

Acrisure Re UK Limited
(Formerly Beach (International)
Limited)
Report and Consolidated Financial
Statements
For the year ended 31 December 2020
Company Number 10755170

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Acrisure Re UK Limited
(Formerly Beach (International) Limited)
Strategic Report
For the year ended 31 December 2020

The Directors present their strategic report together with the audited consolidated financial statements of Acrisure Re UK Limited for the year ended 31 December 2020.

Principal activities, trading review and future developments

The Company was incorporated in the United Kingdom on 5 May 2017 under company number 10755170 and is a 100% owned subsidiary of Acrisure Re Holdings Limited (the parent) (formerly Beach UK Holdco Limited), Company number 09269699. The ultimate parent is Acrisure LLC.

The Company conducted changes in legal company names and branding in concert with its ultimate parent in December 2020. The Company was formerly named Beach (International) Limited.

The Company is a global insurance and reinsurance intermediary that works with insurance companies and other clients to find other (re)insurance companies to share the risk of their insurance portfolios. The Company delivers services in three key areas: reinsurance, global solutions & specialty and analytics & advisory.

The Company was an "appointed representative" within the meaning of s.39(2) of the Financial Services and Markets Act 2000 ("the Act"), of Acrisure Re Canada Limited. In early 2020 the Company applied to the UK financial services regulator, the Financial Conduct Authority ("FCA") for Part IV permissions under Part IV of the Act to carry out regulated financial service activities. Upon approval from the FCA the Company ended its appointed representative status and, on 3 August 2020, became authorised and regulated by the FCA, firm reference number 922997.

The Company continues to be supported by Acrisure Re Canada Limited under the terms of Service Level Agreements.

Revenue for the year ended 31 December 2020 was US\$14.2M (2019 US\$7.8M), income before income taxes was US\$1.0M (2019 – loss of US\$0.8M), and total comprehensive income was US\$1.0M (2019 – loss of US\$0.6M). The Company's primary strategic focus is UK and International clients.

The parent has guaranteed the due and proper performance of the Company of all its obligations, duties undertakings, covenants and conditions until such are satisfied.

Principal risks and uncertainties

The management of the business and the continued execution of Company's strategy are subject to several risks. The key business risks and uncertainties affecting the Company relate to:

- Competition from other insurance and reinsurance intermediaries;
- Failures in client service, in particular those related to errors or omissions;
- Cyclical factors that affect the insurance market;
- The relative value of the key currency comprising the Company's cost base, notably Sterling against the key currency in which revenues are generated, notably the US Dollar;
- Tax and regulatory risk, the principal impact of which is to impose high levels of compliance costs on the business; and
- Loss of key clients or staff.

The business operates in a very competitive environment and is focused on specific sectors in which it is believed it can successfully distinguish itself and compete. Continuing investments in new leadership, production teams, individuals and development of products, also allow for breadth of service and diversification of service offering. The reward strategy and development opportunities offered to staff are designed to mitigate the risk of losing or failing to attract key staff.

The Company uses several internal performance indicators to monitor and assess its business. New business, renewal and attrition rates are carefully examined.

Acrisure Re UK Limited
(Formerly Beach (International) Limited)
Strategic Report
For the year ended 31 December 2020

Principal risks and uncertainties (continued)

It is possible that legal action can be taken against the Company as a result of the Company's actions, inactions, products, services or other events. Errors and omissions claims, lawsuits, and other proceedings arising in the ordinary course of business are covered in part by professional indemnity or other appropriate insurance. The Company, in the normal course of conducting its business, monitors any matters or pending litigation against it.

The Company established a new subsidiary in the Netherlands as part of its strategy and response to the UK's exit from the European Union to service its existing European clients and target new business. The Company's support to this initiative and transition plans have been effective in providing for no disruption in service and maintenance of the Company's European revenue base.

The Directors are satisfied that the Company is adequately positioned to manage risks and react to market developments.

Financial risk management objectives

The Company is exposed to financial risk through its financial assets and financial liabilities. The most important components of this financial risk are currency risk, credit risk and liquidity risk.

The Company manages its currency, credit and liability risks through Board approved policies and procedures.

Currency risk

The Company is exposed to currency risk in respect of its brokerage, commission and fees and operating costs incurred in currencies other than US Dollar. The most significant currency to which the Company is exposed is the British Pound.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is mainly exposed to credit risk with respect to amounts due from clients or markets representing the Company's fees, commissions or brokerage and from voluntary or involuntary funding of insurance balances. The Company has a growing number of counterparties, including other brokers, and monitors these regularly for credit worthiness and otherwise seeks to promptly collect amounts due, in accordance with terms of trade.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations, when due, at a reasonable cost. On 31 December 2020, the Company has no thirdparty credit facilities. Management and the Board regularly monitor cash flow and cash flow projections.

Ongoing Impact of COVID-19

The Company's priority throughout the COVID-19 pandemic and government-imposed lockdowns has been the safety of its staff and the continuation of a high level of service to its clients.

The Company has followed government advice and facilitated all staff to work from home. The Company has made necessary investments in IT and other equipment to ensure this could happen. Operating and financial controls have been modified and strengthened where necessary.

The Company has undertaken regular financial assessments of the impact of COVID-19 and communicated with regulators, as required.

**Acrisure Re UK Limited
(Formerly Beach (International) Limited)
Strategic Report
For the year ended 31 December 2020**

Operations

The Directors were apprised of the decision to implement aspects of the Company's business continuity plan (BCP) in midMarch 2020, specifically requiring staff at all levels and in all functions to work remotely wherever practicable, and to limit the need for gatherings of staff and clients so far as possible. All business travel was curtailed and has remained so through the end of 2020. Communications within the Company are now almost wholly via video conferencing, email or messaging applications. The Company's IT facilities were enhanced and have proven adequate to maintain operations on this basis through 2020 and for the foreseeable future.

The Directors are mindful of the differing pressures on individual members of staff, and of the fact that these pressures change as the circumstances have developed in the UK and in Europe. The Directors expect that operational changes will adequately support the business as conditions continue to develop and hopefully improve.

Investment portfolio

The Company does not hold financial investments such as equities or debt. The Company's cash holdings are in major UK and international banks.

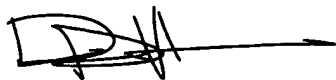
Revenue and profitability

The Company is an insurance and reinsurance intermediary, and its activities and success are influenced by prevailing market conditions in the lines of business in which it specializes. Its ongoing earnings capacity, including its ability to renew and generate new business, is directly tied to the underlying commercial health and appetite of its clients and their desire to seek and secure sources of underwriting coverage and reinsurance capital. In the event of ongoing recessive or challenging economic conditions, there will be customers and business partners of the Company who will suffer economic hardship. During 2020, the timing of contractual placements largely preserved Company revenues and there was marked growth in certain lines of business. Additionally, travel restrictions and lockdowns positively impacted certain anticipated costs. Management continues in the short term to monitor for pressure on cashflows and in the medium term, for pressure on premium and commission/brokerage levels. While the speed of economic recovery is unclear, the Company continues to monitor trends, insurance market challenges and economic activity and has modelled short and medium term scenarios to assess the impact of Covid 19 on the Company's profitability.

Going Concern

The Directors are of the view that it is appropriate to prepare the consolidated financial statements on the basis of a going concern.

This report was approved by the Board and signed on its behalf.



Dexter Des Vignes
Director
Date: 24 August 2021

**Acrisure Re UK Limited
(Formerly Beach (International) Limited)
Report of the Directors
For the year ended 31 December 2020**

The Directors present their report together with the audited consolidated financial statements of Acrisure Re UK Limited for the year ended 31 December 2020.

The Strategic Report above sets out a review of the business including the Company's principal activities, trading review and future developments, as well as principal risks facing the business and the management of financial risks. The report also includes the company's assessment of the risks and initial impacts and conclusions regarding COVID-19.

Directors

The Directors who served during the year and to the date of this report were:

D Des Vignes (appointed 23 February 2021)
S Farrell
R Hobbs
J Howard
J Kenth
S Wood

The secretary who served during the year and to the date of this report was:

P Makwana

Directors' responsibilities

The following statement, which should be read in conjunction with the auditor's statement of the respective responsibilities of Directors and auditor set out on the following pages, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the auditor with regard to the consolidated financial statements.

The Directors are responsible for preparing the report and consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards. Under company law the Directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these consolidated financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Company and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Acrisure Re UK Limited
(Formerly Beach (International) Limited)
Report of the Directors
For the year ended 31 December 2020**

Auditors

Each of the Directors at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

BDO UK LLP has indicated its willingness to continue in office and a resolution to reappoint them will be proposed at an upcoming meeting of the Board.

Dividend recommendation

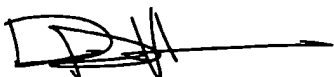
The Directors do not recommend a dividend payment for the period (2019 \$nil).

Qualifying Indemnity Provisions

Directors' insurance and indemnities

The Directors have the benefit of the indemnity provisions contained in the Company's Articles of Association ('Articles'), and the Company has maintained throughout the year Directors' and officers' liability insurance for the benefit of the Company, the Directors and its officers. The Company has entered into qualifying third-party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

This report was approved by the Board and signed on its behalf.



Dexter Des Vignes
Director
Date: 24 August 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACRISURE RE UK LIMITED (FORMERLY BEACH (INTERNATIONAL) LIMITED)

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's profit and of the Parent Company's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Acrisure Re UK Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Shareholder's Equity and notes to the financial statements, including a summary of significant accounting policies and non-consolidated Financial Statements. The financial reporting framework that has been applied in the preparation of the Group's financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACRISURE RE UK LIMITED (FORMERLY BEACH (INTERNATIONAL) LIMITED) (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group or the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACRISURE RE UK LIMITED (FORMERLY BEACH (INTERNATIONAL) LIMITED) (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

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

We focused on laws and regulations that could give rise to a material misstatement in the company financial statements. Our tests included, but were not limited to:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiries of management and the audit committee;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and legal correspondence;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates and considered the risk of acts by the Group which would be contrary to applicable laws and regulations, including fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACRISURE RE UK LIMITED
(FORMERLY BEACH (INTERNATIONAL) LIMITED) (CONTINUED)**

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group or the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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John Perry (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
London

02 September 2021

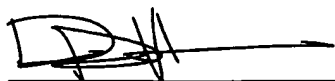
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Consolidated Statement of Comprehensive Income (Loss)
(Denominated in U.S. Dollars)

For the year ended 31 December	2020	2019
Revenue		
Commissions and fees (Note 3)	\$ 14,167,804	\$ 7,806,993
Operating expenses		
Management fee (Note 4)	12,788,363	8,370,455
Professional fees	163,741	132,313
Amortization of intangible asset (Note 7)	47,653	47,652
Office and general	105,405	21,691
Foreign exchange loss	49,290	22,701
	13,154,452	8,594,812
Income (loss) before income taxes	1,013,352	(787,819)
Income taxes		
Current (Note 11)	-	(15,942)
Deferred (Note 11)	45,926	(197,184)
	45,926	(213,126)
Total comprehensive income (loss) for the year	967,426	(574,693)
Total comprehensive income (loss) for the year attributable to:		
Owners of the parent	875,560	(253,787)
Non-controlling interest	91,866	(320,906)
	\$ 967,426	\$ (574,693)

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Consolidated Statement of Financial Position
(Denominated in U.S. Dollars)

As at 31 December	2020	2019
Assets		
Current		
Cash	\$ 658,800	\$ 18,251
Accounts receivable	-	30,356
Deferred tax asset (Note 11)	151,258	197,184
	<u>810,058</u>	<u>245,791</u>
Non-current		
Due from related parties (Note 4)	1,093,094	1,938
Right-of-use asset (Note 5)	-	59,257
Intangible asset (Note 7)	614,042	661,695
	<u>1,707,136</u>	<u>722,890</u>
Total assets	\$ 2,517,194	\$ 968,681
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities	\$ 110,698	\$ 81,346
Deferred revenue	76,655	21,691
Current portion of lease liability (Note 6)	-	16,441
	<u>187,353</u>	<u>119,478</u>
Non-current		
Due to related party (Note 4)	700,053	777,579
Lease liability (Note 6)	-	34,262
	<u>700,053</u>	<u>811,841</u>
Total liabilities	887,406	931,319
Shareholder's equity		
Share capital (Note 8)	1,100	100
Share Premium	624,000	-
Retained earnings	1,009,642	134,082
	<u>1,634,742</u>	<u>134,182</u>
Non-controlling interest	(4,954)	(96,820)
Total equity	1,629,788	37,362
Total liabilities and shareholder's equity	\$ 2,517,194	\$ 968,681



Dexter Des Vignes
Director

Approved:
24 August 2021

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Consolidated Statement of Cash Flows
(Denominated in U.S. Dollars)

For the year ended 31 December	2020	2019
Cash provided by (used in)		
Operating activities		
Total comprehensive income (loss) for the year	\$ 967,426	\$ (574,693)
Adjustments required to reconcile total comprehensive income (loss) with net cash from (used in) operating activities		
Depreciation - Right-of-use asset (Note 5)	-	1,693
Depreciation - intangible assets (Note 7)	47,653	47,652
Income tax recovery	-	(15,942)
Future income tax expense/(recovery)	45,926	(197,184)
Change in non-cash operating account balances		
Accounts receivable	30,356	(30,256)
Accounts payable and accrued liabilities	29,352	(306,057)
Deferred revenue	54,964	21,691
Income tax payable	-	(71,762)
Due from related parties	(1,091,156)	1,938
Due to related party	(77,526)	927,332
Cash flow from (used in) operating activities	6,995	(195,588)
Investing activity		
Proceeds on sale of right-of-use asset	59,257	-
Cash flow from investing activities	59,257	-
Financing activities		
Principal repayments on lease liability	(50,703)	(10,247)
Issue of share capital	1,000	224,086
Share premium	624,000	-
Cash flow from financing activities	574,297	213,839
Increase in cash during the year	640,549	18,251
Cash, beginning of year	18,251	-
Cash, end of year	\$ 658,800	\$ 18,251

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Consolidated Statement of Changes in Shareholder's Equity
(Denominated in U.S. Dollars)

	Share Capital	Non-Controlling Interest	Share Premium	Retained Earnings	Total Shareholder's Equity
31 December 2019	\$ 100	\$ (96,820)	\$ -	\$ 134,082	\$ 37,362
Total Comprehensive income for the year	-	91,866	-	875,560	967,426
Contributions by and distributions to the owner					
Issue of share capital	1,000	-	-	-	1,000
Share premium	-	-	624,000	-	624,000
Total contributions by and distributions to the owner	1,000	-	624,000	-	625,000
31 December 2020	\$ 1,100	\$ (4,954)	\$ 624,000	\$ 1,009,642	\$ 1,629,788

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Consolidated Statement of Changes in Shareholder's Equity
(Denominated in U.S. Dollars)

	Share Capital	Non-Controlling Interest	Retained Earnings	Total Shareholder's Equity
31 December 2018	\$ 100	\$ -	\$ 387,869	\$ 387,969
Total Comprehensive loss for the year	-	(320,906)	(253,787)	(574,693)
Contributions by and distributions to the owner	.			
Issue of share capital - non-controlling interest	-	224,086	-	224,086
Total contributions by and distributions to the owner	-	224,086	-	224,086
31 December 2019	\$ 100	\$ (96,820)	\$ 134,082	\$ 37,362

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
(Denominated in U.S. Dollars)

31 December 2020

1. Nature of Operations and Summary of Significant Accounting Policies

Reporting Entity

Acrisure Re UK Limited (the "Company", formerly Beach (International) Ltd.) is a UK company that is a privately held subsidiary of Acrisure Re Holdings Limited (the "Parent"). The ultimate parent undertaking is Acrisure, LLC (the "Ultimate Parent").

The Company is a global insurance and reinsurance broker that works with insurance companies and other clients to find other (re)insurance companies to share the risk of their insurance portfolios. The Company was incorporated on 5 May 2017. The registered head office of the Company is New London House, 8th Floor, 6 London Street, London, United Kingdom, EC3R 7LP, company number 10755170.

Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006 as set out below. Non-consolidated financial statements for the Company have been prepared on pages 31 - 35.

These financial statements were prepared on a historical cost basis.

The Group's functional and presentation currency is the United States Dollar.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.

The consolidated financial statements include the accounts of the Company and the accounts of its subsidiaries described below, together the "Group".

Acrisure London Wholesale Limited (Beach Wholesale Limited)
Registered number: 12038556
Country of incorporation: United Kingdom
Address: New London House, 6 London Street, London, EC3R 7LP
Proportion of voting rights and shares held: 66.7%
Nature of the business: Activities of insurance agents and brokers

Acrisure Re Netherlands B.V.
Registered number: 78664438
Country of incorporation: Netherlands
Address: 36a Arcadialaan, Alkmaar, 1813 Kn
Proportion of voting rights and shares held: 100%
Nature of the business: Activities of insurance agents and brokers

The subsidiaries' assets, liabilities, and operations are included in these consolidated financial statements and all intercompany transactions have been eliminated.

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
(Denominated in U.S. Dollars)

31 December 2020

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Significant Accounting Policies

Revenue Recognition

The Group's revenue comprises brokerage, commissions, and fees receivable in connection with the placement of (re)insurance for clients and the provisions of related consultancy services.

The transaction price is determined based on the contractual amount to which the Group is entitled in exchange for the promised services rendered to clients and markets. For certain contracts, the ultimate transaction price can be affected by a number of factors not initially known at the time of placement. These amounts become known over time as the underlying business develops and are generally billed and recognized once known or reasonably estimable.

The Group manages the delivery of services in three key categories: Reinsurance, Wholesale and Analytics and Advisory. Under its Reinsurance offering, the Group acts as a specialized intermediary using a full suite of transactional and analytical skills to place and manage clients' reinsurance requirements, through the traditional reinsurance treaty, retrocession or facultative, as well as, assisting in the execution of industry linked security transactions or obtaining industry loss warranty protection. Revenues in this category will derive from both treaty and facultative contracts. The Wholesale category provides solutions to individual large and/or complex open market risks via an international client base of independent retail and wholesale brokers. Wholesale also comprises services to Delegated Authority and MGA clients, as well as, enhancing underlying structures and security using tailored facultative solutions. Revenues in this category will include delegated authority (binder) contracts, as well as, contracts supporting consortium and insurance facilities. Lastly, the Analytics and Advisory category sees the Group act as an independent advisor in several specialized areas including structural optimization, capital efficiency, benchmarking, and catastrophe modelling. Revenues in this area are supported by specific analytics and advisory consulting contracts.

Brokerage commission is recognized at the later of the date the contract is placed and the inception date of the contract, but an element of that commission is deferred to be recognized as post-placement services, principally relating to handling claims, are delivered. Consultancy and advisory revenues are recognized as the services concerned are provided and invoiced.

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
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1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Financial Instruments

All financial assets are initially recognized at fair value and are subsequently classified and measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost based on the Company's assessment of the business model within which the financial asset is managed and the financial asset's contractual cash flow characteristics.

A financial asset is measured at amortized cost if it is held within a business model of holding financial assets and collecting contractual cash flows and those cash flows are comprised solely of payments of principal and interest. The Company classifies all financial assets at amortized cost.

All financial liabilities are initially recognized at fair value and are subsequently classified either as measured at amortized cost using the effective interest rate method or as FVTPL, which are recorded at fair value. The Company classifies all liabilities at amortized cost.

There are no financial assets or liabilities subsequently classified as FVOCI.

Impairment - Financial Assets

The Company recognizes loss allowances for expected credit loss ("ECL") on financial assets measured at amortized cost. For accounts receivable, the Company applies the simplified approach of allowing for expected lifetime losses. In determining the ECL allowance, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. The Company also considers any available objective evidence that it will be unable to collect all of the amounts due from particular customers.

In determining the ECL allowance, management relies on estimates and exercises judgment regarding matters for which the ultimate outcome is unknown. These judgments include changes in circumstances that may cause future assessments of expected credit losses to be materially different from current assessments, which could require an increase or decrease in the ECL allowance.

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
(Denominated in U.S. Dollars)

31 December 2020

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Impairment of Non-financial Assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly with a charge to comprehensive income.

For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows.

Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The amount of the deferred tax asset or liability is measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date and are expected to apply when the liabilities / (assets) are settled / (recovered).

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
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1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortized on a straight-line basis over their useful economic lives.

The significant intangible asset acquired separately and recognized by the Group have the following useful economic lives and amortization methods:

Intangible asset	Useful economic life	Amortization method
Customer relationships	15 years	Straight-line

Foreign Currency Translation

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into United States dollars by the use of the exchange rate in effect at that date. At the year end date, unsettled monetary assets and liabilities are translated into United States dollars by using the exchange rate in effect at that date and the related translation differences are recognized in comprehensive income.

Going concern

The Directors are modelling stressed future scenarios to assess the sustainability of the Group's cash position. Those stressed scenarios reflect judgments as to the ongoing impact of COVID-19 on the economic environment in which the Group operates, in particular with regards to the potential impact on the Group's customers and trading partners, and therefore revenue. The Directors recognise that as the foreseeable scenarios change, decisions may need to be made in relation to the scale of the Group's activity and the level of finance maintained to support that activity.

As at the date of signing these financial statements, the Directors' forecasts indicate that the Group will be able to maintain liquidity and meet all liabilities as they fall due in the normal course of business, and will therefore be able to continue to trade as a going concern.

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
(Denominated in U.S. Dollars)

31 December 2020

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Right-of-use assets and lease liabilities

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognized where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Changes in accounting policies and disclosures

Accounting standards implemented in the year

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective for the period beginning 1 January 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)
- Revised Conceptual Framework for Financial Reporting
- IFRS 3 Business Combinations (Amendment - Definition of a Business)
- Interest Rate Reform - IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7)

The implementation of these new accounting standards did not materially impact the Company's financial statements.

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
(Denominated in U.S. Dollars)

31 December 2020

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2022:

- IFRS 3 Business Combinations (Amendment - Conceptual Framework for Financial Reporting)
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment - Onerous Contracts - Cost of Fulfilling a Contract)
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1 IFRS 9, IFRS 16 and IAS 41)

The Group is currently assessing the impact of these new accounting standards and estimates.

Acrisure Re UK Limited (Formerly Beach (International) Limited)
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2. Critical Accounting Estimates and Judgments

The Group makes estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgments.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only; or in the year of the change and future periods, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of Accounts Receivable

The valuation of accounts receivable includes management's best estimate of the provision for doubtful accounts. Management has determined, based on historical trends, that revenue receivable over 180 days has a 50% collectibility rate and that revenue receivable overdue by 270 days is mostly uncollectible. These parameters are used to determine the provision for doubtful accounts for the year.

Intangible Assets

The Group accounts for intangible assets in accordance with IAS 38 Intangible Assets, which requires the Group to assess whether the useful life of an intangible is finite or indefinite, and if finite, the length of the useful life.

The Group's customer relationships have been assessed to have a useful life of 15 years.

Accrued and Deferred Revenue

The Group accrues commission receivable but not yet invoiced in respect to the minimum premiums for the relevant contract period, normally one year, on reinsurance contracts it has placed prior to the reporting period end. The accrual is estimated based on the terms of the reinsurance contracts recorded as having inception.

In accordance with IFRS 15, management has made a number of assessments, estimates and assumptions as it relates to the various contracts with customers that result in revenue to the Group. Most notably, management has to estimate the degree and timing of service obligations on its contracts with customers. Further estimates could be involved in assessing the transaction price and allocation of this price to service obligations. The resulting valuation of this future service obligation is reflected in deferred revenue on the statement of financial position.

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
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31 December 2020

3. Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

The Group's key service categories include Reinsurance, Wholesale and Analytics & Advisory. Reported revenues with the Group's customers by contract type for the year ended 31 December was as follows:

	2020	2019
Treaty	\$ 4,634,824	\$ 2,538,516
Industry loss warranty and insurance linked security	32,085	10,000
Facultative	362,406	571,829
Binder, consortium and facility	9,138,489	4,435,754
Advisory	-	250,894
Total contract revenue - commission and fees	\$ 14,167,804	\$ 7,806,993

4. Related Party Transactions

Amounts due to related parties include balances due to Acrisure Re Canada Limited, a related party, wholly-owned by the Ultimate Parent and Acrisure European Holding Ltd. These amounts are non-interest bearing and have no fixed terms of repayment.

Amounts due to related parties are as follows:

	2020	2019
Acrisure Re Canada Limited	\$ 692,086	\$ 777,579
Acrisure European Holding Ltd.	7,967	-
	\$ 700,053	\$ 777,579

Amounts due from related parties include balances due from Acrisure, LLC, the ultimate Parent and Acrisure AcquisitionCo Ltd. These amounts are non-interest bearing and have no fixed terms of repayment.

Amounts due from related parties are as follows:

	2020	2019
Acrisure, LLC	1,093,094	-
Acrisure AcquisitionCo Ltd.	-	1,938
	\$ 1,093,094	\$ 1,938

Acrisure Re UK Limited (Formerly Beach (International) Limited)
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4. Related Party Transactions (continued)

The due to (from) related party balances included intercompany management fees, which are charged to the Group in exchange for administrative and operational services.

	<u>2020</u>	<u>2019</u>
Total management fees	<u>\$ 12,788,363</u>	<u>\$ 8,370,455</u>

The Group is an "appointed representative", within the meaning of s.39(2) of the Financial Services and Markets Act 2000, of Acrisure Re Canada Limited. Acrisure Re Holdings Limited, another related company, has guaranteed the due and proper performance of the Group of all its obligations, duties, mandates, covenants and conditions, until all such are satisfied.

5. Right-of-Use Asset

Leases are accounted for through the recognition of a right of use asset and a corresponding lease liability, except for leases of low-value assets and short-term leases with a duration of twelve months or less.

IFRS 16 was adopted 1 January 2019 without restatement of comparative figures. The following policies apply subsequent to the date of initial application, 1 January 2019.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for the following:

- lease payments made at or before the commencement date of the lease;
- initial direct costs incurred; and
- the amount of any provision recognized whereby the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, right-of-use assets are amortized on a straightline basis over the term of the lease or over the term of the economic life if the asset, whichever is shorter.

When changes in the estimate of the lease term occur, the Company adjusts the carrying amount of the lease liability to reflect the payments required over the revised lease term, which are discounted at the same discount rate that applied on the commencement of the lease. The carrying value of lease liabilities are similarly revised when the variable element of future lease payments dependent on a rate is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use assets, with the revised carrying amount being amortized over the remaining lease term.

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
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31 December 2020

5. Right-of-Use Asset (continued)

	<u>Vehicle</u>
Cost	
Balance at 31 December 2019	\$ 60,950
Disposals	(60,950)
Balance at 31 December 2020	<u>\$ -</u>
Accumulated Depreciation	
Balance at 31 December 2019	\$ 1,693
Depreciation	-
Disposals	(1,693)
Balance at 31 December 2020	<u>\$ -</u>
Net Book Value	
December 31, 2019	<u>\$ 59,257</u>
31 December 2020	<u>\$ -</u>

The Company derecognized the right-of-use asset and corresponding lease liability during the year. During the year, the leased asset was bought out and sold.

6. Lease Liability

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease, or the Company's incremental borrowing rate, if the implicit rate is not readily determinable. The Company determines its incremental borrowing rate as the rate of interest it would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment.

On initial recognition, the carrying value of the lease liability also includes the present value of the following:

- amounts expected to be payable related to residual value guarantees;
- the price of any purchase options granted in the lease contracts if the Group is reasonably certain to exercise such options; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Subsequent to initial measurement, lease liabilities increase as a result of interest incurred on the balance outstanding and are reduced for principal lease payments made.

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
(Denominated in U.S. Dollars)

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6. Lease Liability (continued)

When changes in the estimate of the lease term occur, the Company adjusts the carrying amount of the lease liability to reflect the payments required over the revised lease term, which are discounted at the same discount rate that applied on the commencement of the lease. The carrying value of lease liabilities are similarly revised when the variable element of future lease payments dependent on a rate is revised.

Lease liability consists of the following:

	2020	2019
Vehicle lease bearing interest at an estimated rate of 6%, initially expiring 30 November 2022	\$ -	\$ 50,703
Less: current portion	-	(16,441)
	<u>\$ -</u>	<u>\$ 34,262</u>

7. Intangible Asset

	<u>Customer relationships</u>
Cost	
Balance at 31 December 2019	\$ 714,803
Balance at 31 December 2020	<u>\$ 714,803</u>
Accumulated Amortization	
Balance at 31 December 2019	\$ 53,108
Amortization	47,653
Balance at 31 December 2020	<u>\$ 100,761</u>
Net book value	
31 December 2019	\$ 661,695
31 December 2020	<u>\$ 614,042</u>

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
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31 December 2020

8. Shareholder's Equity

(a) Share capital

Authorized:

Ordinary shares, voting and participating, \$1 (2019 - \$1) nominal value.

Issued:	2020	2019
1,100 Ordinary Shares (2019 - 100)	\$ 1,100	\$ 100

(b) Share Premium

During the year the Company issued 1,000 ordinary shares to Acrisure Re Holdings Limited for total proceeds of \$625,000. Each share has a nominal value of \$1, resulting in share premium of \$624,000.

(c) Non-controlling interest

The non-controlling interest represents the cumulative net comprehensive loss relating to the arm's length shareholders of Acrisure London Wholesale Limited who control 33.3% of the outstanding share capital.

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
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31 December 2020

9. Financial Instruments

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's currency risk is primarily attributable to its cash, accounts receivable and accounts payable and accrued liabilities.

The Group is exposed to currency risk with transactions in British Pounds and other currencies in which the Group enters into sales and service arrangements.

In addition to United States dollars, the Group earns revenue and incurs expenses denominated in British Pounds (GBP) and is exposed to foreign exchange risk from fluctuations in GBP monetary working capital balances. The United States dollar equivalent of amounts included in the consolidated statement of financial position which are denominated in GBP are as follows:

	2020	2019
Cash	\$ 33,809	\$ 18,251
Accounts receivable	18,481	30,256
Accounts payable and accrued liabilities	(109,279)	(81,346)
	\$ (56,989)	\$ (32,839)

The effect of a 20% strengthening of the British Pound against the United States dollar at the reporting date, with all other variables held constant, would result in an decrease in net income of \$11,398 (2019 - decrease of \$6,568). A 20% weakening in the exchange rate, on the same basis, would increase net income by \$11,398 (2019 - increase of \$6,568).

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
(Denominated in U.S. Dollars)

31 December 2020

9. Financial Instruments (continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or if financial obligations have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Group's financial instruments that are exposed to concentrations of credit risk relate primarily to the accounts receivable and due from related parties.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet all cash outflow obligations as they come due. The Group mitigates this risk by monitoring cash activities and expected outflows. The Group does not have material liabilities that can be called unexpectedly at the demand of a lender. The Group has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business.

10. Capital Risk

The objectives of the Group's capital management initiatives are intended to safeguard the Group's ability to support its normal operating requirements on an ongoing basis and maximize the return to its shareholders.

The capital of the Group consists of the items included in shareholder's equity and obligations. The Group manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Group's assets. To effectively manage the entity's capital requirements, the Group has in place, a rigorous planning and budgeting process, to help determine the funds required to ensure the Group has the appropriate liquidity to meet its operating and growth objectives.

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Notes to Consolidated Financial Statements
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31 December 2020

11. Income Taxes

The provision for income taxes differs from the result which would be obtained by applying the statutory income tax rates to income before taxes. This difference results from the following items:

	<u>2020</u>	<u>2019</u>
Income (loss) before income taxes	\$ 1,013,352	\$ (787,819)
Tax at domestic rates applicable to individual group entities (19%)	192,537	(149,686)
Increase in income tax resulting from:		
Permanent difference	(146,611)	(47,704)
Other	-	(15,736)
Income tax expense (recovery)	<u>\$ 45,926</u>	<u>\$ (213,126)</u>

Calculation of the deferred tax asset on the temporary differences in carrying values of assets and liabilities between IFRS and tax balance sheets is as follows:

	<u>Tax Base</u>		<u>IFRS</u>		<u>Difference</u>	<u>Tax rate %</u>	<u>DTA</u>
Loss carryforwards	\$ 796,096	\$	-	\$	796,096	19.00	<u>\$ 151,258</u>

The Group has available income tax loss carryforwards of \$796,096 (2019 - \$1,159,903) which are available to reduce future years' taxable income to 2040 (2019 - 2039).

12. Auditor's Remuneration

	<u>2020</u>	<u>2019</u>
For the audit of the Group's financial statements	\$ 22,126	\$ 20,202
For other assurance related services	1,211	8,456
	<u>\$ 23,337</u>	<u>\$ 28,658</u>

Acrisure Re UK Limited (Formerly Beach (International) Limited) Company Statement Information


In accordance with the Companies Act, the following financial statements detail the non-consolidated financial position of Acrisure Re UK Limited as at 31 December 2020. The non-consolidated financial disclosures below follow the same accounting policies for the consolidated Company as outlined above.

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Non-consolidated Statement of Comprehensive Income
(Denominated in U.S. Dollars)

For the year ended 31 December	2020	2019
Revenue		
Commissions and fees	\$ 4,132,634	\$ 2,193,401
Operating expenses		
Management fees	3,306,107	1,712,688
Professional fees	79,858	32,808
Amortization	-	31,767
Office and general	15,026	21,691
Foreign exchange loss	39,486	22,362
	<u>3,440,477</u>	<u>1,821,316</u>
Income before income taxes	<u>692,157</u>	<u>372,085</u>
Income tax expense (recovery)		
Current (Note 3)	-	(15,942)
Total comprehensive income for the year	<u>\$ 692,157</u>	<u>\$ 388,027</u>

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Non-consolidated Statement Financial Position
(Denominated in U.S. Dollars)

As at 31 December	2020	2019
Assets		
Current		
Cash	\$ 658,812	\$ 18,251
Accounts receivable	-	16,510
	658,812	34,761
Non-current		
Due from related parties (Note 1)	1,508,236	805,446
Right-of-use asset	-	59,257
Investment in subsidiaries (Note 2)	448,945	448,845
Total assets	\$ 2,615,993	\$ 1,348,309
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities	\$ 73,076	\$ 51,074
Share subscription payable	448,945	448,845
Deferred revenue	819	21,691
Current portion of lease liability	-	16,441
	522,840	538,051
Non-current		
Lease liability	-	34,262
Total liabilities	522,840	572,313
Shareholder's equity		
Share capital	1,100	100
Share premium	624,000	-
Retained earnings	1,468,053	775,896
Total shareholder's equity	2,093,153	775,996
Total liabilities and shareholder's equity	\$ 2,615,993	\$ 1,348,309



Dexter Des Vignes
Director

Approved:
24 August 2021

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Non-consolidated Statement of Cash Flows
(Denominated in U.S. Dollars)

For the year ended 31 December	2020	2019
Cash provided by (used in)		
Operating activities		
Total comprehensive income	\$ 692,157	\$ 388,027
Adjustments required to reconcile total comprehensive income with net cash provided by operating activities		
Amortization - right-of-use asset	-	1,693
Amortization - intangible assets	-	31,767
Income tax expense (recovery)	-	(15,942)
Change in non-cash operating account balances		
Accounts receivable	16,510	(16,410)
Deferred revenue	(20,872)	21,691
Accounts payable and accrued liabilities	22,002	(310,567)
Income taxes payable	-	(71,761)
Cash flow from operating activities	709,797	28,498
Investing activity		
Proceeds from disposal of right-of-use asset	59,257	-
Cash flow from investing activities	59,257	-
Financing activities		
Principal repayments on lease liability	(50,703)	(10,247)
Advances to related parties	(702,790)	-
Issue of share capital	1,000	-
Share premium	624,000	-
Cash flow used in financing activities	(128,493)	(10,247)
Increase in cash during the year	640,561	18,251
Cash, beginning of year	18,251	-
Cash, end of year	\$ 658,812	\$ 18,251

Acrisure Re UK Limited (Formerly Beach (International) Limited)
Non-consolidated Statement of Changes in Shareholder's Equity
(Denominated in U.S. Dollars)

	Share Capital	Share Premium	Retained Earnings	Total Shareholder's Equity
31 December 2019	\$ 100	\$ -	\$ 775,896	\$ 775,996
Total Comprehensive income for the year	-	-	692,157	692,157
Contributions by and distributions to the owner				
Issue of share capital	1,000	-	-	1,000
Share premium	-	624,000	-	624,000
Total contributions by and distributions to the owner	-	624,000	-	625,000
31 December 2020	\$ 100	\$ 624,000	\$ 1,468,053	\$ 2,093,153

	Share Capital	Share Premium	Retained Earnings	Total Shareholder's Equity
31 December 2018	\$ 100	\$ -	\$ 387,869	\$ 387,969
Total Comprehensive income for the year	-	-	388,027	388,027
31 December 2019	\$ 100	\$ -	\$ 775,896	\$ 775,996

Additional Notes Related to the Acrisure Re UK Limited (Formerly Beach (International) Limited) Company Statement

1. Related Party Transactions

Amounts due from related parties include balances from Acrisure London Wholesale Limited, Acrisure Re Canada Limited, Acrisure Re Netherlands B.V., Acrisure European Holdings Limited and Acrisure AcquisitionCo Limited. These amounts are non-interest bearing and have no fixed terms of repayment.

Amounts due from related parties are as follows:

	<u>2020</u>	<u>2019</u>
Acrisure London Wholesale Limited	\$ 709,349	\$ 709,349
Acrisure Re Canada Limited	753,380	94,159
Acrisure Re Netherlands B.V..	10,367	-
Acrisure European Holdings Ltd.	(7,954)	-
Acrisure AcquisitionCo Limited	43,094	1,938
	<u>\$ 1,508,236</u>	<u>\$ 805,446</u>

2. Investment in Subsidiaries

Long-term investment includes shares in majority-owned subsidiary Acrisure London Wholesale Limited of \$448,845 (2019 - \$448,845), representing 66.7% of the issued share capital of Acrisure London Wholesale Limited. The remaining 33.3% is owned by a management group.

Long-term investment includes shares in wholly-owned subsidiary Acrisure Re Netherlands B.V. of \$100 (2019 - Nil).

3. Income Taxes

The provision for income taxes differs from the result which would be obtained by applying the statutory income tax rates to income before taxes. This difference results from the following items:

	<u>2020</u>	<u>2019</u>
Income before income taxes	\$ 692,157	\$ 372,085
Tax at domestic rate of 19%	131,510	70,696
Decrease in income tax resulting from:		
Permanent difference	(131,510)	(70,902)
Other	-	(15,736)
Income tax recovery	<u>\$ -</u>	<u>\$ (15,942)</u>