

FIDELIS INSURANCE HOLDINGS LIMITED

Consolidated Financial Statements

For the Years Ended December 31, 2022, 2021 and 2020



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors

Fidelis Insurance Holdings Limited:

Opinion on the consolidated financial statements

We have audited the accompanying consolidated balance sheets of Fidelis Insurance Holdings Limited and subsidiaries (the Company) as of December 31, 2022 and 2021, the related consolidated statements of income and comprehensive income, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes and financial statement schedules I to VI (collectively, the consolidated financial statements). In our opinion, the consolidated 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 and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

Basis for opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 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 consolidated 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 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 audits 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 audits provide 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 consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which they relate.



Estimate of reserves for losses and loss adjustment expenses

As discussed in notes 2 and 12 to the consolidated financial statements, the Company records reserves for losses and loss adjustment expenses ("reserves") calculated on a best estimate basis and are estimated using various actuarial methods as well as the Company's own loss experience, historical insurance industry loss experience, estimates of pricing adequacy trends and expert professional judgment. As of December 31, 2022, the Company recorded \$2,045.2 million of reserves for losses and loss adjustment expenses.

We identified the evaluation of the estimates of reserves as a critical audit matter. Specifically, subjective and complex auditor judgement, including specialised skills and knowledge, was involved in evaluating the methods and actuarial assumptions used in estimating reserves. Assumptions included the weighting of actuarial methods, loss development factors and initial expected loss ratios.

The following are the primary procedures we performed to address the critical audit matter. We involved actuarial professionals with specialised skills and knowledge who assisted in:

- (a) assessing the Company's actuarial methodologies used in estimating reserves by comparing to generally accepted actuarial practices and evaluating the Company's actuarial assumptions for the weighting of actuarial methods, loss development factors and initial expected loss ratios
- (b) developing an independent range of estimated reserves and comparing to the Company's estimate of reserves for selected lines of business.

We have served as the Company's auditor since 2015.

KPMG Audit Limited

Chartered Professional Accountants

Hamilton, Bermuda

April 6, 2023

FIDELIS INSURANCE HOLDINGS LIMITED (“FIHL”)
Consolidated Balance Sheets
At December 31, 2022 and December 31, 2021
(Expressed in millions of U.S. dollars)

	2022	2021
Assets		
Fixed maturity securities, available-for-sale at fair value (amortized cost: \$2,160.8, 2021: \$2,505.6) (net of allowances for credit losses of \$1.1, 2021: \$2.2)	\$ 2,050.9	\$ 2,491.1
Fixed maturity securities, trading at fair value (amortized cost: \$nil, 2021: \$26.7)	—	26.9
Short-term investments, available-for-sale at fair value (amortized cost: \$257.0, 2021: \$11.5)	257.0	11.5
Other investments, at fair value (amortized cost: \$126.3, 2021: \$226.5)	117.1	253.1
Total investments	\$ 2,425.0	\$ 2,782.6
Cash and cash equivalents	1,222.0	325.1
Restricted cash and cash equivalents	185.9	150.9
Derivative assets, at fair value	6.3	1.0
Accrued investment income	10.9	12.1
Investments pending settlement	2.0	0.5
Premiums and other receivables (net of allowances for credit losses of \$8.8, 2021: \$4.8)	1,862.7	1,555.2
Deferred reinsurance premiums	823.7	676.7
Reinsurance balances recoverable on paid losses (net of allowances for credit losses of \$nil, 2021: \$nil)	159.4	256.6
Reinsurance balances recoverable on reserves for losses and loss adjustment expenses (net of allowances for credit losses of \$1.0, 2021: \$0.5)	976.1	795.2
Deferred policy acquisition costs	515.8	403.3
Deferred tax asset	58.5	40.3
Operating right of use assets	26.8	29.9
Other assets	37.4	23.6
Total assets	\$ 8,312.5	\$ 7,053.0
Liabilities, and shareholders' equity		
Liabilities		
Reserves for losses and loss adjustment expenses	2,045.2	1,386.5
Unearned premiums	2,618.6	2,113.7
Reinsurance balances payable	1,057.0	947.8
Long term debt	447.5	446.9
Preference securities	58.4	58.4
Other liabilities	70.2	48.4
Operating lease liabilities	28.5	31.4
Derivative liabilities, at fair value	—	0.8
Total liabilities	\$ 6,325.4	\$ 5,033.9
Commitments and contingencies		
Shareholders' equity		
211,462,359 ordinary shares of par value \$0.01 each (December 31, 2021 - 210,895,001 ordinary shares)	2.1	2.1
Additional paid-in capital	2,075.0	2,075.2
Accumulated other comprehensive loss	(100.8)	(11.3)
Retained earnings/(accumulated deficit)	0.5	(52.1)
Total shareholders' equity attributable to common shareholders	\$ 1,976.8	\$ 2,013.9
Non-controlling interests	10.3	5.2
Total shareholders' equity including non-controlling interests	\$ 1,987.1	\$ 2,019.1
Total liabilities and shareholders' equity	\$ 8,312.5	\$ 7,053.0

See accompanying notes to the financial statements

FIDELIS INSURANCE HOLDINGS LIMITED
Consolidated Statements of Income and Comprehensive Income
For the years ended December 31, 2022, December 31, 2021 and December 31, 2020
(Expressed in millions of U.S. dollars except for per share data)

	2022	2021	2020
Revenues			
Gross premiums written	\$ 3,000.1	\$ 2,787.7	\$ 1,576.5
Reinsurance premiums ceded	(1,137.5)	(1,186.6)	(670.9)
Net premiums written	1,862.6	1,601.1	905.6
Change in net unearned premiums	(357.9)	(446.9)	(177.0)
Net premiums earned	1,504.7	1,154.2	728.6
Net investment (losses)/gains	(33.7)	13.5	17.9
Net investment income	40.7	20.6	26.2
Net foreign exchange gains	6.8	—	1.2
Other income	1.9	1.0	8.7
Total revenues	\$ 1,520.4	\$ 1,189.3	\$ 782.6
Expenses			
Losses and loss adjustment expenses	830.2	696.8	324.5
Policy acquisition expenses	447.7	299.9	179.2
General and administrative expenses	106.4	75.4	83.5
Corporate and other expenses	20.5	2.7	18.7
Net foreign exchange losses	—	0.4	—
Financing costs	35.5	35.4	27.9
Loss on extinguishment of preference securities	—	—	25.3
Total expenses	\$ 1,440.3	\$ 1,110.6	\$ 659.1
Income before income taxes	\$ 80.1	\$ 78.7	\$ 123.5
Income tax (expense)/benefit	(17.8)	(0.4)	3.1
Net income	\$ 62.3	\$ 78.3	\$ 126.6
Net income attributable to non-controlling interests	(9.7)	(10.0)	(0.1)
Net income available to common shareholders	\$ 52.6	\$ 68.3	\$ 126.5
Other comprehensive (loss)/income			
Unrealized (losses)/gain on AFS financial assets	(96.5)	(36.1)	12.1
Income tax benefit/(expense), all of which relates to unrealized (loss)/gain on AFS financial assets	8.1	2.4	(0.7)
Currency translation adjustments	(1.1)	(0.2)	—
Total other comprehensive (loss)/income	\$ (89.5)	\$ (33.9)	\$ 11.4
Comprehensive (loss)/income attributable to common shareholders	\$ (36.9)	\$ 34.4	\$ 137.9
Per share data			
Earnings per common share:			
Earnings per common share	\$ 0.25	\$ 0.32	\$ 0.70
Earnings per diluted common share	\$ 0.24	\$ 0.31	\$ 0.68
Weighted average common shares outstanding	211.2	212.5	181.4
Weighted average diluted common shares outstanding	216.7	217.8	186.7

See accompanying notes to the financial statements

FIDELIS INSURANCE HOLDINGS LIMITED
Consolidated Statement of Changes in Shareholder's Equity
For the years ended December 31, 2022, December 31, 2021 and December 31, 2020
(Expressed in millions of U.S. dollars)

	2022	2021	2020
Common shares			
Balance - beginning of year	\$ 2.1	\$ 2.1	\$ 1.4
Common stock repurchased	—	(0.2)	—
Issue of common shares	—	0.2	0.7
Balance - end of year	\$ 2.1	\$ 2.1	\$ 2.1
Additional paid-in capital			
Balance - beginning of year	\$ 2,075.2	\$ 2,071.9	\$ 1,348.3
Repurchase of shares	—	(320.7)	(0.8)
Share compensation expense	10.8	9.8	32.6
Purchase of non-controlling interest	(11.0)	(3.8)	—
Issue of common shares, net of issuance costs	—	318.0	691.8
Balance - end of year	\$ 2,075.0	\$ 2,075.2	\$ 2,071.9
Accumulated other comprehensive (loss)/income, net of tax			
Unrealized losses on available-for-sale securities held at fair value, net of tax			
Balance - beginning of year	\$ (11.3)	\$ 22.4	\$ 11.0
Unrealized (losses)/income arising during the year	(88.4)	(33.7)	11.4
Balance – end of year	\$ (99.7)	\$ (11.3)	\$ 22.4
Currency translation reserve			
Balance - beginning of year	—	0.2	0.2
Movement during the year	(1.1)	(0.2)	—
Balance - end of year	\$ (1.1)	\$ —	\$ 0.2
Balance - end of year	\$ (100.8)	\$ (11.3)	\$ 22.6
Retained earnings/(accumulated deficit)			
Balance – beginning of year	\$ (52.1)	\$ (120.4)	\$ (242.8)
Net income available to common shareholders	52.6	68.3	126.5
Common dividend	—	—	(4.1)
Balance - end of year	\$ 0.5	\$ (52.1)	\$ (120.4)
Total shareholders' equity attributable to common shareholders	\$ 1,976.8	\$ 2,013.9	\$ 1,976.2
Non-controlling interests			
Balance – beginning of the year	\$ 5.2	\$ —	\$ 0.5
Net profit attributable to non-controlling interests	9.7	10.0	0.1
Investment in subsidiaries by non-controlling interests	—	—	0.2
Dividends paid to non-controlling interest	(3.9)	(2.6)	(0.8)
Sale of subsidiary	—	(2.2)	—
Non-controlling interest arising from acquisition of a subsidiary	(0.7)	—	—
Balance – end of year	\$ 10.3	\$ 5.2	\$ —
Total shareholders' equity including non-controlling interests	\$ 1,987.1	\$ 2,019.1	\$ 1,976.2

See accompanying notes to the financial statements

FIDELIS INSURANCE HOLDINGS LIMITED
Consolidated Statements of Cash Flows
For the years ended December 31, 2022, December 31, 2021 and December 31, 2020
(Expressed in millions of U.S. dollars)

	2022	2021	2020
Operating activities			
Net income	\$ 62.3	\$ 78.3	\$ 126.6
Adjustments to reconcile net income to net cash provided by operating			
Share compensation expense	10.8	9.8	32.6
Depreciation	3.9	4.5	2.6
Net unrealized loss/(gain) on investments and derivatives	11.8	(17.5)	(7.4)
Net realized loss on investments and derivatives	8.5	24.1	(3.4)
Deferred tax benefit	(10.4)	(26.4)	(6.0)
Net changes in assets and liabilities:			
Accrued investment income	1.2	(3.0)	(1.7)
Premiums and other receivables	(342.0)	(479.1)	(412.7)
Deferred reinsurance premiums	(147.0)	(261.3)	(273.9)
Reinsurance balances recoverable on paid claims	89.5	(156.4)	26.1
Reinsurance balances recoverable on unpaid claims	(195.5)	(421.9)	65.0
Deferred policy acquisition costs	(112.5)	(126.8)	(75.3)
Operating right of use assets	3.1	(20.1)	0.2
Other assets	0.7	19.6	2.0
Reserves for losses and loss adjustment expenses	695.3	592.3	72.2
Unearned premiums	504.9	708.2	450.9
Reinsurance balances payable	134.3	453.7	287.1
Operating lease liabilities	(0.9)	20.9	(0.5)
Other liabilities	24.9	(31.2)	31.7
Net cash provided by operating activities	\$ 742.9	\$ 367.7	\$ 316.1
Investing activities			
Purchase of investments, trading	—	—	(0.1)
Proceeds from the sale of investments, trading	27.8	56.1	116.7
Purchase of available-for-sale securities	(1,595.8)	(2,122.2)	(1,161.9)
Proceeds from sale of available-for-sale securities	1,678.8	1,111.6	631.6
Purchase of other investments	(100.0)	(125.2)	(100.0)
Purchase of investments to cover short sales	—	—	(3.7)
Proceeds for sale of other investments	223.9	1.3	1.4
Change in investments pending settlement - assets	(1.5)	—	24.7
Change in investments pending settlement - liabilities	—	(21.9)	12.0
Net cash from disposal of subsidiary	—	(7.1)	—
Purchase of fixed assets	(18.8)	(7.1)	(2.0)
Net cash provided by/(used in) investing activities	\$ 214.4	\$ (1,114.5)	\$ (481.3)
Financing activities			
Proceeds from issuance of debt, net of issuance of costs	—	—	445.7
Proceeds from issuance of common stock, net of issuance costs	—	318.2	691.8
Non-controlling interest share transactions	(15.7)	(6.3)	(0.6)
Repurchase of common shares	—	(320.9)	—
Dividends on common shares	(0.5)	(2.1)	(5.1)
Repurchase of preference securities	—	—	(183.8)
Net cash (used in)/provided by financing activities	\$ (16.2)	\$ (11.1)	\$ 948.0
Effect of exchange rate changes on foreign currency cash	\$ (9.2)	\$ (4.6)	\$ 4.8

	2022	2021	2020
Net increase/(decrease) in cash, restricted cash, and cash equivalents	931.9	(762.5)	787.6
Cash, restricted cash, and cash equivalents, beginning of year	476.0	1,238.5	450.9
Cash, restricted cash, and cash equivalents, end of year	\$ 1,407.9	\$ 476.0	\$ 1,238.5
Cash and cash equivalents comprise the following:			
Cash and cash equivalents at bank	1,222.0	325.1	967.2
Restricted cash and cash equivalents	185.9	150.9	271.3
Cash, restricted cash, and cash equivalents	\$ 1,407.9	\$ 476.0	\$ 1,238.5
Supplemental disclosure of cash flow information:			
Net cash paid during the year for income taxes	11.9	24.1	—
Cash paid during the year for interest	24.4	29.3	22.3

FIDELIS INSURANCE HOLDINGS LIMITED
Notes to Consolidated Financial Statements
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(Expressed in millions of U.S. dollars)

1. Nature of Operations

Fidelis Insurance Holdings Limited (“Fidelis” and together with its subsidiaries, the “Group”) is a holding company which was incorporated under the laws of Bermuda on August 22, 2014. The Group provides Property, Specialty and Bespoke insurance and reinsurance. Fidelis’ principal operating subsidiaries are:

- Fidelis Insurance Bermuda Limited (“FIBL”), is a Class 4 Bermuda domiciled company which writes most of the Group’s Reinsurance business, as well as writing Specialty and Bespoke lines. FIBL is regulated by the Bermuda Monetary Authority.
- Fidelis Underwriting Limited (“FUL”), is a UK domiciled company which principally writes Specialty and Bespoke insurance, as well as Reinsurance. FUL is regulated by the Prudential Regulation Authority (“PRA”).
- Fidelis Insurance Ireland DAC (“FIID”), is a Republic of Ireland domiciled company that writes Specialty and Bespoke insurance and reinsurance within the European Economic Area. FIID is regulated by the Central Bank of Ireland.
- Fidelis Marketing Limited (“FML”), a management company which acts as an insurance intermediary to provide marketing services and is authorized by the Financial Conduct Authority (“FCA”).

Fidelis has invested in a number of Managing General Agents (“MGAs”) through Pine Walk Capital Limited (“Pine Walk”) which holds the investment in the MGAs and provides them with administrative support. There are 8 MGAs:

- Radius Specialty Limited (“Radius”) which focuses on niche specialty treaty reinsurance business.
- Oakside Surety Limited (“Oakside”) which focuses on surety bonds and guarantees.
- Kersey Specialty Limited (“Kersey”) which focuses on upstream energy business.
- Perigon Product Recall Limited (“Perigon”) which focuses on product recall and product contamination.
- Navium Marine Limited (“Navium”) which focuses on marine business.
- OPEnergy Limited (“OPEnergy”) which focuses on energy liabilities.
- Pine Walk Europe S.R.L. which is licensed to write insurance business in the European Economic Area (“EEA”).
- Pernix Specialty Limited (“Pernix”) which focuses on credit and political risk business. Pernix was incorporated on December 7, 2021.

The financial statements of Pine Walk and the 8 MGAs have been included in the consolidated financial statements of the Group. During 2022, the Group purchased additional shares in Pine Walk Capital Limited.

Further information can be found at Note 15, Variable Interest Entities and Note 16, Non-Controlling Interests. Note 25, Subsequent Events provides details of changes to the Group structure that occurred in January 2023.

2. Significant Accounting Policies

Basis of presentation

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States (“U.S. GAAP”) and include the results of Fidelis Insurance Holdings

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(Expressed in millions of U.S. dollars)

Limited and its subsidiaries. All intercompany balances and transactions have been eliminated on consolidation. The consolidated financial statements have been compiled on a going concern basis.

Certain 2021 and 2020 amounts have been reclassified in the Consolidated Statements of Cash Flows to conform with the 2022 presentation.

Reporting currency

The financial information is reported in United States dollars (“U.S. dollars” or “\$”), expressed in millions, except for share and per share amounts.

Use of estimates, risks and uncertainties

The preparation of these financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The most significant estimates reflected in the financial statements include, but are not limited to, gross and net reserves for losses and loss adjustment expenses and estimates of written and earned premiums.

Cash and cash equivalents

Cash and cash equivalents consist of cash held in banks, money market funds and other short-term, highly liquid investments with original maturity dates of 90 days or less.

Restricted cash and cash equivalents

Restricted cash and cash equivalents consist of cash held in segregated or trust accounts, which is unavailable for immediate use by the Group, primarily to provide collateral for letters of credit and to support the current value of any amounts that may be due to counterparties based on the value of underlying financial instruments

Investments

Our accounting policy classifies all fixed maturity securities acquired prior to January 1, 2018 as trading, whilst fixed maturity securities acquired from January 1, 2018 are classified as available for-sale which reflects the Group’s intention to hold the vast majority of these assets to maturity. At December 31, 2022, all securities classified as trading have matured.

Our fixed-income securities portfolio comprises securities issued by governments and government agencies, corporate bonds, and asset-backed securities. Investments in fixed-income securities are reported at estimated fair value in our audited consolidated financial statements.

Our other investments (‘Risk Assets’) consist of a residual investment in a hedge fund, investments in structured notes as described above (refer to Note 4 for further details) and the Wellington Opportunistic Fixed-Income UCITS Fund. These are carried at fair value and realized and unrealized gains or losses included in net investment gains and losses on the Consolidated Statement of Income. For the valuation methodologies refer to Note 5.

Investments with a maturity from three months up to one year from date of purchase are classified as short-term investments and recorded at fair value.

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For all fixed maturity securities and other investments, any realized and unrealized gains or losses are determined on the basis of the first-in, first-out method. For all fixed maturity securities classified as “available for sale”, realized gains and losses in the audited consolidated financial statements include allowances for expected credit losses related to its Available for Sale (‘AFS’) debt securities. This allowance represents the difference between the security’s amortized cost and the amount expected to be collected over the security’s lifetime. Unrealized gains and losses represent the difference between the cost, or the cost as adjusted by amortization of any difference between its cost and its redemption value (“amortized cost”), of the security and its fair value at the reporting date and are included within other comprehensive income for securities classified as “available for sale.” For securities classified as “trading” realized and unrealized gains or losses are included in the audited consolidated financial statements within net investment gains and losses.

Net investment income

Net investment income includes amounts received and accrued in respect of periodic interest (“coupons”) payable to the Group by the issuer of fixed income securities and interest credited on cash and cash equivalents. It also includes amortization of premium and accretion of discount in respect of fixed income securities. Investment management, custody, and investment administration fees are charged against net investment income reported in the Consolidated Statement of Income. Investment transactions are recorded on a trade date basis.

Derivative assets and liabilities

All derivatives are recognized in the Consolidated Balance Sheets at fair value on a gross basis and not offset against any collateral pledged or received. Unrealized gains and losses resulting from changes in fair value are included in net investment gains and losses or net foreign exchange gains and losses in the Consolidated Statements of Income. The Group’s derivative financial instrument assets are included in derivative assets and derivative financial instrument liabilities are included in derivative liabilities in the Consolidated Balance Sheets. None of the Group’s derivatives are designated as accounting hedges for financial reporting purposes. Pursuant to the International Swaps and Derivatives Association (“ISDA”) master agreements and other derivative agreements, the Group and its counterparties typically have the ability to settle on a net basis. In addition, in the event a party to one of the ISDA master agreements or other derivative agreements defaults, or a transaction is otherwise subject to termination, the non-defaulting party generally has the right to set off against payments owed to the defaulting party or collateral held by the defaulting party.

The Group enters into derivative transactions to manage duration risk, foreign currency exchange risk, or other exposure risks. The Group also sometimes enters catastrophe swap derivatives to manage its exposure to catastrophe events. Derivative transactions typically include futures, options, swaps and forwards. Derivative assets represent financial contracts whereby, based upon the contract’s current fair value, the Group will be entitled to receive payments upon settlement. Derivative liabilities represent financial contracts whereby, based upon the contract’s current fair value, the Group will be obligated to make payments upon settlement.

The Group looks to manage foreign currency exposure by substantively balancing assets with liabilities for certain major non-U.S. dollar currencies, or by entering into currency forward contracts. However, there is no guarantee that this will effectively mitigate exposure to foreign exchange gains and losses.

Where a contract includes an embedded derivative, the embedded derivative is recognized separately only if the contract is not recognized at fair value, or the economic characteristics and risks of the embedded derivative are not clearly and closely related to those of the host contract.

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Investments pending settlement

Investments pending settlement include receivables and payables from unsettled trades with brokers. Receivables and payables from unsettled trades are carried at fair value based on quoted prices in active markets for identical assets or derived based on inputs that are observable.

Premiums and acquisition costs

Premiums written are recorded on inception of the policy. Premiums written include estimates based on information received from insureds, brokers and cedants, and any subsequent differences arising on such estimates are recorded as premiums written in the period they are determined. Premiums written are earned on a basis consistent with risks covered over the period the coverage is provided. The portion of the premiums written applicable to the unexpired terms of the underlying contracts and policies is recorded as unearned premium.

Reinstatement premiums are recognized as written and earned after the occurrence of a loss and are recorded in accordance with the contract terms based upon management's estimate of losses and loss adjustment expenses.

Policy acquisition expenses are directly related to the acquisition of insurance premiums and are deferred and amortized over the related policy period in line with earned premium. The Group only defers acquisition costs incurred that are directly related to the successful acquisition of new or renewal insurance contracts, including commissions to agents, brokers and premium taxes. All other acquisition related expenses including indirect costs are expensed as incurred. To the extent that future policy revenues on existing policies are not adequate to cover related costs and expenses, deferred policy acquisition costs are charged to earnings.

The Group evaluates premium deficiency and the recoverability of deferred acquisition costs by determining if the sum of future earned premiums and anticipated investment return is greater than expected future losses and loss adjustment expenses and policy acquisition expenses.

Reinsurance and retrocession

The Group seeks to reduce the risk of net losses on business written by reinsuring certain risks and exposures with other reinsurers. Ceded reinsurance contracts do not relieve the Group of its primary obligation to insureds. Ceded premiums are recognized when the coverage period incepts and are expensed over the contract period in proportion to the coverage period or, when the coverage period does not align to the risk exposure, in proportion to the underlying risk exposure. Premiums relating to the unexpired portion of reinsurance ceded are recorded as deferred reinsurance premiums.

Commissions on ceded business are deferred and amortized over the period in which the related ceded premium is recognized. The deferred balance is recorded within deferred policy acquisition costs on the Consolidated Balance Sheets and the amortization is recognized within general and administrative expenses in the Consolidated Statement of Income.

Losses and loss adjustment expenses

The liability for losses and loss adjustment expenses includes reserves for unpaid reported losses and for losses incurred but not reported ("IBNR"). These estimates are reported net of amounts estimated to be recoverable from salvage and subrogation. The reserve for losses and loss adjustment expenses is established by management based on reports from insureds, brokers, and ceding companies and the application of generally accepted actuarial techniques and represents the estimated ultimate cost of events or conditions that have been reported to or specifically identified by the Group as incurred.

FIDELIS INSURANCE HOLDINGS LIMITED
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For the years ended December 31, 2022, December 31, 2021 and December 31, 2020
(Expressed in millions of U.S. dollars)

The Group estimates ultimate losses using various actuarial methods as well as the Group's own growing loss experience, historical insurance industry loss experience, estimates of pricing adequacy trends and management's professional judgement. The estimated cost of claims includes expenses to be incurred in settling claims and a deduction for the expected value of salvage, subrogation and other recoveries. Ultimate losses and loss adjustment expenses may differ significantly from the amount recorded in the financial statements. These estimates are reviewed regularly and as experience develops and new information becomes known, the reserves are adjusted as necessary. Such adjustments, if any, are recorded in losses and loss adjustment expenses in the periods in which they are determined.

The principal actuarial methods, and associated key assumptions including the weighting of actuarial methods, loss development factors and initial expected loss ratios, used to perform the Group's loss reserve analysis include:

Initial expected loss ratio

To estimate ultimate losses, the Group multiplies earned premiums by an expected loss ratio. The expected loss ratio is determined using a combination of benchmark data, the business plan, and expert judgement.

Paid and incurred chain ladder

This method estimates ultimate losses by calculating past paid and incurred loss development factors and applying them to exposure periods with further expected paid loss development. The main underlying assumption of this method is that historical loss development patterns are indicative of future loss development patterns.

Paid and incurred Bornhuetter-Ferguson ("BF")

This method combines features of the chain ladder and initial expected loss ratio method by using both reported and paid losses as well as an a priori expected loss ratio to arrive at an ultimate loss estimate. The weighting between these two methods depends on the maturity of the business. This means that for more recent years a greater weight is placed on the initial expected loss ratio, while for more mature years a greater weight is placed on the loss development patterns.

Benktander: Credible claims reserves

The Benktander method is similar to the Bornhuetter-Ferguson but replaces the initial loss ratio used within the BF method with the loss estimate from the BF method. The credibility factor is increased as claims develop. It gives more weight to:

- Emerged losses than the BF; and
- Initial expected loss ratio rather than the chain ladder.

Case-by case

Given the nature of the business written, some of the lines of business may consist of a small number of policies. Where appropriate, the loss reserves will be calculated explicitly for a particular contract using expert judgement and documented appropriately. Salvage is recorded based on estimated realizable value and is deducted from the reserve for losses and loss adjustment expenses. It is the responsibility of the actuarial function to apply the relevant actuarial methodologies and judgements to the calculation of loss reserves. The Group Actuary presents the recommendations of the actuarial review of the reserves to the Reserving Committee for review, challenge and recommendation, the results of which are included in the Group Actuary's Reserving Report for approval by the Audit Committee.

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Reserves for losses and loss adjustment expenses represent our best estimate of the ultimate cost of settling reported and unreported claims and related expenses. As discussed previously, the estimation of losses and loss adjustment expense reserves is based on various complex and subjective judgments. Actual losses and settlement expenses which are ultimately required to be paid may deviate, perhaps substantially, from the reserve estimates reflected in our financial statements. Similarly, the timing for payment of our estimated losses is not fixed and is not determinable on an individual or aggregate basis. The assumptions used in estimating the payments due by period are based on industry and peer-group claims payment experience. Due to the uncertainty inherent in the process of estimating the timing of such payments, there is a risk that the amounts paid in any period can be significantly different than the amounts discussed above.

Premiums receivable

Premiums receivable includes amounts receivable from insureds, net of brokerage costs, which represent premiums that are both currently due and amounts not yet due on insurance and reinsurance policies. Premiums for insurance policies are generally due at inception. Premiums for reinsurance policies generally become due over the period of coverage based on the policy terms. Contract periods can be several years in length with premiums received in annual or quarterly installments.

The Group monitors the credit risk associated with premiums receivable, taking into consideration the fact that in certain instances credit risk may be reduced by the Group's right to offset loss obligations against premiums receivable. The Group establishes an allowance for credit losses based upon the life of the receivables which is charged to net income. Changes in the estimate of (re)insurance premiums written will also result in an adjustment to premiums receivable in the period they are determined.

The following table provides the allowance for expected credit losses of the Group's premium receivables due from third parties on unpaid claims that is due greater than 180+ days.

\$ millions

	Premium receivable due greater than 180+ days	Allowance for Expected Credit Losses
Year ended December 31, 2022		
Balance at the end of year	35.2	8.8

\$ millions

	Premium receivable due greater than 180+ days	Allowance for Expected Credit Losses
Year ended December 31, 2021		
Balance at the end of year	19.2	4.8

Reinsurance balances recoverable

Amounts recoverable from reinsurers are estimated based on the terms and conditions of the reinsurance contracts in a manner consistent with the underlying liability reinsured. The Group evaluates the financial condition of its reinsurers and monitors concentration of credit risk to minimize its exposure to significant losses from individual reinsurers. The ceding of insurance does not legally discharge the Group from its primary liability for the full amount of the policies, and the Group will be required to pay the loss and bear collection risk if the reinsurer fails to meet its obligations under the reinsurance or retrocessional agreement. To further reduce credit exposure on reinsurance recoverables, the Group has received collateral, including letters of credit and trust accounts, from certain reinsurers.

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Collateral related to these reinsurance agreements is available, without restriction, when the Group pays losses covered by the reinsurance agreements.

An allowance is established for credit losses expected to be incurred over the life of the reinsurance recoverable, which is recorded net of this allowance. The allowance is charged to net income in the period the recoverable is recorded and revised in subsequent periods to reflect changes in the Group's estimate of expected credit losses. Further details are set out at Note 13, Reinsurance and Retrocessional Insurance.

Long term debt

Debt is initially measured at fair value less issuance costs incurred and subsequently held at amortized cost. Interest expense is recognized over the term of the notes using the effective interest method.

Leases

The Group assesses whether a contract contains a lease at the inception of the contract, determining at that point whether any leases identified are operating leases or finance leases. The Group does not currently have any finance leases.

For operating leases with a lease term in excess of 12 months, a lease liability and corresponding operating right-of-use asset is recognized. The lease liability takes into account any renewal options that are deemed to be reasonably certain and is discounted using the Group's incremental borrowing rate, where the rate implicit in the lease is not available.

The unwind of the discount is recognized in general and administrative expenses. The operating right-of-use asset is amortized straight line over the term of the lease and recognized in general and administrative expenses in the Consolidated Statement of Income and Comprehensive income.

Corporate and other expenses

Corporate and other expenses include reorganization expenses, warrant expenses and other one-off expenses. Corporate and other expenses have been separated from general and administrative costs to separately show these costs from the administrative costs associated with running the day-to-day activities of the Group.

Income taxes

Income taxes have been provided for those operations that are subject to income taxes based on tax laws and rates enacted in those jurisdictions. Current and deferred taxes are charged or credited to income tax expense. Deferred tax assets and liabilities result from temporary differences between the amounts recorded in the consolidated financial statements and the tax basis of the Group's assets and liabilities. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income tax expense in the Consolidated Statement of Income in the period that includes the enactment date.

A valuation allowance is provided to reduce deferred tax assets to the amount management deem more likely than not to be realized.

The Group recognizes the benefit from a tax position taken or expected to be taken in income tax returns only if it is more likely than not that the tax position will be sustained upon examination by taxing authorities, based on the technical merits of the position. Tax positions that meet the more likely than not threshold are measured as the largest

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amount of tax benefit that is greater than 50 percent likely of being realized upon settlement. The Group recognizes interest and penalties related to income taxes in income tax expense.

Share compensation

The Group has issued warrants to purchase common shares. The warrants expire 10 years from the date of grant and consist of Founders warrants that were issued to the initial investors, and Basic and Ratchet warrants that have been issued to Fidelis Management (the “management warrants”).

Warrants are valued using the Black-Scholes option-pricing model and the fair value of these warrants is recorded in equity as additional paid-in capital when performance conditions are met.

Founder warrants require certain performance conditions to be met. Basic warrants are subject to a service condition only and the Ratchet warrants subject to a service and performance condition.

The portion of the warrants that is considered probable of vesting is recognized in corporate and other expenses in the Consolidated Statement of Income and Comprehensive Income.

Share compensation for management warrants considered probable of vesting is expensed over the vesting period on a graded vesting basis. The probability of the management warrants vesting is evaluated at each reporting period. When the management warrants are considered probable of vesting, the Group records an adjustment to the share compensation expense from the grant date (service inception date) to the current reporting period end based on the fair value of the warrant contracts at grant date.

Restricted stock units (“RSUs”) granted contain both a service and performance condition and are recognized as share compensation expense only for the portion considered likely to vest. The fair value of the RSUs is estimated at the latest price at which the Group raised capital. Where no recent capital transaction has occurred, the fair value is determined by the Board. Share compensation expense is recognized on a straight-line basis over the vesting period, adjusted for the impact of any performance vesting conditions. At each balance sheet date, the Group revises the share compensation expense based on its estimate of the number of RSUs that are expected to vest. It recognizes the impact of the revision of original estimates, if any, in the Consolidated Statement of Income and Comprehensive Income and a corresponding adjustment is made to additional paid-in capital in shareholders’ equity on the Consolidated Balance Sheets. The Group recognizes forfeitures when they occur. For further information, see Note 22, Share Compensation.

Share issuance costs

Issuance costs incurred in connection with the capital raise, which included financial advisors’ fees, legal and accounting fees, printing and other fees are deducted from the gross proceeds of the offering. The proceeds from the issuance of shares, net of offering costs, is included in additional paid-in capital in shareholders’ equity.

Foreign exchange

The Group has entities with U.S. Dollar, U.K. Sterling and Euro functional currencies. The functional and reporting currency is U.S. Dollar. Transactions in foreign currencies are translated in U.S. dollars at the exchange rate in effect on the transaction date. Monetary assets and liabilities in foreign currencies are re-measured at the exchange rates in effect at the reporting date. Foreign exchange gains and losses are included in the Consolidated Statement of Income and Comprehensive Income. Non-monetary assets and liabilities are remeasured to the functional currency at historic exchange rates.

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In translating the financial results of those entities whose functional currency is other than the U.S. Dollar reporting currency, assets and liabilities are converted into U.S. Dollars using the rates of exchange in effect at the reporting date, and revenues and expenses are converted using the average foreign exchange rates for the period. The effect of translation adjustments are reported in the Consolidated Balance Sheets and Consolidated Statements of Changes in Shareholder's Equity as a foreign currency translation adjustment, a separate component of Accumulated Other Comprehensive Income.

Variable interest entities

Variable Interest Entities ("VIE") are entities that have either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristic of a controlling financial interest.

The Group is deemed to have a controlling financial interest and be the primary beneficiary if it has both of the following characteristics:

- power to direct the activities of the VIE that most significantly impact the entity's economic performance; and
- an obligation to absorb losses of the entity that could potentially be significant to the VIE, or a right to receive benefits from the entity that could potentially be significant to the VIE.

The determination of whether an entity is a VIE requires judgment and depends on facts and circumstances specific to that entity.

VIEs for which the Group is deemed to have a controlling financial interest and be the primary beneficiary are consolidated and all significant inter-company transactions are eliminated.

If the Group is not deemed to have a controlling financial interest or be the primary beneficiary, then the investment is not consolidated and is recognized according to the facts and circumstances of the relationship. For further information see Note 15, Variable Interest Entities.

The Group determines on an ongoing basis whether an entity is a VIE or if the Group is the primary beneficiary based on an analysis of the Group's level of involvement in the VIE, the contractual terms, the overall structure of the VIE and funding requirements.

Non-controlling interests

Non-controlling shareholders' interests are presented separately in the Group's Consolidated Balance Sheets and Consolidated Statements of Changes in Shareholder's Equity. The net income attributable to non-controlling interests is presented separately in the Group's Consolidated Statement of Income.

Comprehensive income

Comprehensive income represents all changes in equity that result from recognized transactions and other economic events during the period. Other comprehensive income refers to revenues, expenses, gains and losses that under U.S. GAAP are included in comprehensive income but excluded from net income, such as unrealized gains or losses on available-for-sale investments and foreign currency translation adjustments.

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Recent accounting pronouncements

Accounting Standards recently adopted

Effective January 1, 2020, the Group adopted ASC 326, Financial Instruments—Credit Losses. This new standard replaced the incurred loss model used to measure impairment losses for financial assets measured at amortized cost with a current expected credit loss ("CECL") model and also made changes to the impairment model for available-for-sale investments. Under the CECL model, allowances are established for expected credit losses to be recognized over the life of financial assets. Application of the CECL model impacted certain of the Group's financial assets, including investments, reinsurance recoverables and receivables. The CECL model did not impact the Group's investment portfolio, which is measured at fair value. However, ASC 326 replaced the OTTI model with an impairment allowance model, subject to reversal, for available-for-sale investments.

As a result of adopting ASC 326, the Group established allowances for credit losses related to its available-for-sale investments of \$1.1 million and \$2.2 million in 2022 and 2021 respectively. See note 4, Investments for further information.

In addition, the Group established allowances for credit losses related to unpaid reinsurance recoverables of \$1.0 million in 2022 and \$0.5 million in 2021. See note 13, Reinsurance and Retrocessional Reinsurance for further information.

In March 2020 ASU 2020-04, "Facilitation of the Effects of Reference Rate Reform on Financial Reporting," was issued. This ASU provides optional expedients and exceptions for applying GAAP to investments, derivatives, or other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. Along with the optional expedients, the amendments include a general principle that permits an entity to consider contract modifications due to reference reform to be an event that does not require contract re-measurement at the modification date or reassessment of a previous accounting determination. This standard was effective immediately and may be elected over time through December 31, 2024 as reference rate reform activities occur. The guidance did not have a material effect on the Group's consolidated financial statements.

Accounting Standards not yet adopted

In October 2021, the FASB issued ASU No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which becomes effective for the Group during the first quarter of 2023. ASU No. 2021-08 requires contract assets and liabilities accounted for under FASB ASC 606, Revenue from Contracts with Customers, to be recorded at the acquisition date as if the acquirer entered into those contracts itself on the contract inception dates, rather than at fair value. At adoption, ASU No. 2021-08 will not impact the Group's financial position, results of operations or cash flows, but prospectively, this ASU may impact amounts recorded by the Group for assets acquired and liabilities assumed under certain acquisitions.

3. Segments

The chief operating decision maker reviews the Group's ongoing underwriting operations across three operating segments: Specialty, Bespoke, and Reinsurance. In determining how to allocate resources and assess the performance of the Group's underwriting results, management considers many factors including the nature of the insurance product offered, the risks that are covered and the nature of the client.

Each operating segment has a dedicated Chief Underwriting Officer that is responsible for managing the portfolio of risks within their own segment.

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Bespoke business is highly specialized in nature providing customized risk solutions for clients which includes Credit & Political Risk and other specific risk transfer opportunities. Bespoke business includes the majority of Fidelis' delegated business with third party MGA's.

The Specialty segment comprises a specialized portfolio of niche risks that includes Aviation and Aerospace, Energy, Marine, Property Direct & Facultative (“D&F”) business and other specialty risks

The Reinsurance segment comprises a highly focused property catastrophe book which includes Property Reinsurance, Retrocession and Whole Account reinsurance. The Reinsurance segment relies on broker relationships for distribution which is typical for this business.

Loss reserves and loss developments triangles are identified and disclosed by Segment and are set out in note 12, Reserves for Losses and Loss Adjustment Expenses. Assets are not allocated to segments, nor are general and administrative expenses allocated between segments as employees, including underwriters, may work across different segments.

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a) The following tables summarize the Group's segment disclosures

	Year ended December 31, 2022				Total
	Bespoke	Specialty	Reinsurance	Other	
Gross premium written	\$ 783.2	1,610.7	606.2	—	3,000.1
Net premium written	561.7	1,060.8	240.1	—	1,862.6
Net premium earned	379.4	852.8	272.5	—	1,504.7
Losses and loss adjustment expenses	(118.9)	(508.7)	(202.6)	—	(830.2)
Policy acquisition expenses	(141.2)	(219.5)	(87.0)	—	(447.7)
General and administrative expenses	—	—	—	(106.4)	(106.4)
Underwriting income/(loss)	\$ 119.3	124.6	(17.1)	(106.4)	120.4
Net investment income					40.7
Net investment losses					(33.7)
Other income					1.9
Corporate and other expenses					(20.5)
Net foreign exchange gains					6.8
Financing costs					(35.5)
Net income before taxes					80.1
Income tax expense					(17.8)
Net income					62.3
Net income attributable to non-controlling interests					(9.7)
Net income available to common shareholders					52.6
Losses and loss adjustment expenses incurred - current year	\$ (147.8)	(519.7)	(184.8)		(852.3)
Losses and loss adjustment expenses incurred - prior accident years	\$ 28.9	11.0	(17.8)		22.1
Losses and loss adjustment expenses incurred - total	\$ (118.9)	(508.7)	(202.6)		(830.2)
Loss ratio - current year	38.9%	61.0%	67.8%		56.7%
Loss ratio - prior accident years	(7.6%)	(1.3%)	6.5%		(1.5%)
Loss ratio - total ⁽¹⁾	31.3%	59.7%	74.3%		55.2%
Policy acquisition expense ratio ⁽²⁾	37.2%	25.7%	31.9%		29.8%
Underwriting ratio ⁽³⁾	68.5%	85.4%	106.2%		85.0%
General & administrative expense ratio ⁽⁴⁾					7.1%
Combined ratio ⁽⁵⁾					92.1%

- (1) **Loss ratio:** is a measure of the losses that have been incurred by the business compared to the premiums that have been recorded to cover those losses and is expressed as a percentage of the losses and loss adjustment expenses divided by earned premiums, net of reinsurance. Current year loss ratio includes losses incurred in the current accident year, whilst prior accident years loss ratio considers how losses incurred in prior years have developed
- (2) **Policy acquisition expense ratio:** is a measure of the extent of the commissions that are paid to brokers and delegated underwriters that source the business on the Group's behalf and is expressed as a percentage of these commissions divided by earned premiums all net of reinsurance
- (3) **Underwriting ratio:** is a measure of the underwriting performance and is expressed as a percentage of the losses and loss adjustment expenses plus the commissions that are paid to brokers and delegated underwriters that source the business on our behalf divided by earned premiums, net of reinsurance
- (4) **General and administrative expense ratio:** is a measure of the extent of the general and administrative expenses that are incurred to run the business and is expressed as a percentage of these expenses divided by earned premiums net of reinsurance. Commission income earned on business ceded to third party reinsurers is recorded within general and administrative expenses.
- (5) **Combined ratio:** is a measure of our underwriting profitability and is expressed as the sum of the loss ratio, policy acquisition expense ratio and the general and administrative expense ratio

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	Year ended December 31, 2021				
	Bespoke	Specialty	Reinsurance	Other	Total
Gross premium written	\$ 588.0	1,115.2	1,084.5	—	2,787.7
Net premium written	434.6	758.2	408.3	—	1,601.1
Net premium earned	251.9	535.3	367.0	—	1,154.2
Losses and loss adjustment expenses	(71.4)	(206.2)	(419.2)	—	(696.8)
Policy acquisition expenses	(84.6)	(127.3)	(88.0)	—	(299.9)
General and administrative expenses	—	—	—	(75.4)	(75.4)
Underwriting income/(loss)	\$ 95.9	201.8	(140.2)	(75.4)	82.1
Net investment income					20.6
Net investment gains					13.5
Other income					1.0
Corporate and other expenses					(2.7)
Net foreign exchange losses					(0.4)
Financing costs					(35.4)
Net income before taxes					78.7
Income tax expense					(0.4)
Net income					78.3
Net income attributable to non-controlling interests					(10.0)
Net income available to common shareholders					68.3
Losses and loss adjustment expenses incurred - current year	\$ (92.6)	(224.2)	(389.6)		(706.4)
Losses and loss adjustment expenses incurred - prior accident years	21.2	18.0	(29.6)		9.6
Losses and loss adjustment expenses incurred - total	\$ (71.4)	(206.2)	(419.2)		(696.8)
Loss ratio - current year	36.7%	41.9%	106.1%		61.2%
Loss ratio - prior accident years	(8.4%)	(3.4%)	8.1%		(0.8%)
Loss ratio - total ⁽¹⁾	28.3%	38.5%	114.2%		60.4%
Policy acquisition expense ratio ⁽²⁾	33.6%	23.8%	24.0%		26.0%
Underwriting ratio ⁽³⁾	61.9%	62.3%	138.2%		86.4%
General & administrative expense ratio ⁽⁴⁾					6.5%
Combined ratio ⁽⁵⁾					92.9%

- (1) **Loss ratio:** is a measure of the losses that have been incurred by the business compared to the premiums that have been recorded to cover those losses and is expressed as a percentage of the losses and loss adjustment expenses divided by earned premiums, net of reinsurance. Current year loss ratio includes losses incurred in the current accident year, whilst prior accident years loss ratio considers how losses incurred in prior years have developed
- (2) **Policy acquisition expense ratio:** is a measure of the extent of the commissions that are paid to brokers and delegated underwriters that source the business on the Group's behalf and is expressed as a percentage of these commissions divided by earned premiums, net of reinsurance
- (3) **Underwriting ratio:** is a measure of the underwriting performance and is expressed as a percentage of the losses and loss adjustment expenses plus the commissions that are paid to brokers and delegated underwriters that source the business on our behalf divided by earned premiums, net of reinsurance
- (4) **General and administrative expense ratio:** is a measure of the extent of the general and administrative expenses that are incurred to run the business and is expressed as a percentage of these expenses divided by earned premiums net of reinsurance. Commission income earned on business ceded to third party reinsurers is recorded within general and administrative expenses.
- (5) **Combined ratio:** is a measure of our underwriting profitability and is expressed as the sum of the loss ratio, policy acquisition expense ratio and the general and administrative expense ratio

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	Year ended December 31, 2020				
	Bespoke	Specialty	Reinsurance	Other	Total
Gross premium written	\$ 339.1	577.9	659.5	—	1,576.5
Net premium written	251.2	403.1	251.3	—	905.6
Net premium earned	212.5	171.7	344.4	—	728.6
Losses and loss adjustment expenses	(70.5)	(64.8)	(189.2)	—	(324.5)
Policy acquisition expenses	(66.8)	(36.5)	(75.9)	—	(179.2)
General and administrative expenses	—	—	—	(83.5)	(83.5)
Underwriting income/(loss)	\$ 75.2	70.4	79.3	(83.5)	141.4
Net investment income					26.2
Net investment losses					17.9
Other income					8.7
Corporate and other expenses					(18.7)
Net foreign exchange gains					1.2
Financing costs					(27.9)
Loss on extinguishment of preference securities					(25.3)
Net income before taxes					123.5
Income tax benefit					3.1
Net income					126.6
Net income attributable to non-controlling interests					(0.1)
Net income available to common shareholders					126.5
Losses and loss adjustment expenses incurred - current year	\$ (90.5)	(73.4)	(199.0)		(362.9)
Losses and loss adjustment expenses incurred - prior accident years	\$ 20.0	8.6	9.8		38.4
Losses and loss adjustment expenses incurred - total	\$ (70.5)	(64.8)	(189.2)		(324.5)
Loss ratio - current year	42.6%	42.7%	57.7%		49.8%
Loss ratio - prior accident years	(9.4%)	(5.0%)	(2.8%)		(5.3%)
Loss ratio - total ⁽¹⁾	33.2%	37.7%	54.9%		44.5%
Policy acquisition expense ratio ⁽²⁾	31.4%	21.3%	22.0%		24.6%
Underwriting ratio ⁽³⁾	64.6%	59.0%	76.9%		69.1%
General & administrative expense ratio ⁽⁴⁾					11.5%
Combined ratio ⁽⁵⁾					80.6%

(1) **Loss ratio:** is a measure of the losses that have been incurred by the business compared to the premiums that have been recorded to cover those losses and is expressed as a percentage of the losses and loss adjustment expenses divided by earned premiums, net of reinsurance. Current year loss ratio includes losses incurred in the current accident year; whilst prior accident years loss ratio considers how losses incurred in prior years have developed

(2) **Policy acquisition expense ratio:** is a measure of the extent of the commissions that are paid to brokers and delegated underwriters that source the business on the Group's behalf and is expressed as a percentage of these commissions divided by earned premiums, net of reinsurance

(3) **Underwriting ratio:** is a measure of the underwriting performance and is expressed as a percentage of the losses and loss adjustment expenses plus the commissions that are paid to brokers and delegated underwriters that source the business on our behalf divided by earned premiums, net of reinsurance

(4) **General and administrative expense ratio:** is a measure of the extent of the general and administrative expenses that are incurred to run the business and is expressed as a percentage of these expenses divided by earned premiums net of reinsurance. Commission income earned on business ceded to third party reinsurers is recorded within general and administrative expenses.

(5) **Combined ratio:** is a measure of our underwriting profitability and is expressed as the sum of the loss ratio, policy acquisition expense ratio and the general and administrative expense ratio

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b) The following table summarizes net earned premiums by major product grouping within each underwriting segment.

	For the year ended December 31,		
	2022	2021	2020
Bespoke			
Credit & Political Risk	\$ 137.8	103.0	98.0
Bespoke Other	241.6	148.9	114.5
Total Bespoke	\$ 379.4	\$ 251.9	\$ 212.5
Specialty			
Aviation and Aerospace	\$ 155.6	108.5	45.7
Energy	38.4	24.4	15.3
Marine	284.4	99.8	34.3
Property	11.6	13.8	11.0
Property D&F	352.8	278.9	62.8
Specialty Other	10.0	9.9	2.6
Total Specialty	\$ 852.8	\$ 535.3	\$ 171.7
Reinsurance			
Property Reinsurance	\$ 246.0	330.8	311.6
Retrocession	17.5	27.3	28.4
Whole Account	9.0	8.9	4.4
Total Reinsurance	\$ 272.5	\$ 367.0	\$ 344.4

c) The following table presents gross premiums written by the geographical location of the Group's subsidiaries

	For the year ended December 31,		
	2022	2021	2020
Bermuda	\$ 707.6	\$ 1,147.5	\$ 662.4
United Kingdom	1,745.7	1,288.4	729.4
Republic of Ireland	546.8	351.8	184.7
Total	\$ 3,000.1	\$ 2,787.7	\$ 1,576.5

The information presented above is after allocation of consolidation adjustments. Amounts relating to intergroup reinsurance are not included in the above table.

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4. Investments

At December 31, 2022, the Group's investments are managed by external investment managers through individual investment management agreements. The Group monitors activity and performance of the external managers on an ongoing basis.

a. Fixed maturity securities

The following table summarizes the fair value of fixed maturity investments managed by external investment managers:

	At December 31, 2022			
	Amortized Cost	Unrealized gains	Unrealized losses	Fair value
Available-for-sale				
US. Treasuries	\$ 643.1	\$ —	\$ (27.3)	\$ 615.8
Agencies	17.5	—	(0.4)	17.1
Non-U.S. government	115.2	—	(4.3)	110.9
Corporate bonds	1,078.9	—	(58.6)	1,020.3
Residential mortgage-backed	88.6	—	(8.9)	79.7
Commercial mortgage-backed	8.0	—	(1.2)	6.8
Other asset backed securities	209.5	—	(9.2)	200.3
Total fixed maturity securities, available-for-sale	\$ 2,160.8	\$ —	\$ (109.9)	\$ 2,050.9
Total fixed maturity securities	\$ 2,160.8	\$ —	\$ (109.9)	\$ 2,050.9

	At December 31, 2021			
	Amortized Cost	Unrealized gains	Unrealized losses	Fair value
Trading				
Corporate bonds	\$ 13.6	\$ 0.1	\$ —	\$ 13.7
Residential mortgage-backed	4.8	0.1	—	4.9
Other asset backed securities	8.3	—	—	8.3
Total fixed maturity securities, trading	\$ 26.7	\$ 0.2	\$ —	\$ 26.9

Available-for-sale				
US. Treasuries	\$ 732.8	2.5	(4.5)	730.8
Agencies	28.0	—	(0.1)	27.9
Non-U.S. government	140.3	0.6	(0.8)	140.1
Corporate bonds	1,276.8	2.8	(12.2)	1,267.4
Residential mortgage-backed	56.3	0.2	(1.4)	55.1
Commercial mortgage-backed	57.3	—	(0.8)	56.5
Other asset backed securities	214.1	0.2	(1.0)	213.3
Total fixed maturity securities, available-for-sale	\$ 2,505.6	\$ 6.3	\$ (20.8)	\$ 2,491.1
Total fixed maturity securities	\$ 2,532.3	\$ 6.5	\$ (20.8)	\$ 2,518.0

Review of the fixed maturity securities is performed on a regular basis to consider concentration, credit quality and compliance with established guidelines. For individual fixed income securities, nationally recognized statistical

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rating organizations (“NRSROs”) are used and the lower of two or middle of three ratings is taken. The composition of the fair values of fixed income securities by credit rating is as follows:

	2022		2021	
	Fair Value	%	Fair Value	%
Trading				
AAA	\$ —	—%	\$ 14.4	54%
AA	—	—%	1.6	6%
A	—	—%	8.4	31%
BBB	—	—%	2.5	9%
Total fixed maturity securities, trading	\$ —	—%	\$ 26.9	100%

	2022		2021	
	Fair Value	%	Fair Value	%
Available-for-sale				
AAA	\$ 915.1	45%	\$ 1,100.2	44%
AA	150.2	7%	184.3	7%
A	703.1	34%	858.9	35%
BBB	282.5	14%	346.7	14%
BB	—	—%	1.0	—%
Total fixed maturity securities, available-for-sale	\$ 2,050.9	100%	\$ 2,491.1	100%

The contractual maturities for fixed maturity securities are listed in the following table:

	2022		2021	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Trading				
Due in one year or less	\$ —	\$ —	\$ 20.2	\$ 20.3
Due after one year through five years	—	—	0.1	0.1
Due after five years through ten years	—	—	—	—
Due after ten years	—	—	6.4	6.5
Total fixed maturity securities, trading	\$ —	\$ —	\$ 26.7	\$ 26.9

	2022		2021	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Available-for-sale				
Due in one year or less	\$ 701.7	\$ 688.1	\$ 191.3	\$ 192.0
Due after one year through five years	1,236.8	1,156.9	2,067.6	2,055.0
Due after five years through ten years	94.8	90.6	102.5	102.3
Due after ten years	126.7	115.3	144.1	141.8
Total fixed maturity securities, available-for-sale	\$ 2,160.0	\$ 2,050.9	\$ 2,505.5	\$ 2,491.1

Expected maturities may differ from contractual maturities as borrowers may have the right to call or repay obligations with or without call or prepayment penalties. Additionally, lenders may have the right to put the securities back to the borrower.

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b. Short-term investments

The following investments were included in short-term investments managed by external investment managers and are classified as available-for-sale:

Available-for-sale	At December 31, 2022			
	Amortized Cost	Unrealized gains	Unrealized losses	Fair value
U.S. Treasuries	\$ 228.4	\$ 0.1	\$ —	\$ 228.5
Non-U.S. government	23.2	—	(0.1)	23.1
Corporate bonds	5.4	—	—	5.4
Total short-term investments	\$ 257.0	\$ 0.1	\$ (0.1)	\$ 257.0

Available-for-sale	At December 31, 2021			
	Amortized Cost	Unrealized gains	Unrealized losses	Fair value
U.S. Treasuries	\$ 8.9	\$ —	\$ —	\$ 8.9
Corporate bonds	2.6	—	—	2.6
Total short-term investments	\$ 11.5	\$ —	\$ —	\$ 11.5

The composition of the fair values of short-term investments by credit rating is as follows:

Available-for-sale	2022		2021	
	Fair Value	%	Fair Value	%
AAA	\$ 251.6	98%	\$ 8.9	77%
AA	4.4	2%	—	—%
A	1.0	—%	—	—%
BBB	—	—%	2.6	23%
Total short-term fixed maturity securities, available-for-sale	\$ 257.0	100%	\$ 11.5	100%

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c. Allowances for Expected Credit Losses - Available-for-sale

The following table provides a roll forward of the allowance for expected credit losses of the Group's securities classified as available-for-sale:

	Book Value	Unrealized Gain	Unrealized Loss	Market Value	Loss allowance
Year ended December 31, 2022					
Balance at beginning of year	\$ 2,517.1	\$ 6.3	\$ (20.8)	\$ 2,502.6	\$ (2.2)
Change in year	(99.3)	(6.2)	(89.2)	(194.7)	1.1
Balance at end of year	\$ 2,417.8	\$ 0.1	\$ (110.0)	\$ 2,307.9	\$ (1.1)

	Book Value	Unrealized Gain	Unrealized Loss	Market Value	Loss allowance
Year ended December 31, 2021					
Balance at beginning of year	\$ 1,530.1	\$ 23.9	\$ (0.5)	\$ 1,553.5	\$ (0.4)
Change in year	987.0	(17.6)	(20.3)	949.1	(1.8)
Balance at end of year	\$ 2,517.1	\$ 6.3	\$ (20.8)	\$ 2,502.6	\$ (2.2)

The Group assesses each quarter whether the decline in the fair value of an available-for-sale investment below its amortized cost is the result of a credit loss. All available-for-sale securities with unrealized losses are reviewed. The Group considers many factors to determine whether a credit loss exists, including the extent to which fair value is below cost, the implied yield to maturity, rating downgrades of the security and whether or not the issuer has failed to make scheduled principal or interest payments. The Group also takes into consideration information about the financial condition of the issuer and industry factors that could negatively impact the capital markets.

If the decline in fair value of an available-for-sale security below its amortized cost is considered to be the result of a credit loss, the Group compares the estimated present value of the cash flows expected to be collected to the amortized cost of the security. The extent to which the estimated present value of the cash flows expected to be collected is less than the amortized cost of the security represents the expected credit loss, which is recorded as an allowance and recognized in net income. The allowance is limited to the difference between the fair value and the amortized cost of the security. The Group recognized a \$1.1 million reduction to credit related impairments in 2022 (2021: \$1.8 million increase).

d. Other investments, at fair value

At December 31, 2022, other investments consisted of a residual balance invested in a credit hedge fund managed by York Capital Management ("York"), equity and commodity linked structured notes, and an opportunistic fixed income UCITS fund managed by Wellington Investment Management ("Wellington").

	2022		2021	
	Fair Value	%	Fair Value	%
Other investments				
York Funds	\$ 0.9	1%	\$ 0.9	—%
Equity and Commodity structured notes	72.8	62%	85.2	34%
Equity Index structured notes	—	—%	118.0	47%
Wellington Funds	43.4	37%	49.0	19%
Total other investments at fair value	\$ 117.1	100%	\$ 253.1	100%

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At the end of 2019 York suspended redemptions in its credit hedge fund while the underlying assets of the fund are liquidated and proceeds distributed to investors. The fair value of the residual investment in York at December 31, 2022 was \$0.9 million (cost: \$1.3 million) compared to a prior year fair value of \$0.9 million (cost: \$1.3 million) at December 31, 2021. The Group has recorded its investment in the York Fund at reported net asset value. There are currently no outstanding commitments to the York Fund. During 2022, the Group received \$0.2 million (2021: \$1.3 million) of distributions from York.

In 2020 the Group invested \$100.0 million in two tranches of a two-year, S&P500 index linked structured note (“S&P500 note”). During 2022 both tranches of the S&P500 note redeemed at the maximum potential redemption value of \$118.0 million. The fair value of the S&P500 note at December 31, 2021 was \$118.0 million.

In 2021 the Group invested \$75.2 million into a blended equity market linked structured note and four commodity linked structured notes (“equity and commodity notes”). All five structured notes were initially invested for a two-year term. At December 31, 2021 the equity and commodity notes had a fair market value of \$85.2 million.

In 2022 the Group increased the total funds invested in the equity and commodity notes to \$100.0 million and the notes were restructured. The blended equity market linked note (performance is based on the weighted performance of the S&P500, Eurostoxx600, Topix and Infrastructure equities) was restructured to include a ‘hard’ buffer (negative protection) of 10.0% while the potential upside return was capped at 10.5%. The four commodity linked structured notes (linked to the spot price of industrial metals) were combined into one note and the note was also restructured to include a ‘hard’ buffer (negative protection) of 10.0% while the potential upside return was capped at 22.0%. The remaining term for both notes after restructure was one year as the ultimate redemption date was kept consistent with the redemption date of the original equity and commodity notes. In October 2022, the Group exited the commodity linked note for proceeds of \$20.8 million (cost \$25.0 million). At December 31, 2022 the fair value of the equity market linked structured note was \$72.8 million (cost \$75.0 million). The equity market linked note will redeem in February 2023. The Group has recorded these investment at fair value using the income valuation approach.

In 2021 the Group invested \$50.0 million in Wellington. The fair value of the investment at December 31, 2022 was \$43.4 million compared to the prior year fair value of \$49.0 million at December 31, 2021. The Group has recorded this investment at reported net asset value.

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e. Net Investment Income and Net Realized Gains

The components of net investment return are as follows:

	2022	2021	2020
Net interest and dividend income	\$ 44.0	\$ 24.0	\$ 28.1
Investment expenses	(3.3)	(3.4)	(1.9)
Net investment Income	40.7	20.6	26.2
Net realized gains on fixed maturity securities, trading	—	0.9	0.1
Net realized (losses)/gains on fixed maturity securities, available for sale	(2.5)	1.2	3.6
Net realized (losses)/gains on other investments	27.6	(1.5)	(0.2)
Net realized (losses)/gains on derivatives	(20.3)	1.0	2.3
Change in net unrealized (losses)/gains on fixed maturity securities, trading	(0.5)	(1.1)	1.0
Change in net unrealized (losses)/gains on other investments	(39.8)	15.7	11.3
Change in net unrealized (losses)/gains on derivatives	0.7	(0.9)	0.2
Provision for expected credit losses	1.1	(1.8)	(0.4)
Net investment (losses)/gains	(33.7)	13.5	17.9
Net investment return	\$ 7.0	\$ 34.1	\$ 44.1

5. Fair Value Measurements

FASB ASC 820-10, Fair Value Measurements and Disclosures, defines fair value, establishes a consistent framework for measuring fair value and requires disclosures about fair value measurements. The standard requires the Group to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair value hierarchy

FASB ASC 820-10 specifies a hierarchy of inputs based on whether the inputs are observable or unobservable. Observable inputs are developed using market data and reflect market participant assumptions, while unobservable inputs reflect the Group's market assumptions. The fair value hierarchy is as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets. The fair value is determined by multiplying the quoted price by the quantity held by the Group.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices (e.g. interest rates, yield curves, prepayment spreads, default rate, etc.) for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability or can be corroborated by observable market data.
- Level 3: Inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement. Significant management assumptions can be used to establish management's best estimate of the assumptions used by other market participants in determining the fair value of the asset or liability.

As required under the fair value hierarchy, the Group considers relevant and observable market inputs in its valuations where possible. The frequency of transactions, the size of the bid-ask spread and the amount of adjustment

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necessary when comparing similar transactions are all factors in determining the liquidity of markets and the relevance of observable prices in those markets.

The Group's policy with respect to transfer between levels of the fair value hierarchy is to recognize transfers into and out of each level as of the end of the reporting period.

Determination of fair value

The following section describes the valuation methodologies used by the Group to measure assets and liabilities at fair value, including an indication of the level within the fair value hierarchy in which each asset or liability is generally classified.

Fixed maturity securities

The Group's fixed maturity income securities portfolio is managed by external investment managers with oversight from the Group's Chief Investment Officer, the Group's Chief Financial Officer, and the Group's Board of Directors. Fair values for all securities in the fixed income investments portfolio are independently provided by the investment administrator, investment custodians, and investment managers, each of which utilize internationally recognized independent pricing services. Refinitiv Limited ("Refinitiv") is the main pricing service utilized to estimate the fair value measurements for the Group's fixed income securities for asset backed fixed income securities, and corporate and government bonds.

For determining the fair value of securities that are not actively traded, in general, pricing services use "matrix pricing" in which the independent pricing service uses observable market inputs including, but not limited to, reported trades, benchmark yields, broker-dealer quotes, interest rates, prepayment spreads, default rates and such other inputs as are available from market sources to determine a reasonable fair value.

The following describes the techniques generally used to determine the fair value of the Group's fixed maturity securities by asset class.

- U.S. Treasuries are bonds issued by the U.S. government. The significant inputs used to determine the fair value of these securities are based on quoted prices in active markets for identical assets and are therefore classified within Level 1.
- Agency securities consists of securities issued by U.S. and non-U.S. government sponsored agencies such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, government development banks and other agencies which are not mortgage pass-through. The fair values of these securities are classified as Level 2.
- Non-U.S. government securities consist of bonds issued by non-U.S. governments and supranationals. The significant inputs used to determine the fair value of these securities include the spread above the risk-free yield curve, reported trades and broker-dealer quotes. These are considered to be observable market inputs and, therefore, the fair values of these securities are classified within Level 2.
- Corporate bonds consist primarily of investment-grade debt of a wide variety of corporate issuers and industries. When available, significant inputs are used to determine the fair value of these securities and are based on quoted prices in active markets for similar assets. When not available, the fair values of these securities are determined using the spread above the risk-free yield curve, reported trades, broker-dealer quotes, benchmark yields, and industry and market indicators. The fair values of these securities are classified as Level 2.

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- Residential mortgage-backed securities includes agency mortgage-backed securities and agency collateralised mortgage obligations. These are individually evaluated using option adjusted spreads ‘OAS’ and nominal spreads. The OAS valuations use a third-party prepayment model and OAS. Spreads are based upon tranche type and average life volatility. These spreads are gathered from dealer quotes, trade prices, and the new issue market. The fair values of these securities are classified as Level 2.
- Commercial mortgage-backed securities consist of investment grade bonds backed by pools of loans with underlying collateral. Securities held in this sector are primarily priced by pricing services. Inputs to the valuation process include broker-dealer quotes and other available trade information, prepayment speeds, current price data, the swap curve as well as cash settlement. The fair values of these securities are classified as Level 2.
- Other asset-backed securities consist of investment grade bonds backed by pools of loans with underlying collateral. The underlying collateral for asset-backed securities consists mainly of student loans, automobile loans and credit card receivables. These securities are primarily priced by index providers and pricing vendors. Inputs to the valuation process include broker-dealer quotes and other available trade information, prepayment speeds, tranche type, interest rate data and credit spreads. The Company classifies these securities within Level 2.

Short-term investments

The Group’s short-term investments consist of commercial paper and bonds with maturities of 90 days or greater but less than one year at the time of purchase. The significant inputs used to determine the fair value of these securities include the spread above the risk-free yield curve, reported trades and broker-dealer quotes. These are considered to be observable market inputs and, therefore, the fair values of these securities are classified within Level 1 and Level 2.

Derivative assets and liabilities

Exchange-traded derivatives, measured at fair value using quoted prices in active markets, where available are classified as Level 1 of the fair value hierarchy.

Derivatives without quoted prices in an active market and derivatives executed over the counter are valued using internal valuations techniques that consider the time value of money, volatility, the current market and contractual prices of underlying financial instruments. These derivative instruments are classified as either Level 2 or Level 3 depending upon the observability of the significant inputs to the model. The valuation techniques and key inputs depend on the type of derivative and the nature of the underlying instrument.

Other investments

The Group values its investment in the residual hedge fund at fair value, which is estimated based on the Group’s share of the net asset value (NAV) as provided by the investment manager of the underlying investment fund. The Group has elected to use the practical expedient method to record the fair value of the investment at net asset value and has therefore not assigned levels to these investments in the fair value hierarchy.

The Group measures the fair value of its structured notes investments using a market valuation approach which is based entirely on observable inputs. The structured notes are comprised of a package of ‘embedded derivatives’ (call and put options) which will determine the note’s redemption value at maturity, and a zero-coupon bond (the ‘host contract’) which will mature at par. The Group has elected to account for the entire contract at fair value which is

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based upon a quoted price from J.P.Morgan Securities Ltd. This price is deemed to be an accurate indication of the fair market value of the structured notes for the following factors.

- J.P.Morgan Securities Ltd's pricing methodology is used to make markets in similar products on an active basis
- All inputs are observable
- J.P.Morgan's pricing is provided daily to Bloomberg to provide a an active price which is observable on a daily basis.

The fair value of UCITS is based on unadjusted quoted market prices in active markets, therefore, the fair value of this security is classified as Level 1.

The following table presents the financial instruments measured at fair value on a recurring basis at December 31, 2022 and 2021:

Assets	At December 31, 2022			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 685.2	\$ —	\$ —	\$ 685.2
Investment pending settlement	2.0	—	—	2.0
Fixed income securities				
U.S. Treasuries	615.8	—	—	615.8
Agencies	—	17.1	—	17.1
Non-U.S.government	—	110.9	—	110.9
Corporate bonds	—	1,020.3	—	1,020.3
Residential mortgage-backed	—	79.7	—	79.7
Commercial mortgage-backed	—	6.8	—	6.8
Other asset backed securities	—	200.3	—	200.3
Total fixed income securities	\$ 615.8	1,435.1	—	2,050.9
Short-term investments				
Corporate bonds	—	5.4	—	5.4
Non-U.S.government	—	23.1	—	23.1
U.S. Treasuries	228.5	—	—	228.5
Total short-term investments	\$ 228.5	28.5	—	257.0
Other investments*	43.4	72.8	—	116.2
Derivative assets	—	6.3	—	6.3
Total Assets	\$ 1,574.9	\$ 1,542.7	\$ —	\$ 3,117.6

* excludes investments in the York Funds

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There were no transfers into or out of Level 1 and Level 2 during 2022.

Assets	At December 31, 2021			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 154.8	\$ —	\$ —	\$ 154.8
Investment pending settlement	0.5	—	—	0.5
Fixed income securities				
U.S. Treasuries	730.8	—	—	730.8
Agencies	—	27.9	—	27.9
Non-U.S. government	—	140.1	—	140.1
Corporate bonds	—	1,281.1	—	1,281.1
Residential mortgage-backed	—	60.0	—	60.0
Commercial mortgage-backed	—	56.5	—	56.5
Other asset backed securities	—	221.6	—	221.6
Total fixed income securities	730.8	1,787.2	—	2,518.0
Short-term investments				
Corporate bonds	—	2.6	—	2.6
U.S. Treasuries	8.9	—	—	8.9
Total short-term investments	8.9	2.6	—	11.5
Other investments*	49.1	203.1	—	252.2
Derivative assets	0.1	0.9	—	1.0
Total Assets	\$ 944.2	\$ 1,993.8	\$ —	\$ 2,938.0

* excludes investments in the York Funds

Liabilities	At December 31, 2021			
	Level 1	Level 2	Level 3	Total
Derivative liabilities	(0.8)	—	—	(0.8)
Total Liabilities	\$ (0.8)	\$ —	\$ —	\$ (0.8)

There were no transfers into or out of Level 1 and Level 2 during 2021.

6. Investments Pending Settlement

The Group has receivables and payables from financials instruments sold and purchased from prime brokers and external managers which arise in the ordinary course of business. The Group is exposed to risk of loss from the inability of brokers to pay for purchases or to deliver the financial instruments pending transfer, in which case the Group would have to sell or purchase the financial instruments at prevailing market prices. Credit risk is reduced to the extent that an exchange or clearing organization acts as a counterparty to the transaction and replaces the prime broker. At December 31, 2022, the Group recognized a receivable of \$2.0 million (2021: \$0.5 million).

7. Cash and Cash Equivalents

	2022	2021
Cash at bank	\$ 384.8	\$ 258.8
Cash held with brokers/custodians	337.9	62.4
Cash held in money market funds	685.2	154.8
Total cash and cash equivalents	\$ 1,407.9	\$ 476.0

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8. Restricted Cash and Cash Equivalents

The Group is required to maintain certain levels of cash in segregated accounts with prime brokers and derivative counterparties. The amount of restricted cash held by derivative counterparties is cash collateral to support the current value of any amounts that may be due to the counterparty based on the value of the underlying financial instrument.

The Group also has cash in trust funds which support the insurance business written on certain lines of business with reinsurers and insurers.

The Group is also required to hold cash as collateral for credit card limits which support general business activities.

The following table presents the restricted cash and cash equivalents at December 31, 2022 and 2021:

	2022	2021
Restricted cash	\$ 0.1	\$ 2.0
Letters of Credit collateral	21.2	27.9
Cash in trust funds	164.6	120.9
Credit card collateral	—	0.1
Total restricted cash and cash equivalents	\$ 185.9	\$ 150.9

9. Pledged Investments

The Group has investments in segregated portfolios primarily to provide collateral for Letters of Credit, which support its (re)insurance business.

At December 31, 2022, \$nil (2021: \$11.4 million) of trading fixed maturity securities and \$989.4 million (2021: \$806.2 million) of available-for-sale fixed income securities were on deposit with a custodian in respect of the Group's letter of credit facilities and trust accounts.

10. Derivative Financial Instruments

The Group enters into derivative instruments such as futures and forward contracts primarily for duration, interest rate and foreign currency exposure management. The Group's derivative instruments are generally traded under International Swaps and Derivatives Association master agreements, which establish the terms of the transactions entered into with the Group's derivative counterparties. In the event one party becomes insolvent or otherwise defaults on its obligations, a master agreement generally permits the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions' marked-to-market values so that a single sum in a single currency will be owed by, or owed to, the non-defaulting party. Effectively, this contractual close-out netting reduces credit exposure from gross to net exposure.

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The following tables identify the listing currency, fair value and notional amounts of derivative instruments included in the Consolidated Balance Sheets, categorized by primary underlying risk. Balances are presented on a gross basis:

At December 31, 2022			
	Listing currency (1)	Notional amount of underlying instruments (2)	Fair Value of net assets on derivatives
Derivative assets by primary underlying risk			
Foreign exchange contracts			
Forwards (3)	AUD/CAD/EUR/GBP/JPY	\$ (44.0)	\$ 6.3
Total derivatives assets		\$ (44.0)	\$ 6.3

(1) AUD = Australian Dollar, CAD = Canadian Dollar, EUR = Euro, GBP = British pound, JPY = Japanese Yen and USD = US Dollar.

(2) The absolute notional exposure represents the Group's derivative activity at December 31, 2022, which is representative of the volume of derivatives held during the year.

(3) Contracts used to manage foreign currency risks in underwriting and non-investment operations.

At December 31, 2021			
	Listing currency (1)	Notional amount of underlying instruments (2)	Fair Value of net assets on derivatives
Derivative assets by primary underlying risk			
Interest rate contracts			
Futures	USD	\$ 1.3	\$ 0.1
Foreign exchange contracts			
Forwards (3)	AUD/CAD/EUR/GBP/JPY	3.5	0.9
Total derivatives assets		\$ 4.8	\$ 1.0

At December 31, 2021			
	Listing currency (1)	Notional amount of underlying instruments (2)	Fair Value of net assets on liabilities
Derivative liabilities by primary underlying risk			
Interest rate contracts			
Futures	USD	\$ 206.5	\$ (0.7)
Foreign exchange contracts			
Forwards (3)	AUD/CAD/EUR/GBP/JPY	(7.0)	(0.1)
Total derivatives liabilities		\$ 199.5	\$ (0.8)

(1) AUD = Australian Dollar, CAD = Canadian Dollar, EUR = Euro, GBP = British pound, JPY = Japanese Yen and USD = US Dollar.

(2) The absolute notional exposure represents the Group's derivative activity at December 31, 2021, which is representative of the volume of derivatives held during the year.

(3) Contracts used to manage foreign currency risks in underwriting and non-investment operations.

The following table presents derivative instruments by major risk type, the Group's net realized gains/(losses) and change in net unrealized gains/(losses) relating to derivative trading activities for the years ended December 31,

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2022, 2021 and 2020. Net realized gains/(losses) and net unrealized gains/(losses) related to derivatives are included in net investment return and net foreign exchange gains and losses in the Consolidated Statement of Income.

Derivatives	2022		2021		2020	
	Net realized gains/(losses)	Change in net unrealized gains/(losses)	Net realized gains/(losses)	Change in net unrealized gains/(losses)	Net realized gains/(losses)	Change in net unrealized gains/(losses)
Interest rate contracts						
Futures ⁽¹⁾	\$ (20.3)	\$ 0.7	\$ 1.0	\$ (0.9)	\$ 2.3	\$ 0.2
Total interest rate contracts	(20.3)	0.7	1.0	(0.9)	2.3	0.2
Foreign exchange contracts						
Forwards ⁽²⁾	3.5	5.3	(2.9)	6.3	(1.5)	(4.8)
Total foreign exchange contracts	3.5	5.3	(2.9)	6.3	(1.5)	(4.8)
Total	\$ (16.8)	\$ 6.0	\$ (1.9)	\$ 5.4	\$ 0.8	\$ (4.6)

(1) Contracts used to manage interest rate risks in investments operations.

(2) Contracts used to manage foreign currency risks in underwriting and non-investment operations.

The Group obtains/provides collateral from/to counterparties for OTC derivative financial instruments in accordance with bilateral credit facilities.

The Group does not offset its derivative instruments and presents all amounts in the Consolidated Balance Sheets on a gross basis. The Group has pledged cash collateral to counterparties to support the current value of amounts due to the counterparties based on the value of the underlying security.

11. Deferred Policy Acquisition Costs

The following table represents a reconciliation of beginning and ending deferred policy acquisition costs for the years ended December 31, 2022 and 2021:

	For the year ended December 31,	
	2022	2021
Balance at the beginning of the period	\$ 403.3	\$ 276.5
Acquisition costs deferred	577.2	446.2
Amortization of deferred policy acquisition costs	(447.7)	(299.9)
Other movements	(17.0)	(19.5)
Balance at the end of the period	\$ 515.8	\$ 403.3

12. Reserves for Losses and Loss Adjustment Expenses

The reserves for losses and loss adjustment expenses include an amount determined from reported claims and estimates based on historical loss experience and industry statistics for losses incurred but not reported using a variety of actuarial methods.

The unpaid reported reserves for losses and loss adjustment expenses are established by management based on reports from brokers, ceding companies and insureds and represents the estimated ultimate cost of events or conditions that have been reported to, or specifically identified by the Group.

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The reserves for IBNR losses and loss adjustment expenses are established by management based on actuarially determined estimates of ultimate losses and loss adjustment expenses. Inherent in the estimate of ultimate losses and loss adjustment expenses are expected trends in claim severity and frequency and other factors which may vary significantly as claims are settled. Accordingly, ultimate losses and loss adjustment expenses may differ materially from the amounts recorded in the consolidated financial statements.

These estimates are reviewed regularly and, as experience develops and new information becomes known, the reserves are adjusted as necessary. Such adjustments, if any, will be recorded in losses and loss adjustment expenses in the period in which they become known. IBNR reserves are calculated on a best estimate basis and are estimated by management using various actuarial methods as well as the Group's own growing loss experience, historical insurance industry loss experience, estimates of pricing adequacy trends and management's professional judgement. Due to the limited historical data available, reliance is placed upon industry data and a review of individual policies. Estimates are calculated at the lowest level line of business, separately for gross and ceded, and for attritional, extreme and catastrophic claims.

The reserve estimates contain an inherent level of uncertainty and actual results may vary, potentially significantly, from the estimates the Group has made. Reserves are reviewed on a quarterly basis and estimates are adjusted to reflect emerging claims experience.

The Group estimates reserves for unallocated claims adjustment expenses ("ULAE") based on a percentage of loss reserves as determined by management. However, this may be overridden in exceptional circumstances where this approach is not deemed appropriate. There were no material changes made to the Group's methodology for calculating reserves for unallocated claims adjustment expenses for the year ended December 31, 2022.

The following table presents a reconciliation of unpaid losses and loss adjustment expenses for the years ended December 31, 2022, 2021 and 2020:

	2022	2021	2020
Gross unpaid losses and loss adjustment expenses, beginning of year	\$ 1,386.5	\$ 818.0	\$ 730.7
Reinsurance recoverable on unpaid losses	(795.2)	(382.2)	(442.7)
Net unpaid losses and loss adjustment expenses, beginning of year	591.3	435.8	288.0
Net losses and loss adjustment expenses incurred in respect of losses occurring in:			
Current year	852.3	706.4	362.9
Prior years	(22.1)	(9.6)	(38.4)
Total incurred	830.2	696.8	324.5
Net losses and loss adjustment expenses paid in respect of losses occurring in:			
Current year	(82.5)	(216.7)	(80.6)
Prior years	(242.2)	(311.9)	(104.5)
Total Paid	(324.7)	(528.6)	(185.1)
Foreign exchange	(27.7)	(12.7)	8.0
Net unpaid losses and loss adjustment expenses, end of year	1,069.1	591.3	435.4
Reinsurance recoverable on unpaid losses	976.1	795.2	382.6
Gross unpaid losses and loss adjustment expenses, end of year	\$ 2,045.2	\$ 1,386.5	\$ 818.0

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As a result of the changes in estimates of insured events in prior years, the 2022 reserves for losses and loss adjustment expenses net of reinsurance recoveries decreased by \$22.1 million (2021: \$9.6 million, 2020: \$38.4 million).

Reserve releases in 2022 have resulted from better than expected loss experience in the Bespoke and Specialty segments. Reserves for the Reinsurance segment were strengthened in 2022 due to deterioration on Hurricane Laura and the 2021 European Floods.

Reserve releases in 2021 have resulted from better than expected loss experience across the Bespoke and Specialty pillars, offset by deterioration on Hurricane Laura and the Mid-West Derecho in the Reinsurance segment.

Reserve releases in 2020 have resulted from changes in reserving estimates following better than expected loss experience across the Bespoke, Specialty and Reinsurance segments.

a. Incurred and paid loss development tables by accident year

The Group's loss reserve analysis is based primarily on underwriting year data. The preparation of the below accident year development tables required an allocation of underwriting year data to the corresponding accident year.

Allocations are performed using accident year loss payment and reporting patterns, which are derived from Group specific loss data. Ultimate reserves are allocated based on reserve movement splits between prior and current year and reflects the movement in earned premium by underwriting year.

The following tables present the Group's total losses and loss adjustment expenses incurred, net of reinsurance and paid losses and loss adjustment expenses by accident year, net of reinsurance. The information has been provided separately for the bespoke, specialty and reinsurance segments.

The reporting of cumulative claims frequency has been measured by counting the number of unique, individual claims where a claims reference has been established. For certain policies, claims are managed by MGAs and these have been included based upon information provided by the MGA and allocated to the year of loss based upon the best available information.

Incurred losses and loss adjustment expenses – net of reinsurance

Bespoke

Accident year	For the year ended December 31, 2022								At December 31, 2022	
	2015 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2022	Total of IBNR plus expected development on reported	Cumulative number of reported losses
2015	0.4	0.4	0.2	0.1	0.1	0.1	0.1	—	—	20
2016		9.3	5.8	5.1	8.0	9.5	2.4	2.1	—	41
2017			18.5	12.2	10.2	9.6	9.2	8.0	0.8	85
2018				35.4	21.7	14.3	19.9	19.5	3.7	431
2019					39.9	26.4	34.5	24.4	5.6	2,189
2020						90.0	62.6	67.5	(137.3)	2,023
2021							93.7	72.0	49.1	481
2022								146.1	134.9	2
Total								339.6	56.80	

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Cumulative paid losses and loss adjustment expenses, net of reinsurance

Accident year	For the year ended December 31, 2022							
	2015 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2022
2015	—	—	—	—	—	—	—	—
2016		—	1.3	2.6	2.8	2.6	2.2	2.3
2017			1.7	2.0	3.5	4.8	6.1	6.1
2018				0.3	2.5	3.0	12.6	14.9
2019					1.9	6.5	12.4	15.6
2020						18.7	185.5	189.6
2021							12.5	19.9
2022								7.2
								<u>255.6</u>
Reserve FX								6.8
ULAE								<u>1.6</u>
Liabilities for losses and loss adjustment expenses, net of reinsurance								<u>92.4</u>

- (1) The total of IBNR plus expected development on reported losses for the 2020 accident year in the Bespoke segment includes amounts for salvage totaling \$144.2 million for which the Group has paid gross losses to the insured and expects to recover amounts paid via the sale of the repossessed property.

Specialty

Accident year	For the year ended December 31, 2022								At December 31, 2022	
	2015 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2022	Total of IBNR plus expected development on reported	Cumulative number of reported losses
2015	2.2	1.0	0.2	—	—	—	—	—	—	2
2016		10.2	4.6	3.5	3.3	2.1	2.2	1.8	0.1	110
2017			8.8	5.7	2.3	2.1	1.1	1.8	—	506
2018				10.2	13.8	11.6	13.0	11.9	(0.9)	557
2019					28.8	23.8	26.1	41.0	(1.5)	360
2020						72.9	52.1	47.3	5.8	685
2021							222.4	202.1	9.8	706
2022								514.4	313.6	249
Total								<u>820.3</u>	<u>326.9</u>	

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Cumulative paid losses and loss adjustment expenses, net of reinsurance

Accident year	For the year ended December 31, 2022							
	2015 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2022
2015	—	—	—	—	—	—	—	—
2016		—	0.1	1.7	1.8	1.9	2.1	1.7
2017			—	0.4	0.6	1.5	2.2	1.6
2018				—	3.1	10.0	11.3	9.9
2019					5.2	17.1	16.0	24.0
2020						7.2	32.0	30.9
2021							36.7	98.9
2022								52.8
								219.8
Reserve FX								(17.7)
ULAE								8.7
Liabilities for losses and loss adjustment expenses, net of reinsurance								591.5

Reinsurance

Accident year	For the year ended December 31, 2022								At December 31, 2022	
	2015 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2022	Total of IBNR plus expected development on reported losses	Cumulative number of reported losses
2015	9.0	7.3	6.4	4.3	4.2	4.2	4.2	2.8	(0.1)	1
2016		74.0	60.8	52.8	49.9	46.7	42.9	40.3	16.9	33
2017			86.8	59.0	56.2	59.9	64.6	55.1	14.0	43
2018				95.4	103.9	101.0	100.6	92.3	4.7	74
2019					71.5	64.1	62.9	53.7	4.4	424
2020						198.2	228.5	248.8	39.7	1,943
2021							384.5	413.0	4.5	3,561
2022								185.3	138.4	4,151
Total								1,091.3	222.5	

Cumulative paid losses and loss adjustment expenses, net of reinsurance

Accident year	For the year ended December 31, 2022							
	2015 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2022
2015	—	0.5	2.7	2.8	2.8	2.7	2.8	2.9
2016		2.4	11.9	20.0	21.4	21.4	22.6	22.9
2017			26.5	45.2	47.5	51.4	53.7	35.8
2018				25.1	37.4	66.1	74.4	78.4
2019					3.0	49.0	51.7	43.6
2020						54.7	142.9	179.9
2021							167.5	310.5
2022								22.5
								696.5
Reserve FX								(19.7)
ULAE								10.1
Liabilities for losses and loss adjustment expenses, net of reinsurance								385.2

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b. Reconciliation of loss development information to the reserves for losses and loss adjustment expenses

The table below reconciles the loss development information to the Group's reserves for losses and loss adjustment expenses at December 31, 2022 and 2021:

	2022	2021
Reserves for losses and loss adjustment expenses, net of reinsurance		
Bespoke	\$ 90.8	\$ (7.7)
Specialty	582.8	216.0
Reinsurance	375.1	369.1
Total reserves for losses and loss adjustment expenses, net of reinsurance	<u>1,048.7</u>	<u>577.4</u>
Reinsurance recoverable on unpaid losses		
Bespoke	65.3	12.6
Specialty	278.5	111.9
Reinsurance	632.3	670.7
Total reserves for losses and loss adjustment expenses, net of reinsurance	<u>976.1</u>	<u>795.2</u>
Unallocated loss adjustment expenses	20.4	13.9
Total gross liability for unpaid losses and loss adjustment expenses	<u>\$ 2,045.2</u>	<u>\$ 1,386.5</u>

c. Historical loss duration

The following table presents the Group's historical average annual percentage payout of losses and loss adjustment expenses incurred, net of reinsurance by age at December 31, 2022.

The Group was incorporated on August 22, 2014 and commenced underwriting in 2015. As a result, the Group has limited historical data and is unable to present a full cycle of loss payments beyond year four as movements beyond this time horizon are not meaningful and may be misleading to the users of the financial statements.

	December 31, 2022 (Unaudited)			
Years	1	2	3	4
Bespoke	12%	46%	11%	26%
Specialty	12%	20%	6%	18%
Reinsurance	28%	29%	16%	2%

13. Reinsurance and Retrocessional Reinsurance

The Group uses reinsurance and retrocessional reinsurance from time to time to manage its net retention on individual risks as well as overall exposure to losses while providing it with the ability to offer policies with sufficient limits to meet policyholder needs. In a reinsurance transaction, an insurance company transfers, or cedes, all or part of its exposure in return for a portion of the premium. In a retrocessional reinsurance transaction, a reinsurance company transfers, or cedes, all or part of its exposure in return for a portion of the premium. The ceding of insurance does not legally discharge the Group from its primary liability for the full amount of the policies, and the Group will be required to pay the loss and bear collection risk if the reinsurer fails to meet its obligations under the reinsurance or retrocessional agreement.

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The following tables summarize the effect of reinsurance and retrocessional reinsurance on premiums written and earned and on losses and loss adjustment expenses for the years ended December 31, 2022, 2021 and 2020.:

	2022		
	Premiums	Premiums earned	Losses and loss adjustment expenses
Direct	\$ 2,069.1	\$ 1,482.9	\$ 732.6
Assumed	931.0	1,012.3	619.0
Ceded	(1,137.5)	(990.5)	(521.4)
Net	\$ 1,862.6	\$ 1,504.7	\$ 830.2

	2021		
	Premiums	Premiums earned	Losses and loss adjustment expenses
Direct	\$ 1,498.7	\$ 851.7	\$ 338.6
Assumed	1,289.0	1,227.8	1,140.5
Ceded	(1,186.6)	(925.3)	(782.3)
Net	\$ 1,601.1	\$ 1,154.2	\$ 696.8

	2020		
	Premiums	Premiums earned	Losses and loss adjustment expenses
Direct	\$ 721.5	\$ 372.8	\$ 106.4
Assumed	855.0	752.7	385.0
Ceded	(670.9)	(396.9)	(166.9)
Net	\$ 905.6	\$ 728.6	\$ 324.5

The Group is exposed to the credit risk of the reinsurer, or the risk that one of its reinsurers becomes insolvent or otherwise unable or unwilling to pay policyholder claims. This credit risk is generally mitigated by either selecting well capitalized, highly rated authorized capacity providers or requiring that the capacity provider post substantial collateral to secure the reinsured risks, which, in some instances, exceeds the related reinsurance recoverable. Allowances are established for amounts deemed uncollectible.

The Group evaluates the financial condition of its reinsurers on a regular basis and monitors concentrations of credit risk with reinsurers. At December 31, 2022, the reinsurance balance recoverable on reserves for losses and loss adjustment expenses was \$976.1 million (2021: \$795.2 million) and the reinsurance balance recoverable on paid losses was \$159.4 million (2021: \$256.6 million). All reinsurance premiums ceded and reinsurance recoverables are either fully collateralized or placed with reinsurers that are rated A- or greater by A.M. Best or S&P, other than four reinsurers which are rated B++. Where an insurer does not have a credit rating, the Group has received collateral, including letters of credit and trust accounts. Collateral related to these reinsurance agreements is available, without restriction, when the Group pays losses covered by the reinsurance agreements.

At December 31, 2022 the three largest balances by reinsurer accounted for 25.3%, 6.0% and 5.0% (2021: 17.4%, 6.8% and 6.3%) of the total balance recoverable from reinsurers on paid and unpaid losses.

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Although the Group has not experienced any credit losses to date, an inability of its reinsurers or retrocessionaires to meet their obligations to it over the relevant exposure periods for any reason could have a material adverse effect on its financial condition and results of operations.

The following table provides a roll forward of the allowance for expected credit losses of the Group's reinsurance recoverables due from third parties on unpaid claims.

	Year ended December 31, 2022	
	Reinsurance recoverable on unpaid claims	Allowance for Expected Credit Losses
Balance at the beginning of year	\$ 795.2	\$ 0.5
Change during the year	180.9	0.5
Balance at the end of year	\$ 976.1	\$ 1.0

	Year ended December 31, 2021	
	Reinsurance recoverable on unpaid claims	Allowance for Expected Credit Losses
Balance at the beginning of year	\$ 382.6	\$ —
Change during the year	412.6	0.5
Balance at the end of year	\$ 795.2	\$ 0.5

The following table provides a roll forward of the allowance for expected credit losses of the Group's reinsurance recoverables due from third parties on paid claims.

	Year ended December 31, 2022	
	Reinsurance recoverable on paid claims	Allowance for Expected Credit Losses
Balance at the beginning of year	\$ 256.6	\$ —
Change during the year	(97.2)	—
Balance at the end of year	\$ 159.4	\$ —

	Year ended December 31, 2021	
	Reinsurance recoverable on paid claims	Allowance for Expected Credit Losses
Balance at the beginning of year	\$ 105.7	\$ 0.3
Change during the year	150.9	(0.3)
Balance at the end of year	\$ 256.6	\$ —

Intercompany Retrocessional Reinsurance Arrangements

The Group has entered into various internal quota share retrocession agreements between its insurance carriers through which Fidelis Underwriting Limited ("FUL") and Fidelis Insurance Bermuda Limited ("FIBL") cedes some of its business to Fidelis Insurance Bermuda Limited ("FIBL") each year on a risk attaching basis.

14. Long term debt

On June 18, 2020, the Group issued \$300.0 million and on July 2, 2020 the Group issued a further \$30.0 million of its 4.875% Senior Notes due June 30, 2030 (collectively, the "Senior Notes"), with interest payable on June 30 and

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December 30 of each year, commencing on December 30, 2020. The Senior Notes are redeemable at the applicable redemption price, subject to the terms described in the indenture for the Senior Notes. However, the Senior Notes may not be redeemed prior to December 31, 2023 without approval from the Bermuda Monetary Authority (the “BMA”) and may not be redeemed at any time prior to their maturity if enhanced capital requirements, as established by the BMA, would be breached immediately before or after giving effect to the redemption of such notes, unless, in each case, the Group replaces the capital represented by the Senior Notes to be redeemed with capital having equal or better capital treatment as the notes under applicable BMA rules. The Senior Notes contain covenants, including limitations on liens on the stock of certain designated subsidiaries, limitations on consolidations, mergers, amalgamations and sales of substantially all assets and certain reporting obligations.

On October 16, 2020, the Group issued \$105.0 million, and on October 20, 2020, the Group issued a further \$20.0 million of its 6.625% Fixed-Rate Reset Junior Subordinated Notes due April 1, 2041 (collectively, the “Junior Notes”) with interest payable on April 1 and October 1 of each year, commencing on April 1, 2021. The interest rate is reset on April 1, 2026 at the US five-year treasury rate on the reset interest determination date plus 6.323%, and every five years thereafter. The Junior Notes are redeemable at par value for six months after each interest rate reset date. The Junior Notes contain covenants, including limitations on liens on the stock of certain designated subsidiaries, limitations on consolidations, mergers, amalgamations and sales of substantially all assets and certain reporting obligations.

The following table sets forth the principal amount of the debt issued as well as the unamortized discount and debt issuance costs at December 31, 2022 and 2021:

	2022		2021	
	Principal	Unamortized discount and debt issuance costs	Principal	Unamortized discount and debt issuance costs
4.875% Senior notes due 2030	330.0	(5.6)	330.0	(6.2)
6.625% Fixed Rate Reset Junior Subordinated notes due 2041	125.0	(1.9)	125.0	(1.9)
Total	455.0	(7.5)	455.0	(8.1)

Preference Securities

In 2015, the Group issued 30,400 shares of cumulative 9% preference securities with a redemption price equal to \$10,000 per share, plus all declared and unpaid dividends (the “preference securities”). Holders of preference securities are entitled to receive dividend payments only when, and if, declared by the Group’s Board of Directors. To the extent declared, these dividends will accumulate, with respect to each dividend period, in the amount per share equal to 9% of the \$10,000 liquidation preference per annum. Currently the holders of all preference securities do not have any voting rights.

During the year, the Group paid quarterly preference dividends totaling \$5.3 million (2021: \$5.3 million, 2020: \$14.4 million) to holders of the Group’s preference securities. At December 31, 2022, dividends payable of \$0.2

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million (2021: \$0.2 million) are included in other liabilities. No other outstanding amounts are payable to holders of the Preference Securities.

During 2020, the Group repurchased 18,388 preference securities for a total of \$209.1 million.

	At December 31,	
	2022	2021
Preference securities, par value \$0.01 per share		
Authorized (thousands)	1,000	1,000
Issued and outstanding:		
9% cumulative preference shares (thousands)	5.8	5.8

15. Variable Interest Entities

At times, the Group has utilized VIEs both indirectly and directly in the ordinary course of the Group's business.

During 2017, the Group, along with another investor, formed Pine Walk to provide administrative support to managing general agents. Pine Walk is deemed to be a variable interest entity as the equity is insufficient to finance operations without additional subordinated support in the form of a loan. At December 31, 2022, the current balance of the loan is \$nil (2021: \$1.2 million). Fidelis holds a majority interest in Pine Walk and has a majority of the board of director seats. Accordingly, the financial statements of Pine Walk have been included in the consolidated financial statements of the Group. Refer to Note 16, Non Controlling Interests for a summary of the non-controlling interests held in Pine Walk and other subsidiaries.

During 2017, Pine Walk, along with another investor, formed Firestone Surety Limited, which was renamed Oakside Surety Limited during 2018 ("Oakside"), a managing general agent that writes (re)insurance for FUL and FIID, focusing on surety bonds predominantly in the United Kingdom. Oakside is deemed to be a variable interest entity as the equity is insufficient to finance operations without additional subordinated support in the form of a loan. As of December 31, 2022, the current balance of the loan is \$nil (2021: \$0.4 million). Fidelis holds a minority interest in Oakside through Pine Walk. However, due to a de facto agent relationship the Group is considered to be the primary beneficiary, and the financial statements of Oakside have been consolidated in our consolidated financial statements.

During May 2018, Socium Re Limited ("Socium"), a Bermuda domiciled special purpose insurer, was formed to provide additional collateralized capacity to support the Group's business through retrocession agreements. Socium is regulated as a segregated cell structure by the BMA with its capital substantially provided by third party capital providers. The Group is not the primary beneficiary of the segregated account of Socium and therefore records its investment within other assets on the Group's Consolidated Balance Sheets. At December 31, 2022 the carrying value of the Group's investment in Socium was \$0.7 million, compared to the carrying value of \$0.8 million at December 31, 2021, which is the maximum loss exposure to the Group.

During 2019, Pine Walk, along with another investor, formed Perigon Product Recall Limited ("Perigon"), a managing general agent that writes (re)insurance for FUL and FIID focusing on product recall and product contamination. Perigon is deemed to be a variable interest entity as the equity is insufficient to finance operations without additional subordinated support in the form of a loan. At December 31, 2022, the current balance of the loan is \$0.4 million (2021: \$0.6 million). Due to a de facto agent relationship with Perigon, Fidelis is considered to be the primary beneficiary and as such the financial statements of Perigon have been consolidated in our consolidated financial statements.

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During 2020, Pine Walk formed Pine Walk Europe S.R.L. (“PWE”), a managing general agent that writes EEA business on behalf of Kersey, Oakside, Perigon and Navium . Through Pine Walk, Fidelis has a majority interest in PWE and can appoint the Directors. PWE meets the definition of a VIE as the companies that it writes business on behalf of have a right to profits from the entity but have no voting rights. As Fidelis either controls or is the primary beneficiary of the entities that have an interest in PWE, Fidelis is deemed to be the primary beneficiary of PWE and as such the financial statements of PWE have been consolidated in our consolidated financial statements.

During 2021, Pine Walk, along with another investor, formed Navium Marine Limited (“Navium”), a managing general agent that writes on FIID and FUL’s balance sheets focusing on Marine insurance. Navium is deemed to be a variable interest entity as the equity is insufficient to finance operations without additional subordinated support in the form of a loan. At December 31, 2022, the current balance of the loan is \$1.2 million (2021: \$1.3 million). Due to a de facto agent relationship with Navium, Fidelis is considered to be the primary beneficiary and as such the financial statements of Navium have been consolidated in our consolidated financial statements.

During 2021, Pine Walk, along with another investor, formed OPEnergy Limited (“OPEnergy”), a managing general agent that writes insurance for FUL focusing on Energy Liability insurance. OPEnergy is deemed to be a variable interest entity as the equity is insufficient to finance operations without additional subordinated support in the form of a loan. At December 31, 2022, the current balance of the loan is \$0.8 million (2021: \$0.7 million). Due to a de facto agent relationship with OPEnergy, the Group is considered to be the primary beneficiary and as such the financial statements of OPEnergy have been consolidated in our consolidated financial statements.

During 2021, Pine Walk, along with another investor, formed Pernix Specialty (“Pernix”), a managing general agent that writes insurance for FUL focusing on credit and political risk business. Pernix is deemed to be a variable interest entity as the equity is insufficient to finance operations without additional subordinated support in the form of a loan. At December 31, 2022, the current balance of the loan is \$1.2 million (2021: \$nil). Due to a de facto agent relationship with Pernix, the Group is considered to be the primary beneficiary and as such the financial statements of Pernix have been consolidated in our consolidated financial statements.

16. Non-controlling Interests

A summary of the Group’s non-controlling interests, and the impact upon its Consolidated Balance Sheets and Consolidated Statement of Income is summarized below:

	Non-Controlling Interest (%)		Balance Sheet (\$ million)		Income Statement (\$ million)		
	2022	2021	2022	2021	2022	2021	2020
Pine Walk Capital Limited	6%	13%	\$ 1.2	\$ 0.5	\$ 1.2	\$ 1.1	\$ 0.1
Radius Specialty Limited	30%	31%	1.6	1.3	1.4	4.8	(0.6)
Oakside Surety Limited	62%	65%	0.8	0.5	0.6	0.8	0.2
Kersey Specialty Limited	30%	35%	0.9	0.9	0.7	1.3	—
Perigon Product Recall Limited	30%	35%	0.3	0.3	0.2	0.3	0.1
Pine Walk Europe S.R.L.	6%	13%	0.2	—	0.3	—	—
Navium Marine Limited	34%	39%	4.3	1.7	4.1	1.7	—
OPEnergy Limited	30%	35%	0.5	—	0.6	—	—
Pernix Specialty Limited	30%	30%	0.5	—	0.6	—	—
Omega National Title Agency Ventures LLC	— %	— %	—	—	—	—	0.3
Total non-controlling interest			\$ 10.3	\$ 5.2	\$ 9.7	\$ 10.0	\$ 0.1

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During 2022, the Group purchased an additional 7% share in Pine Walk Capital Limited for a total consideration of \$11.7 million.

17. Commitments and Contingencies

a. Lease commitments

The Group's leases primarily consist of operating leases for its offices in the U.K., Ireland and Bermuda. During 2022, the Group entered into new leases in the UK and Ireland, and extended its lease in Bermuda.

Total expected lease payments are based on the lease payments specified in the contract and the stated term, including any options to extend or terminate.

The Group's operating leases have remaining lease terms of up to 12 years, some of which include options to extend the lease term. The Group considers these options when determining the lease term and measuring its lease liability and right-of-use asset. In addition, the Group's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Short-term operating leases with an initial term of twelve months or less were excluded from the Group's Consolidated Balance Sheet and represent an inconsequential amount of operating lease expense. These were entered into for the use of various office fixtures such as photocopiers and other IT equipment.

As most leases do not provide an implicit rate, the Group uses its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments.

The following table presents the Group's operating lease right-of-use assets and lease liabilities:

	At December 31,	
	2022	2021
Operating leases right-of-use assets	\$ 26.8	\$ 29.9
Operating lease liabilities	28.5	31.4
Operating lease weighted-average remaining lease term	9.1	9.6
Operating lease weight-average discount rate	7.8%	7.7%

The following table presents the Group's operating lease expenses and cash flows:

	Years Ended December 31,		
	2022	2021	2020
Operating lease costs	\$ 4.3	\$ 2.7	\$ 1.7
Variable lease costs	—	—	—
Total lease expense	4.3	2.7	1.7
Operating cash outflows from operating leases	\$ 2.6	\$ 1.8	\$ 2.2

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The following table presents the Group's future minimum annual lease commitments under various non-cancellable operating leases for the Group's facilities:

Years Ending December 31,	
2023	\$ 2.5
2024	5.3
2025	4.7
2026	4.6
2027	4.6
Later years	18.5
<i>Less present value discount</i>	<i>(11.7)</i>
Total	\$ 28.5

b. Letter of credit facilities

At December 31, 2022, the Group had the following letter of credit facilities:

- A Standby Letter of Credit Facility Agreement with Lloyds Bank plc ("Lloyds"), under which Lloyds committed to make available to the Group a letter of credit facility in the amount of \$175.0 million was renewed on September 21, 2021 for a 24 month term. The renewal was amended to reduce the unsecured tranche to \$25.0 million and retain the secured tranche of \$150.0 million. An additional secured accordion of \$25.0 million was triggered prior to December 31, 2021. Letters of credit can be issued under the letter of credit facility with Lloyds for the purposes of 1) the provision of funds at Lloyds and 2) supporting insurance and reinsurance obligations. At December 31, 2022, there were letters of credit outstanding under the letter of credit facility with Lloyds totaling \$101.2 million (2021: \$162.7 million), secured by collateral in the amount of \$92.4 million (2021: \$157.3 million).
- A Master Agreement for the Issuance of Payment Instruments with Citibank N.A., London Branch ("Citibank"), under which Citibank committed to make available a letter of credit facility in the amount of \$250.0 million, was amended on December 13, 2022, effective December 31, 2022. The letter of credit facility with Citibank was reduced to \$100.0 million, with the provision that the Group can request, from time to time, additional increments of \$50.0 million, not to exceed \$150.0 million. The letter of credit facility with Citibank is available until December 31, 2024. An additional uncommitted letter of credit facility was also agreed to with Citibank on October 6, 2021, for \$200.0 million. At December 31, 2022, there were letters of credit outstanding under this letter of credit facility with Citibank totaling \$100.1 million (2021: \$208.9 million), with \$7.1 million of non-renewed letters of credit expiring December 31, 2022, secured by collateral in the amount of \$104.4 million (2021: \$236.4 million).
- On September 17, 2021, the letter of credit facility with Barclays Bank plc ("Barclays") was renewed until September 15, 2023. The secured letter of credit facility with Barclays was amended to \$60.0 million as was the unsecured tranche amended to \$60.0 million. The borrowers of the letter of credit facility with Barclays continue to be Fidelis Insurance Bermuda Limited and Fidelis Underwriting Limited, with the guarantor continuing to be Fidelis Insurance Holdings Limited. A secured accordion under the letter of credit facility with Barclays of \$100.0 million was triggered prior to December 31, 2021. At December 31, 2022 there were letters of credit outstanding under this letter of credit facility with Barclays totaling \$88.2 million (2021: \$23.4 million), secured by collateral in the amount of \$45.7 million (2021: \$nil).
- On September 17, 2021 the letter of credit facility with Bank of Montreal ("BMO") was renewed at \$120.0 million, with a \$60.0 million secured tranche and a \$60.0 million unsecured tranche ending September 17, 2023.

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Fidelis Insurance Bermuda Limited is the borrower and Fidelis Insurance Holdings Limited is the guarantor. A secured accordion under the letter of credit facility with BMO of \$80.0 million was triggered prior to December 31, 2021. At December 31, 2022 there were letters of credit outstanding under this letter of credit facility with BMO totaling \$77.4 million (2021: \$45.0 million), secured by collateral in the amount of \$10.8 million (2021: \$16.0 million).

- A \$50.0 million Standby Letter of Credit Facility Agreement with Lloyds, dated December 10, 2021 was made available to Fidelis Insurance Holdings Limited as parent, account party and guarantor, for a four-year period to provide regulated capital in respect of Ancillary Own Funds (“AOF”).

c. Legal proceedings

From time to time in the normal course of business, the Group may be involved in formal and informal dispute resolution procedures, which may include arbitration or litigation, the outcomes of which determine the rights and obligations of the Group under the Group’s (re)insurance contracts, and other contractual agreements, or other matters as the case may be. In some disputes, the Group may seek to enforce its rights under an agreement or to collect funds owing to it. In other matters, the Group may resist attempts by others to collect funds or enforce alleged rights. While the final outcome of legal disputes that may arise cannot be predicted with certainty, the Group do not believe that the eventual outcome of any specific litigation, arbitration or alternative dispute resolution proceedings to which the Group are currently a party will have a material adverse effect on the financial condition of the Group’s business as a whole.

d. Concentration of credit risk

Credit risk arises out of the failure of a counterparty to perform according to the terms of the contract. The Group underwrites all of its (re)insurance business through brokers and as a result credit risk exists should any of these brokers be unable to fulfil their contractual obligations with respect to the payments of premium or failure to pass on claims, if there is risk transfer, to the Group. During the years ended December 31, 2022 and December 31, 2021, gross premiums written generated from or placed by the below companies collectively accounted for more than 10% of the Group’s combined gross premiums written, as follows:

	2022	2021	2020
Aon plc	15 %	22%	31%
Marsh & McLennan Companies, Inc	20 %	24%	19%
Others	65 %	54%	50%

The Group has policies and standards in place to manage and monitor the credit risk of intermediaries with a focus on day-to-day monitoring of the largest positions. Note 13, Reinsurance and Retrocessional Reinsurance describes the credit risk related to the Group’s reinsurance recoverables.

e. Intragroup guarantees

The Group has unconditionally and irrevocably guaranteed all of the financial obligations of FUL and FIID. The Group has guaranteed Fidelis Marketing Limited’s lease obligations.

18. Related Party Transactions

For the year ended December 31, 2022, the Group ceded reinsurance premiums of \$0.1 million (2021: \$0.2 million, 2020: \$2.8 million), of which \$0.1 million was earned in the year (2021: \$0.7 million, 2020: \$7.4 million) and ceded losses of minus \$3.4 million (2021: minus \$0.4 million, 2020: \$7.7 million) to Socium. At December 31,

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2022, the amount of reinsurance recoverable on unpaid and paid losses from Socium was \$5.8 million (2021: \$10.5 million) and the amount of ceded reinsurance payable included in insurance and reinsurance balances payable to Socium was \$2.6 million (2021: \$0.6 million) in the Consolidated Balance Sheets.

During 2019, the Group made interest free loans to management of \$4.5 million and is recorded within other assets in the Consolidated Balance Sheets. At December 31, 2022, the outstanding balance is \$4.5 million (2021: \$4.5 million).

19. Statutory Requirements and Dividend Restrictions

The Group's ability to pay dividends is subject to certain regulatory restrictions on the payment of dividends by its subsidiaries. The payment of such dividends is limited by applicable laws and statutory requirements of the jurisdictions in which the Group and its subsidiaries operate, detailed further below. The minimum required statutory capital and surplus is the amount of statutory capital and surplus necessary to satisfy regulatory requirements based on the Group's current operations.

The estimated statutory capital and surplus and minimum required statutory capital and surplus for the Group's regulatory jurisdictions is as follows:

	December 31, 2022		
	Bermuda ⁽¹⁾	United Kingdom ⁽²⁾	Republic of Ireland ⁽²⁾
Minimum statutory capital and surplus	\$ 620.0	\$ 550.0	\$ 80.0
Statutory capital and surplus	1,495.0	860.0	150.0
Available capital for distribution	875.0	295.0	65.0

	December 31, 2021		
	Bermuda ⁽¹⁾	United Kingdom ⁽²⁾	Republic of Ireland ⁽²⁾
Minimum statutory capital and surplus	662.4	500.3	68.3
Statutory capital and surplus	1,765.0	750.0	115.0
Available capital for distribution	1,102.6	249.7	46.7

(1) Required statutory capital and surplus represents the Enhanced Capital Requirement ("ECR").

(2) Required statutory capital and surplus represents the Solvency II Solvency Capital Requirement ("SCR").

Bermuda operations

The BMA acts as group supervisor of the Group and has designated FIBL as the 'designated insurer' of the Group. In accordance with the Group supervision and insurance group solvency rules, the Group is required to prepare and submit audited Group GAAP financial statements, a Group statutory financial return ("SFR"), a Group capital and solvency return ("CSR") and a Group Quarterly Financial Return ("QFR").

Under the Insurance Act 1978, amendments thereto and Related Regulations of Bermuda (the Insurance Act), FIBL is required to prepare and submit annual audited GAAP financial statements and statutory financial statements and to file with the BMA an SFR, CSR and audited GAAP financial statements.

As a Class 4 (re)insurer, FIBL is required to maintain available statutory economic capital and surplus at a level equal to or greater than the ECR. The ECR is the higher of the prescribed minimum solvency margin ("MSM") or the required capital calculated by reference to the Bermuda Solvency Capital Requirement ("BSCR") model. The BSCR

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model is a risk-based capital model that provides a method for determining a (re)insurer's capital requirements (statutory capital and surplus) by taking into account the risk characteristics of different aspects of the (re)insurer's business. In addition, the Group is required to maintain available statutory economic capital and surplus at a level equal to or in excess of the group ECR which is established by reference to the Group BSCR model.

Under the Insurance Act, FIBL is prohibited from declaring or paying a dividend if it is in breach of its minimum solvency margin, ECR or minimum liquidity ratio or if the declaration or payment of such dividend would cause such a breach. In addition, FIBL is prohibited from declaring or paying in any financial year dividends of more than 25% of its total statutory capital and surplus (as shown on its previous financial year's statutory balance sheet) unless it files with the BMA an affidavit stating that it will continue to meet the relevant solvency and liquidity margins. Without the approval of the BMA, FIBL is prohibited from reducing by 15% or more its total statutory capital as set out in its previous year's financial statements and any application for such approval must include an affidavit stating that it will continue to meet the required solvency and liquidity margins. In addition, under the Companies Act 1981, FIBL would be prohibited from making a distribution out of contributed surplus if there are reasonable grounds for believing that (a) FIBL is, or would after the payment be, unable to pay its liabilities as they become due or (b) the realizable value of FIBL's assets would thereby be less than its liabilities.

United Kingdom Operations

FUL is regulated by the PRA and therefore is subject to the Solvency II regime which has been effective from 1 January 2016 and established a new set of EU-wide capital requirements, risk management and disclosure standards. The Company is required to meet a SCR which is calibrated to seek to ensure a 99.5% confidence of the ability to meet obligations over a 12-month time horizon. The Company calculates its SCR in accordance with the standard formula prescribed in the Solvency II regulations as the assumptions underlying the standard formula are not inappropriate for FUL's risk profile.

The PRA regulatory requirements impose no explicit restrictions on the U.K. subsidiaries' ability to pay a dividend, but FUL would have to notify the PRA 28 days prior to any proposed dividend payment. In addition, the Group's U.K. subsidiaries must comply with the United Kingdom Companies Act of 2006, which provides that dividends may only be paid out of profits available for that purpose.

Ireland operations

FIID is regulated by the Central Bank of Ireland ("CBI") and therefore is subject to the Solvency II regime which has been effective from 1 January 2016 and established a set of EU-wide capital requirements, risk management and disclosure standards. The Company is required to meet its SCR which, as for FUL, is calibrated to seek to ensure a 99.5% confidence of the ability to meet obligations over a 12-month time horizon. The Company calculates its SCR in accordance with the standard formula prescribed in the Solvency II regulations as the assumptions underlying the standard formula are not inappropriate for FIID's risk profile.

The regulatory requirements impose no explicit restrictions on FIID's ability to pay a dividend, but FIID would have to notify the CBI prior to any proposed dividend payment. Under Irish Company law dividends may only be distributed from profits available for distribution, which consist of accumulated realized profits less accumulated realized losses.

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20. Earnings Per Share

	2022	2021	2020
Earnings per common share			
Net profit available to Fidelis Insurance Holdings Limited common shareholders	52.6	68.3	126.5
Weighted average common shares outstanding (in millions)	211.2	212.5	181.4
Earnings per common share	0.25	0.32	0.70
Earnings per diluted common share			
Net profit available to Fidelis Insurance Holdings Limited common shareholders	52.6	68.3	126.5
Weighted average common shares outstanding (in millions)	211.2	212.5	181.4
Share-based compensation plans	5.5	5.3	5.3
Weighted average diluted common shares outstanding	216.7	217.8	186.7
Earnings per diluted common share	0.24	0.31	0.68

21. Share Capital Authorized and Issued

The following sets out the number and par value of shares authorized, issued and outstanding at December 31, 2022 and 2021:

	2022	2021
Common shares, par value \$0.01 per share		
Authorized (thousands)	600,000.0	600,000.0
Issued and outstanding		
Common shares (thousands)	211,462.4	210,895.0

Common shares

On July 15, 2021, the Group issued 21,602,305 shares for \$318.2 million, net of issuance costs. On August 26, 2021, the Group repurchased 21,593,391 shares for \$318.5 million, including costs of \$4.4 million.

On February 10, 2020 the Group issued 15,115,722 common shares for a total of \$142.3 million, net of issuance costs. On June 10, 2020, the Group issued 37,536,911 common shares for a total of \$355.0 million, net of issuance costs. On July 23, 2020 the Group issued 14,764,344 common shares for a total of \$139.0 million. On December 1, 2020 the Group issued 4,517,750 common shares for a total of \$60.6 million, net of issuance costs.

No dividends were declared in 2022, 2021 or 2020.

22. Share Compensation

Warrants

In 2015, the Group reserved for issuance of warrants to purchase common shares, in the aggregate, up to 16.5% of the diluted shares: Founder's warrants, Basic warrants, and Ratchet warrants. Warrants expire ten years from date of grant.

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Warrants are valued using the Black Scholes option-pricing model. Share price volatility estimates of 17.1% and 17.8% were used based on ten-year volatility look-back of a peer group of (re)insurers as the Group has only been in operation for seven years, therefore it was not practicable to estimate the Group's share price volatility. The other assumptions used in the Black Scholes option-pricing model were as follows: risk free rates ranging from 0.59% - 1.56%, expected life of 10 years, and a 0.0% dividend yield.

Warrant exercises are satisfied through the issue of new shares.

Founders' warrants

The Founders' warrants require certain performance conditions and at December 31, 2022, these conditions were not met. Since the initial grant in 2015, additional grants have occurred due to the anti-dilution clauses contained in the warrant agreements. Founder warrants have an exercise price of \$10.

The Founders' warrant activity for the years ended December 31, 2022 and 2021 was as follows:

	Number of warrants	Weighted average grant date fair value	Weighted average remaining contractual term
Outstanding at December 31, 2020	22,647,952	\$ 2.83	5.9 years
Granted	265,528	5.61	
Outstanding at December 31, 2021	22,913,480	\$ 2.86	5.0 years
Granted	161,596	6.90	
Outstanding at December 31, 2022	23,075,076	\$ 2.89	4.0 years

Basic warrants

Management were issued basic warrants subject to a service condition only. The service condition is met with a portion vesting and becoming exercisable immediately, on grant, and the remainder vesting and becoming exercisable on each of the first five anniversary dates following the original grant date of the warrants. The vesting percentages range from 12.5% to 25.0% annually. All basic warrants have now vested.

For the year ended December 31, 2022, total compensation expense of \$1.9 million (2021: \$2.5 million, 2020: \$18.0 million) related to basic warrants was included in general and administrative expenses. At December 31, 2022, the Group had \$nil (2021: \$nil, 2020: \$nil) of unamortized share compensation expense related to the basic warrants.

The associated tax benefit recorded to income tax expense in the Consolidated Statement of Operations in respect of basic warrants was \$0.3 million, \$0.5 million and \$3.4 million for the years ended December 31, 2022, 2021 and 2020 respectively

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The basic warrant activity for the years ended December 31, 2022 and 2021 were as follows:

	Number of warrants	Weighted average grant date fair value	Weighted average remaining contractual term
Outstanding at December 31, 2020	17,606,873	\$ 1.83	8.0 years
Granted	568,141	4.40	
Exercised	(307,277)	2.61	
Forfeited	(364,180)	1.72	
Outstanding at December 31, 2021	17,503,557	\$ 1.83	7.1 years
Exercisable at December 31, 2021	17,503,557	\$ 1.83	7.1 years
Granted	352,453	5.55	
Exercised	(315,575)	4.53	
Forfeited	(61,757)	4.03	
Outstanding at December 31, 2022	17,478,678	\$ 1.92	6.1 years
Exercisable at December 31, 2022	17,478,678	\$ 1.92	6.1 years

Ratchet warrants

Management were issued ratchet warrants subject to a service and performance condition. No ratchet warrants were exercisable at December 31, 2022 (2021: \$nil, 2020: \$nil).

The performance condition will be met with respect to ratchet warrants upon meeting Group performance goals, including achieving specific target internal rate of return thresholds. Upon meeting all required performance conditions, the ratchet warrants will vest on the fifth anniversary following the grant date. For the year ended December 31, 2022, total compensation expense of \$nil (2021: \$nil, 2020: \$nil) related to ratchet warrants was included in general and administrative expenses. At December 31, 2022, the Group had \$nil (2021: \$nil, 2020: \$nil) of unamortized share compensation expense related to the ratchet warrants.

Ratchet warrant activity for the years ended December 31, 2022 and 2021 was as follows:

	Number of warrants	Weighted average grant date fair value	Weighted average remaining contractual term
Outstanding at December 31, 2020	2,110,165	\$ 3.00	6.5 years
Granted	37,309	6.58	
Forfeited	(355,135)	3.00	
Outstanding at December 31, 2021	1,792,339	\$ 3.07	5.6 years
Granted	23,400	7.88	
Forfeited			
Outstanding at December 31, 2022	1,815,739	\$ 3.07	4.7 years

Restricted stock units

On February 17, 2016, the 2015 Non-Qualified Share Option Plan (the “2015 Plan”) was approved by the Board of Directors. The Group reserved up to 2% of the diluted shares to the issuance of RSUs to purchase common shares. The RSUs are granted with a \$0.01 exercise price and expire 10 years from the date of issuance.

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On November 8, 2018, the 2018 Non-Qualified Share Option Plan (the “2018 Plan”) was approved by the Board of Directors. The Group reserved up to 3% of the diluted shares to the issuance of RSUs to purchase common shares. The RSUs are granted with a \$0.01 exercise price and expire 10 years from the date of issuance. RSU exercises are satisfied through the issue of new shares.

The RSUs contain both service and performance conditions. The RSUs vest after a three-year period and a portion are subject to the satisfaction of certain performance conditions based on achievement of pre-established targets for return on equity for the Group as well as a relative performance metric compared to peers. The fair value of the RSUs is estimated at the latest price at which the Group raised capital. Where no recent capital transaction has occurred, the fair value is determined by the Board.

The following table provides RSU activity for the years ended December 31, 2022 and 2021:

	Number of warrants	Weighted average grant date fair value	Weighted average remaining contractual term
Outstanding at December 31, 2020	3,906,432	\$ 8.73	1.3 years
Exercisable at December 31, 2020	111,610	8.35	
Granted	1,767,032	13.10	
Exercised	(1,113,625)	8.38	
Forfeited	(107,720)	10.49	
Outstanding at December 31, 2021	4,452,119	\$ 10.45	1.2 years
Exercisable at December 31, 2021	194,535	8.38	
Granted	1,318,287	16.13	
Exercised	(869,760)	9.27	
Forfeited	(220,592)	11.00	
Outstanding at December 31, 2022	4,680,054	\$ 7.66	1.1 years
Exercisable at December 31, 2022	287,218	8.10	

The number of RSUs included in the above table are based upon target vesting of 100%, but actual vesting will differ. Within the granted line for 2022 is a reduction of 271,426 RSUs granted as a result of the performance targets for the 2019 RSU grant not being met. Within the granted line for 2021 are 110,575 RSUs that relate to additional RSUs granted as a result of the performance targets for the 2018 RSU grant being exceeded.

At December 31, 2022, total compensation expense of \$13.9 million (2021: \$7.3 million, 2020: \$14.6 million) relating to the RSUs was included in general and administrative expenses. An income tax benefit of \$1.6 million (2021: \$1.4 million; 2020: \$2.8 million) was recorded in the Consolidated Statements of Income. At December 31, 2022, there was a remaining unamortized balance of \$21.0 million (2021: \$18.3 million, 2020: \$20.1 million), which will be recognized over the remaining service period.

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23. Income Taxes

Net income before tax is split between the Group's operating jurisdictions based on the jurisdiction of tax residence as per below:

	For the year ended December 31,		
	2022	2021	2020
United Kingdom	72.6	33.4	(32.7)
Bermuda	(0.3)	40.0	159.0
Republic of Ireland	3.9	5.5	(3.4)
US	—	(0.2)	0.6
Belgium	3.9	—	—
Total	80.1	78.7	123.5

United Kingdom

FIHL, Pine Walk, FUL and FML are tax resident in the United Kingdom and are subject to relevant taxes in that jurisdiction. The U.K. Government made a number of tax law changes during 2021. These include confirming that the rate of corporation tax will increase to 25% from April 1, 2023. This new law was enacted on June 10, 2021. Deferred taxes at the December 31, 2022 and 2021 balance sheet dates have been measured using these enacted tax rates. This means that the 25% main rate of corporation tax will be relevant for any temporary differences expected to reverse on or after April 1, 2023. Corporation tax receivable/payable has not been relieved at full value and losses will be carried forward and the deferred tax asset at December 31, 2022 has been measured at 25% (2021: 25%).

2021 to 2022 are open tax years in the United Kingdom.

Bermuda

Under current Bermuda law, the Group's Bermudian subsidiary, FIBL, is not required to pay any taxes in Bermuda on its income or capital gains. The subsidiary has received undertakings from the Minister of Finance in Bermuda that, in the event of any taxes being imposed, they will be exempt from taxation in Bermuda until March 2035 under the Tax Assurance Certificates issued to such entities pursuant to the Bermuda Exempted Undertakings Tax Protection Act of 1966, as amended. The impact of this is included within income/losses not subject to income taxes in 'Impact of differences in tax rates' as set out in the reconciliation of the difference between the charge for income taxes and the expected tax expense below.

Republic of Ireland

FIID is tax resident in the Republic of Ireland (ROI). In addition, FML has elected for its Irish branch to not be subject to UK income taxes. As such both FIID and the Irish branch of FML are subject to Irish corporation tax, and not UK corporation tax, on their trading profits at a rate of 12.5%.

2018 to 2021 are open tax years in the ROI.

United States

Fidelis US Holdings Inc, ("FUSH"), an immaterial subsidiary of the Group is tax resident in the United States and is subject to relevant taxes in that jurisdiction.

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The statute of limitations on corporate tax returns is three years after such that 2019 to 2022 are considered open tax years in the US with the US tax authorities.

The Group continues to believe that it has made adequate provision for the liabilities likely to arise from periods open to examination. The ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of agreements with relevant taxing authorities. Fidelis has developed its process to review and measure tax positions using internal expertise, experience and judgment, together with assistance and opinions from professional advisors. Original estimates are always refined as additional information becomes available.

The Group income tax (expense)/benefit for the years ended December 31, 2022, 2021, and 2020 is as follows:

	2022	2021	2020
Current tax expense	\$ (28.2)	\$ (26.8)	\$ (2.9)
Deferred tax benefit (excluding rate change)	10.4	17.8	4.7
Rate change on deferred tax	—	8.6	1.3
Income tax (expense)/benefit	<u>\$ (17.8)</u>	<u>\$ (0.4)</u>	<u>\$ 3.1</u>

	2022	2021	2020
Income tax (expense)/benefit allocated to net income	\$ (17.8)	\$ (0.4)	\$ 3.1
Income tax (expense)/benefit allocated to comprehensive income	8.1	2.4	(0.7)
Total income tax (expense)/benefit allocated to comprehensive income	<u>\$ (9.7)</u>	<u>\$ 2.0</u>	<u>\$ 2.4</u>

	Year ended December 31, 2022			
	Income/(loss) before tax	Current tax benefit/(expense)	Deferred tax benefit/(expense)	Total income tax benefit/(expense)
	(\$ in millions)			
United Kingdom	\$ 72.6	\$ (25.4)	\$ 10.6	\$ (14.8)
Bermuda	(0.3)	—	—	—
US	—	—	—	—
Republic of Ireland	3.9	(0.4)	(0.2)	(0.6)
Belgium	3.9	(2.4)	—	(2.4)
Total	<u>\$ 80.1</u>	<u>\$ (28.2)</u>	<u>\$ 10.4</u>	<u>\$ (17.8)</u>

	Year ended December 31, 2021			
	Income/(loss) before tax	Current tax benefit/(expense)	Deferred tax benefit/(expense)	Total income tax benefit/(expense)
	(\$ in millions)			
United Kingdom	\$ 33.4	\$ (26.3)	\$ 26.9	\$ 0.6
Bermuda	40.0	—	—	—
US	(0.2)	—	—	—
Republic of Ireland	5.5	(0.5)	(0.5)	(1.0)
Belgium	—	—	—	—
Total	<u>\$ 78.7</u>	<u>\$ (26.8)</u>	<u>\$ 26.4</u>	<u>\$ (0.4)</u>

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	Year ended December 31, 2020			
	Income/(loss) before tax	Current tax benefit/(expense)	Deferred tax benefit/(expense)	Total income tax benefit/(expense)
	(\$ in millions)			
United Kingdom	\$ (32.7)	\$ (2.7)	\$ 5.6	\$ 2.9
Bermuda	159.0	—	—	—
US	0.6	—	—	—
Republic of Ireland	(3.4)	(0.2)	0.4	0.2
Belgium	—	—	—	—
Total	\$ 123.5	\$ (2.9)	\$ 6.0	\$ 3.1

The effective tax rate for the Group is 23.1% (2021: 0.5%, 2020: negative 2.5%).

A reconciliation of the difference between reported income tax (expense)/benefit and the expected income tax expense at the average UK statutory income tax rate for the years ended December 31, 2022, 2021 and 2020 is provided below. The expected income tax expense has been calculated using income before income taxes multiplied by the UK statutory income tax rate, the income tax rate in Fidelis's country of tax residence.

	2022	2021	2020
Expected income tax expense at the UK income tax rate of 19%	\$ (14.6)	\$ (14.9)	\$ (23.5)
Reconciling items			
Disallowable expenses	(7.1)	(2.7)	(7.7)
Income not subject to income taxes	0.3	0.1	0.3
Adjustments in respect of prior year	0.1	0.1	2.9
Effects of changes to UK tax rates	—	8.6	1.3
Impact of differences in tax rates	2.8	8.1	30.0
Change in valuation allowance	—	(0.5)	(0.1)
Foreign currency transactions	0.7	0.8	(0.1)
Income tax (expense)/benefit	\$ (17.8)	\$ (0.4)	\$ 3.1

The components of the Group's net non-current deferred tax asset at December 31, 2022 and 2021 are as follows:

	2022	2021
Deferred tax assets:		
Net operating loss carryforwards	\$ 43.0	\$ 31.2
Other temporary differences	0.5	0.8
Fixed assets	—	0.7
Available-for-sale investments	9.1	1.1
Share based payments	8.3	8.7
Corporate interest restriction carryforwards	1.5	—
Total deferred tax assets	62.4	42.5
Deferred tax liabilities:		
Fixed assets	(1.7)	—
Total deferred tax liabilities	(1.7)	—
Valuation allowance	(2.2)	(2.2)
Net deferred tax asset	\$ 58.5	\$ 40.3

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The net operating loss carryforwards on which the deferred tax asset has been provided consist of \$175.8 million (2021: \$125.0 million) arising in the UK and \$nil (2021: \$2.2 million) arising in the ROI. There is no expiry date for the losses. In addition to the operating loss carryforwards, there is a corporate interest rate restriction carryforward of \$5.9 million in the UK (2021: nil). There is no expiry date for the losses or the interest rate restriction carryforward. A valuation allowance of \$2.2 million (2021: \$2.2 million) has been made against certain loss carryforwards in the UK as the Group considers that it is more likely than not that these will not be recovered against future income.

The Group paid and accrued interest payments to the UK taxing authority, His Majesty's Revenue and Customs ("HMRC"), totaling \$nil for the year ended December 31, 2022 (2021: \$0.2 million, 2020: \$nil).

At December 31, 2022, \$15.4 million was owed in total to taxing authorities in jurisdictions where the Group operates (2021: \$4.3 million). This amount is included within 'Other liabilities' on the Consolidated Balance Sheet.

At December 31, 2022, the Group did not have any material unrecognized tax benefits. The Group does not anticipate any changes in unrecognized tax benefits during 2023 that would have a material impact on the Group's income tax expense.

During 2021, the OECD published a framework for the introduction of a global minimum tax rate of 15%, applicable to large multinational groups. In July 2022, HM Treasury released draft legislation to implement these rules for accounting periods starting on or after December 31, 2023. The Group is reviewing and monitoring these draft rules, which have not been enacted, to understand any potential impacts.

24. Ukraine Conflict

On February 24, 2022, the Russian Federation invaded Ukraine resulting in armed conflict in Ukraine and the Black Sea ("Ukraine Conflict"). Subsequently a number of countries, including the United States of America, the United Kingdom, and those in the European Union, placed significant sanctions on Russian institutions and persons which resulted in a devaluation of the Ruble and a fall in the value of Russian fixed income and equity assets, and the prompt withdrawal of companies from Russia without securing their assets. Fidelis has minimal direct exposure to Russian equities and minimal exposure to fixed income assets impacted by sanctions. It had now been over a year since the commencement of the Ukraine Conflict. Fidelis has potential exposure to losses associated with the conflict in Ukraine and the Black Sea through certain lines in the Bespoke and Specialty segments. Fidelis, in common with the rest of the London Aviation Insurance Market, is the subject of various litigation proceedings brought by Aircraft Lessors in the United States of America, the United Kingdom, and those in the European Union. Notwithstanding this, Fidelis continues to believe the impact of the Ukraine Conflict will not adversely affect the Group's ability to operate as a going concern.

25. Subsequent Events

Subsequent events have been evaluated up to the issuance of these consolidated financial statements.

On January 3, 2023, the Group completed a transaction pursuant to which (i) Pine Walk and its investments in the MGAs, together with FML, were distributed to shareholders to form a new managing general underwriting business ("Fidelis MGU") and (ii) Fidelis MGU was acquired by a consortium of investors (together known as "the Separation Transactions"). Following the consummation of the Separation Agreement, Fidelis MGU acquired approximately 9.9% of the common shares in the Group.

Immediately prior to the consummation of the Separation Transactions, the Group accelerated the vesting of all unvested RSUs. This resulted in the acceleration of compensation expense of \$21.0 million and an employer tax

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expense of \$17.3 million in the three months ending March 31, 2023. The RSUs and warrants were exercised on the date of the Separation Transactions, resulting in the issuance of 14,732,262 common shares. The awards were net settled, resulting in a \$50.6 million reduction of additional paid-in capital for the employees' tax obligations with respect to these awards. The exercise of the warrants triggered the payment of cumulative dividends of \$34.1 million.

The Separation Transactions resulted in certain shareholders receiving cash in lieu of their interest in Fidelis MGU. As a result, the distribution of Fidelis MGU will be recorded at its fair value estimated to be between \$1.7 billion and \$1.9 billion. The distribution of Fidelis MGU to shareholders of the Group will result in the deconsolidation of net assets of \$68.8 million, and the cancellation of 105,790,271 common shares in the Group. Following the Separation Transactions there are 120,404,350 common shares issued and outstanding.

Fidelis MGU will manage underwriting, origination, outwards reinsurance, actuarial and claims services with review and oversight from the Group. Each of FIBL, FUL and FIID has entered a delegated underwriting authority agreement with a relevant entity within the Fidelis MGU group, in each case with effect from January 1, 2023. The agreements have a rolling 10-year term and provide for the payment of the following fees to Fidelis MGU:

- a. A ceding commission of 11.5% of net premiums written of open market business.
- b. A ceding commission of 3% of net premiums written of business sourced via third-party managing general underwriters.
- c. A profit commission of 20% of the operating profit generated on the sourced business, subject to a hurdle rate of return of 5% of underwriting return on equity.
- d. A portfolio management fee of 3% of net premiums written of the business sourced by Fidelis MGU.

In connection with the successful consummation of the Separation Transactions, the Group incurred professional fees of \$28.6 million during the three months ending March 31, 2023.

SCHEDULE I—FIDELIS INSURANCE HOLDINGS LIMITED
Summary of Investments—Other than Investments in Related Parties

* *Fidelis Insurance Holdings Limited holds no investments other than cash and cash equivalents*

SCHEDULE II—FIDELIS INSURANCE HOLDINGS LIMITED

Condensed Financial Information of Registrant Condensed Balance Sheet—Parent company only (expressed in millions of US Dollars)

	December 31, 2022	December 31 2021
Assets		
Investments in subsidiaries	\$ 2,302.8	\$ 2,489.7
Cash and cash equivalents	127.6	15.1
Amounts due from affiliates	27.8	21.4
Deferred tax assets	38.8	24.6
Other assets	8.9	4.7
Total assets	\$ 2,505.9	\$ 2,555.5
Liabilities and shareholders' equity		
Liabilities		
Amounts due to affiliates	\$ 23.2	\$ 31.7
Loan notes	447.5	446.9
Preference securities	58.4	58.4
Other liabilities	—	4.6
Total liabilities	\$ 529.1	\$ 541.6
Shareholders' equity		
211,462,359 ordinary shares of par value \$0.01 each (December 31, 2021 - 210,895,001 ordinary shares)	\$ 2.1	\$ 2.1
Additional paid-in capital	2,075.0	2,075.2
Accumulated other comprehensive loss	(100.8)	(11.3)
Retained earnings/(accumulated deficit)	0.5	(52.1)
Total shareholders' equity	\$ 1,976.8	\$ 2,013.9
Total liabilities and shareholders' equity	\$ 2,505.9	\$ 2,555.5

SCHEDULE II—FIDELIS INSURANCE HOLDINGS LIMITED
Condensed Financial Information of Registrant
Condensed Statement of Income (Loss)—Parent company only
(expressed in millions of US Dollars)

	For the year ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Revenues			
Net investment income	\$ 0.4	\$ —	\$ 0.3
Dividend from subsidiaries	220.9	83.0	50.5
Net foreign exchange gains	0.3	—	—
Other income	—	—	2.8
Total revenues	\$ 221.6	\$ 83.0	\$ 53.6
Expenses			
General and administrative expenses	47.2	24.8	26.9
Financing costs	30.3	30.9	24.2
Loss on extinguishment of preference securities	—	—	25.3
Net foreign exchange losses	—	(0.3)	(0.1)
Total expenses	\$ 77.5	\$ 55.4	\$ 76.3
Income/(loss) before income taxes	\$ 144.1	\$ 27.6	\$ (22.7)
Income tax benefit	14.2	15.3	7.1
Net income/(loss) before equity in net income of subsidiaries	\$ 158.3	\$ 42.9	\$ (15.6)
Equity income/(loss) net income of subsidiaries	(105.7)	25.4	142.1
Net income available to common shareholders	\$ 52.6	\$ 68.3	\$ 126.5
Other Comprehensive income/(loss)			
Unrealized (loss)/gains on AFS financial assets	\$ (96.5)	\$ (36.1)	\$ 12.1
Income tax benefit/(expense), all of which relates to unrealized (loss)/gain on AFS financial assets	8.1	2.4	(0.7)
Currency translation adjustments	(1.1)	(0.2)	—
Total other comprehensive income/(loss) available to common shareholders	\$ (89.5)	\$ (33.9)	\$ 11.4
Comprehensive income/(loss) available to common shareholders	\$ (36.9)	\$ 34.4	\$ 137.9

SCHEDULE II—FIDELIS INSURANCE HOLDINGS LIMITED
Condensed Financial Information of Registrant
Condensed Statement of Cash flows—Parent company only
(expressed in millions of US Dollars)

	For the year ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Operating activities			
Net income	\$ 52.6	\$ 68.3	\$ 126.5
Less: Equity in net income of subsidiaries	105.7	(25.4)	(142.1)
Share based compensation expense	10.8	9.8	32.6
Income tax benefit	(14.2)	(21.3)	(0.4)
Adjustments to reconcile net income to net cash provided by operating activities			
Changes in assets and liabilities:			
Due to from subsidiaries	(14.9)	21.3	(3.1)
Other assets	(4.2)	(0.4)	5.5
Other liabilities	(4.6)	(1.5)	1.1
Net cash provided by operating activities	\$ 131.2	\$ 50.8	\$ 20.1
Investing activities:			
Contributed capital to subsidiaries	—	(75.0)	(936.5)
Purchase of non-controlling interest	(18.2)	—	—
Net cash used in investing activities	\$ (18.2)	\$ (75.0)	\$ (936.5)
Financing activities:			
Proceeds from issuance of loan notes, net of issuance costs	—	—	445.7
Proceeds from issuance of common shares, net of issuance costs	—	318.2	691.8
Repurchase of common shares	—	(320.9)	—
Dividends on common shares	(0.5)	(2.1)	(5.1)
Repurchase of preference securities	—	—	(183.8)
Net cash provided by (used in) financing activity	\$ (0.5)	\$ (4.8)	\$ 948.6
Net increase/(decrease) in cash and cash equivalents	112.5	(29.0)	32.2
Cash and cash equivalents at beginning of period	15.1	44.1	11.9
Cash and cash equivalents at end of period	\$ 127.6	\$ 15.1	\$ 44.1

SCHEDULE III—FIDELIS INSURANCE HOLDINGS LIMITED AND SUBSIDIARIES

Supplementary Insurance Information

(expressed in millions of US Dollars)

	Deferred policy acquisitio n costs	Reserve for losses and loss adjustmen t expenses	Unearned Premium s	Net Premium s Earned	Net Investmen t Income*	Net Losses and Loss Adjustmen t Expenses Incurred	Amortizatio n of Deferred policy acquisition	General and administrativ e expenses	Net Premium s Written
December 31,									
Bespoke	\$ 338.7	157.6	1,394.6	379.4	—	118.9	141.2	—	561.7
Specialty	156.2	870.0	1,055.4	852.8	—	508.7	219.5	—	1,060.8
Reinsurance	20.9	1,017.6	168.6	272.5	—	202.6	87.0	—	240.1
Other	—	—	—	—	40.7	—	—	(106.4)	—
Total	\$ 515.8	2,045.2	2,618.6	1,504.7	40.7	830.2	447.7	(106.4)	1,862.6
December 31,									
Bespoke	274.7	5.1	1,100.6	251.9	—	71.4	84.6	—	434.6
Specialty	101.4	329.9	742.9	535.3	—	206.2	127.3	—	758.2
Reinsurance	27.2	1,051.5	270.2	367.0	—	419.2	88.0	—	408.3
Other	—	—	—	—	20.6	—	—	(75.4)	—
Total	\$ 403.3	1,386.5	2,113.7	1,154.2	20.6	696.8	299.9	(75.4)	1,601.1
December 31,									
Bespoke	214.2	130.0	816.9	212.5	—	70.5	66.8	—	251.2
Specialty	48.0	144.0	429.4	171.7	—	64.8	36.5	—	403.1
Reinsurance	14.3	544.0	159.2	344.4	—	189.2	75.9	—	251.3
Other	—	—	—	—	26.2	—	—	(83.5)	—
Total	\$ 276.5	818.0	1,405.5	728.6	26.2	324.5	179.2	(83.5)	905.6

* The Company does not manage its assets by segment and accordingly net investment income is not allocated to each underwriting segment. In addition, operating expenses are not allocated to segment (as employees and their associated costs) work across segments.

SCHEDULE IV—FIDELIS INSURANCE HOLDINGS LIMITED AND SUBSIDIARIES

Reinsurance
(expressed in millions of US Dollars)

	<u>Gross Amount</u>	<u>Ceded to Other Companies</u>	<u>Assumed from Other Companies</u>	<u>Net Amount</u>	<u>Percentage of Amount Assumed to Net</u>
Year Ended December 31, 2022					
Premiums Written:					
Bespoke	724.5	(221.5)	58.7	561.7	10%
Specialty	1,344.6	(549.9)	266.1	1,060.8	25%
Reinsurance	—	(366.1)	606.2	240.1	252%
Total	<u>2,069.1</u>	<u>(1,137.5)</u>	<u>931.0</u>	<u>1,862.6</u>	
Year Ended December 31, 2021					
Premiums Written:					
Bespoke	592.7	(153.4)	(4.7)	434.6	(1%)
Specialty	906.0	(357.0)	209.2	758.2	28%
Reinsurance	—	(676.2)	1,084.5	408.3	266%
Total	<u>1,498.7</u>	<u>(1,186.6)</u>	<u>1,289.0</u>	<u>1,601.1</u>	
Year Ended December 31, 2020					
Premiums Written:					
Bespoke	326.5	(87.9)	12.6	251.2	5%
Specialty	394.2	(174.8)	183.7	403.1	46%
Reinsurance	0.8	(408.2)	658.7	251.3	262%
Total	<u>721.5</u>	<u>(670.9)</u>	<u>855.0</u>	<u>905.6</u>	

**SCHEDULE VI—FIDELIS INSURANCE HOLDINGS LIMITED AND SUBSIDIARIES SUPPLEMENTARY INFORMATION FOR PROPERTY
AND CASUALTY INSURANCE UNDERWRITERS**
(expressed in millions U.S. dollars)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column I	Column J	Column K	
							Net Losses and Loss Adjustment Expenses Incurred Related to					
Affiliation Registrant	with	Deferred policy acquisition costs	Reserve for losses and loss adjustment expenses	Discount, if any, deducted in Column C	Unearned Premiums	Net Premium Earned	Net Investment Income	(a) Current Year	(b) Prior Year	Amortization of Deferred policy acquisition costs	Net Paid Losses and Loss Adjustment Expenses	Net Premiums Written
Consolidated Subsidiaries												
2022		515.8	2,045.2	—	2,618.6	1,504.7	40.7	(852.3)	22.1	447.7	324.7	1,862.6
2021		403.3	1,386.5	—	2,113.7	1,154.2	20.6	(706.4)	9.6	299.9	528.6	1,601.1
2020		276.5	818.0	—	1,405.5	728.6	26.2	(362.9)	38.4	179.2	185.1	905.6