenses incurred by the Company which are recoverable from Freya Re Ltd.
14. Not applicable.
16. See Part I, Note 4.
17. Loss and loss expense provisions

- (a) Movements in the loss and loss expense provisions for the current year and previous year as per the table below

	2022	2021
Gross loss and loss expense provisions at beginning of year	359,868	227,071
Less: Reinsurance recoverable at beginning of year	(359,868)	(227,071)
Net loss and loss expense provisions at beginning of year	-	-
Net losses incurred and net loss expenses incurred related to:		
Current year	-	-
Prior years	-	-
Total net incurred losses & loss expenses	-	-
Net losses and loss expenses paid or payable related to:		
Current year	-	-
Prior years	-	-
Total losses and loss expenses paid or payable	-	-
Foreign exchange and other	-	-
Net loss and loss expense provisions at end of year	-	-
Add: Reinsurance recoverable at end of year	346,305	359,868
Gross loss and loss expense provisions at end of year	346,305	359,868

- (b) Not applicable

I Total restricted assets as described in note 1 above are used to support loss and loss expense reserves. There are no unsecured policyholder obligations.

20 – 27. Not applicable

28. The reinsurance balances are payable to an affiliate (Freya Re Ltd).

29 – 32. Not applicable

33. Accounts payable include interest payable to an affiliate (Freya Re Ltd) of US\$ 20,700 (2021 - \$2,800).

34. Funds held under reinsurance contracts relate to collateral provided by Freya Re Ltd. The balance consists of Funds held under quota share in the amount of US\$ 1,724,763 (2021 - US\$1,705,821).

35. Not applicable.

36. Sundry liabilities include the following:

**ODIN RE LTD**

**NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDING DECEMBER 31, 2022**

**(Expressed in US\$ 000s)**

- Derivative payable to Freya Re Ltd in the amount of US\$ 56,357 (2021 – US\$ 128,007). Please refer to Part I, Note 4 of General Notes for a description of the policy of the embedded derivative.
- Cell Participation liability. Amount relates to funding received from segregated account owners that has not been allocated to reinsurance contracts
- Ceded deferred acquisition costs. Please refer to Part I, Note 4 of General Notes for a description of the policy of deferred acquisition costs

37. Not applicable.

**Matters to be set forth in Notes to the Statement of Income**

6. Not applicable
15. Not applicable
32. Represents income earned under redeemable preference shares in other third-party insurance transformer vehicles within segregated accounts. See Part 1, note 4 (investments)
36. Not applicable