Lancashire Holdings Limited

Delivering *together.*

Investor Presentation: Full year 2023 results

Safe harbour statements

Lancashire Holdings Limited

NOTE REGARDING FORWARD-LOOKING STATEMENTS:

CERTAIN STATEMENTS AND INDICATIVE PROJECTIONS (WHICH MAY INCLUDE MODELLED LOSS SCENARIOS) MADE IN THIS PRESENTATION OR OTHERWISE THAT ARE NOT BASED ON CURRENT OR HISTORICAL FACTS ARE FORWARD-LOOKING IN NATURE INCLUDING, WITHOUT LIMITATION, STATEMENTS CONTAINING THE WORDS “BELIEVES”, “AIMS”, “ANTICIPATES”, “PLANS”, “PROJECTS”, “FORECASTS”, “GUIDANCE”, “POLICY”, “INTENDS”, “EXPECTS”, “ESTIMATES”, “PREDICTS”, “MAY”, “CAN”, “LIKELY”, “WILL”, “SEEKS”, “SHOULD”, OR, IN EACH CASE, THEIR NEGATIVE OR COMPARABLE TERMINOLOGY. SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE GROUP TO BE MATERIALLY DIFFERENT FROM FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. FOR A DESCRIPTION OF SOME OF THESE FACTORS, SEE THE GROUP’S ANNOUNCEMENT OF ITS RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023.

ALL FORWARD-LOOKING STATEMENTS IN THIS PRESENTATION OR OTHERWISE SPEAK ONLY AS AT THE DATE OF PUBLICATION. LANCASHIRE EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING (SAVE AS REQUIRED TO COMPLY WITH ANY LEGAL OR REGULATORY OBLIGATIONS INCLUDING THE RULES OF THE LONDON STOCK EXCHANGE) TO DISSEMINATE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT TO REFLECT ANY CHANGES IN THE GROUP’S EXPECTATIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED. ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE GROUP OR INDIVIDUALS ACTING ON BEHALF OF THE GROUP ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THIS NOTE. PROSPECTIVE INVESTORS SHOULD SPECIFICALLY CONSIDER THE FACTORS IDENTIFIED IN THIS PRESENTATION AND THE REPORT AND ACCOUNTS AND THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS NOTED ABOVE WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER BEFORE MAKING AN INVESTMENT DECISION.

NOTE REGARDING RPI METHODOLOGY

THE RENEWAL PRICE INDEX (“RPI”) IS AN INTERNAL METHODOLOGY THAT MANAGEMENT USES TO TRACK TRENDS IN PREMIUM RATES OF A PORTFOLIO OF INSURANCE AND REINSURANCE CONTRACTS. THE RPI WRITTEN IN THE RESPECTIVE SEGMENTS IS CALCULATED ON A PER CONTRACT BASIS AND REFLECTS MANAGEMENT’S ASSESSMENT OF RELATIVE CHANGES IN PRICE, TERMS, CONDITIONS AND LIMITS AND IS WEIGHTED BY PREMIUM VOLUME. THE RPI DOES NOT INCLUDE NEW BUSINESS, TO OFFER A CONSISTENT BASIS FOR ANALYSIS. THE CALCULATION INVOLVES A DEGREE OF JUDGEMENT IN RELATION TO COMPARABILITY OF CONTRACTS AND THE ASSESSMENT NOTED ABOVE. TO ENHANCE THE RPI METHODOLOGY, MANAGEMENT MAY REVISE THE METHODOLOGY AND ASSUMPTIONS UNDERLYING THE RPI, SO THE TRENDS IN PREMIUM RATES REFLECTED IN THE RPI MAY NOT BE COMPARABLE OVER TIME. CONSIDERATION IS ONLY GIVEN TO RENEWALS OF A COMPARABLE NATURE SO IT DOES NOT REFLECT EVERY CONTRACT IN THE PORTFOLIO OF CONTRACTS. THE FUTURE PROFITABILITY OF THE PORTFOLIO OF CONTRACTS WITHIN THE RPI IS DEPENDENT UPON MANY FACTORS BESIDES THE TRENDS IN PREMIUM RATES.

NOTE REGARDING ALTERNATIVE PERFORMANCE MEASURES:

THE GROUP USES ALTERNATIVE PERFORMANCE MEASURES TO HELP EXPLAIN BUSINESS PERFORMANCE AND FINANCIAL POSITION. THESE MEASURES HAVE BEEN CALCULATED CONSISTENTLY WITH THOSE AS DISCLOSED IN THE GROUP’S ANNOUNCEMENT OF ITS RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

Contents

2023 highlights

Excellent performance enables further capital returns

- Profit after tax of $321.5 million resulting in excellent change in DBVS of 24.7%.
- 50% increase in ordinary dividend reflecting ongoing resilience of business model.
- Additional special dividend of $0.50 per common share following special dividend paid in December 2023.
- Final dividend of $0.15 per common share, subject to shareholder approval.

Note: Final dividend of $0.15 per common share, an increase of 50% from last year, subject to shareholder approval. Current intention to increase the ordinary interim dividend to $0.075 per common share. Interim dividends are usually paid after the announcement of our results for the first six months of the year.

2023 highlights

Premium growth and diversification contribute to excellent underwriting result

Gross premiums written increased by 16.9% year-on-year to $1.9 billion

Insurance revenue increased 23.9% to $1.5 billion

Insurance service result of $382.1 million

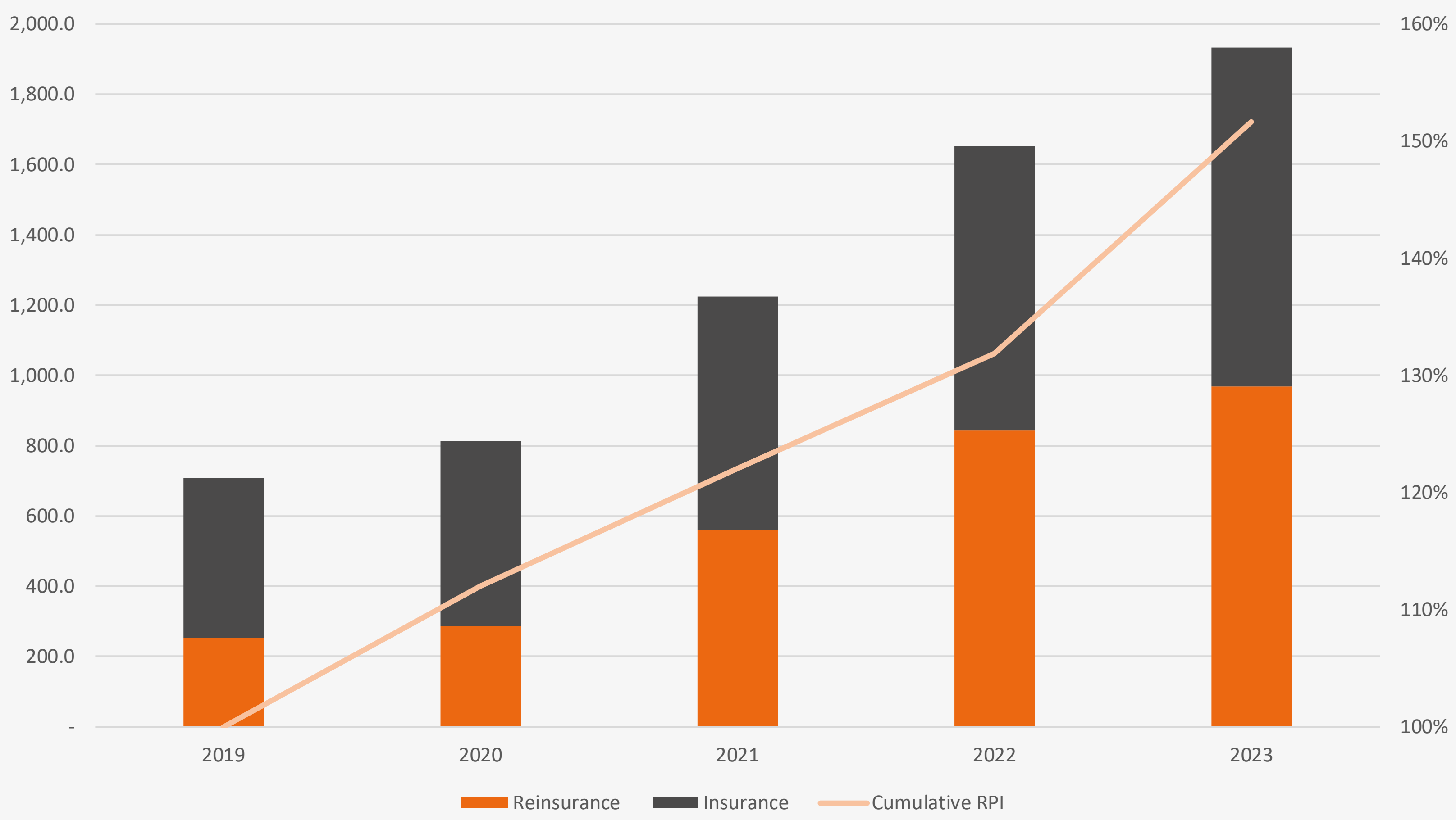
Combined ratio (undiscounted) of 82.6%

Group Renewal Price Index (RPI) of 115%

Strong balance sheet and robust capital position

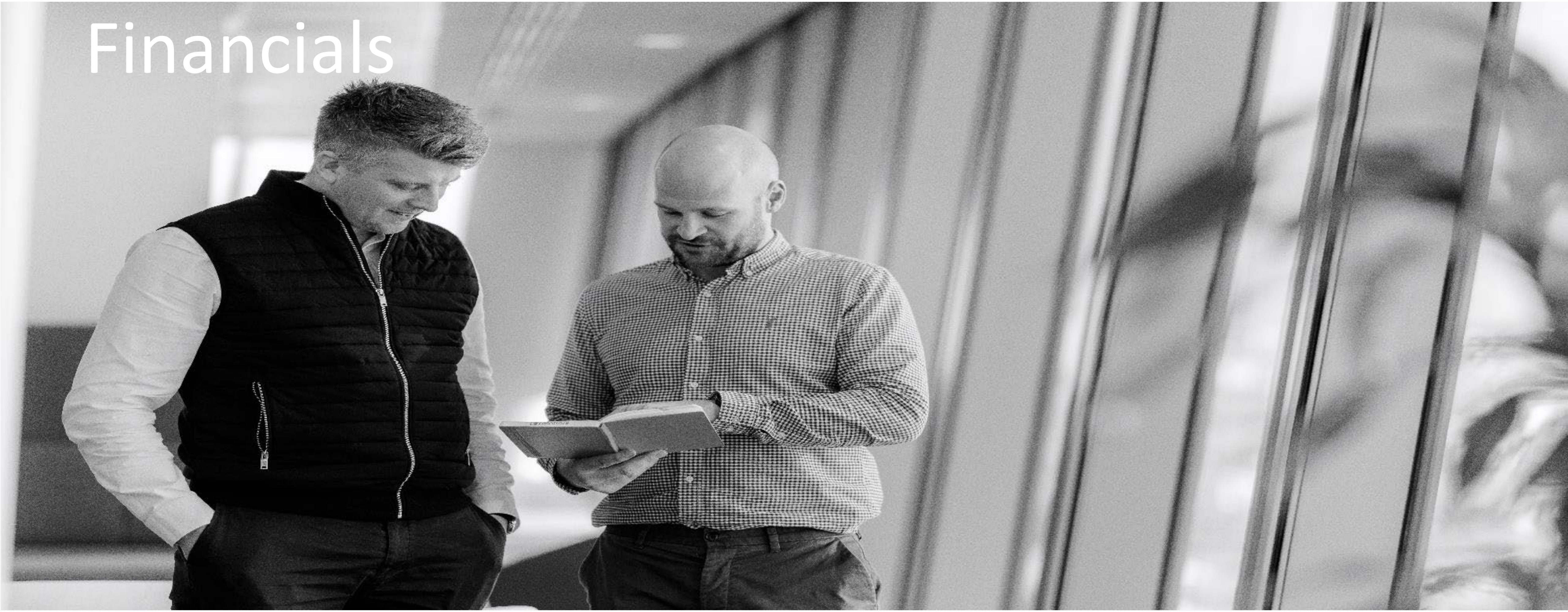
Focus on writing profitable business

Gross premiums written ($m) and cumulative RPI (%) for the years ended 2019 to 2023



- Gross premiums written increased by 16.9% year-on-year to $1.9 billion.
- Group RPI of 115%.
- Momentum continues for 2024 in strong market conditions.

Financials



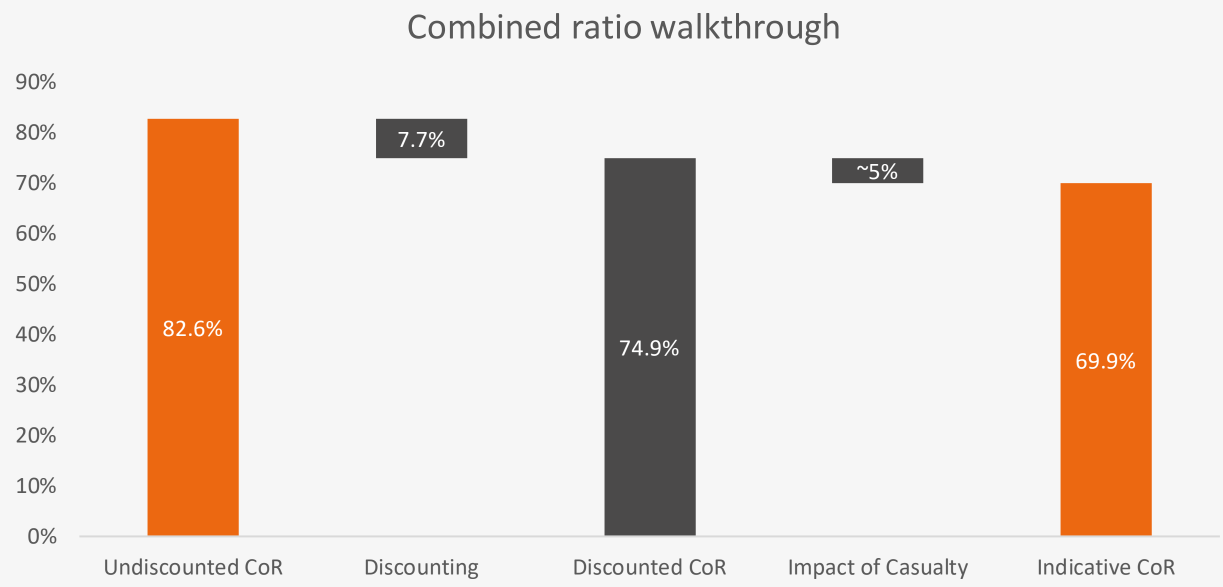
2023 financial results summary

Lancashire Holdings Limited

	2023	2022	Variance
	$m	$m	$m
Insurance revenue	**1,519.9**	1,226.5	293.4
Insurance service expenses	**(696.2)**	(994.6)	298.4
Insurance service result before reinsurance contracts held	**823.7**	231.9	591.8
Allocation of reinsurance premiums	**(424.8)**	(371.8)	(53.0)
Amounts recoverables from reinsurers	**(16.8)**	281.5	(298.3)
Net expense from reinsurance contracts held	**(441.6)**	(90.3)	(351.3)
Insurance service results	**382.1**	141.6	240.5
Net investment return	**160.5**	(76.7)	237.2
Finance (expenses) income from insurance contracts issued	**(98.3)**	20.1	(118.4)
Finance income (expense) from reinsurance contracts held	**31.7**	(6.7)	38.4
Net insurance and investment results	**476.0**	78.3	397.7
Profit (loss) before tax	**332.7**	(17.3)	350.0
Profit (loss) after tax	**321.5**	(15.5)	337.0
Net insurance ratio	**65.1%**	83.4%	(18.3%)
Operating expense ratio	**9.8%**	6.8%	3.0%
Combined ratio (discounted)	**74.9%**	90.2%	(15.3%)
Discounting impact on combined ratio	**7.7%**	8.5%	(0.8%)
Combined ratio (undiscounted)	**82.6%**	98.7%	(16.1%)

Net claims environment

- Net losses (undiscounted, including reinstatement premiums) from catastrophe, weather and large loss events of $106.1 million.
- Prior year favourable ultimate loss development for the period was $78.8 million, compared to $134.3 million in 2022.
- No change to our conservative reserving philosophy with the net of reinsurance liability for incurred claims corresponding to a confidence level of 88% as at 31 December 2023. We generally expect a confidence level within the range of 80%-90%.
- We continue the conservative build-out of our casualty classes, absent casualty our undiscounted combined ratio would be approximately 5% lower.



Discounting

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For the year ended 31 December 2023	Insurance contracts issued $m	Reinsurance contracts held $m	Total $m
Initial discount included in insurance service result	**101.9**	**(17.2)**	**84.7**
Unwind of discount	(84.2)	28.4	(55.8)
Impact of change in assumptions	(14.1)	3.3	(10.8)
Finance (expense) income	**(98.3)**	**31.7**	**(66.6)**
Total net discounting income	**3.6**	**14.5**	**18.1**

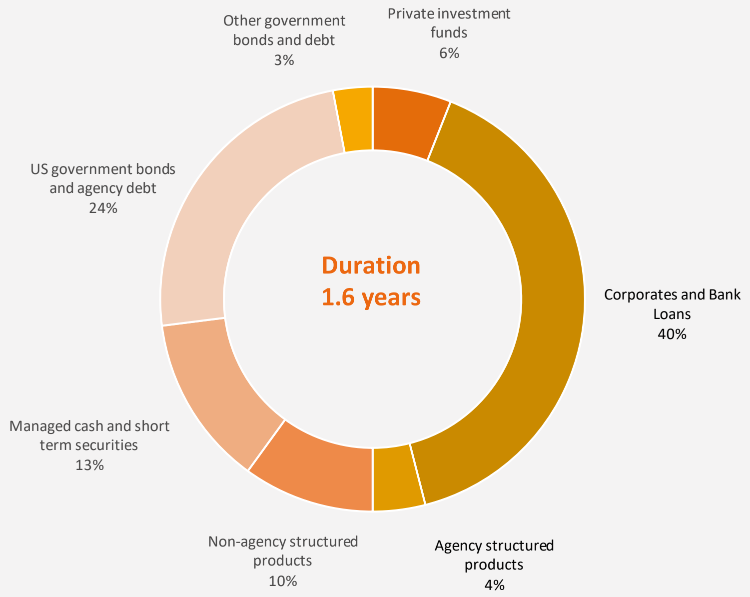
For the year ended 31 December 2022	Insurance contracts issued $m	Reinsurance contracts held $m	Total $m
Initial discount included in insurance service result	**109.1**	**(36.6)**	**72.5**
Unwind of discount	(39.7)	13.7	(26.0)
Impact of change in assumptions	59.8	(20.4)	39.4
Finance income (expense)	**20.1**	**(6.7)**	**13.4**
Total net discounting income (expense)	**129.2**	**(43.3)**	**85.9**

- 2023 discount rates relatively high through the year with a small decrease in Q4 – resulting in high initial discount and relatively small impact from change in assumptions.
- Unwind of discount higher in 2023 than 2022 as rates were higher in previous period.
- 2022 discount rates started the year fairly low and experienced significant increases – resulting in favourable change in assumptions.

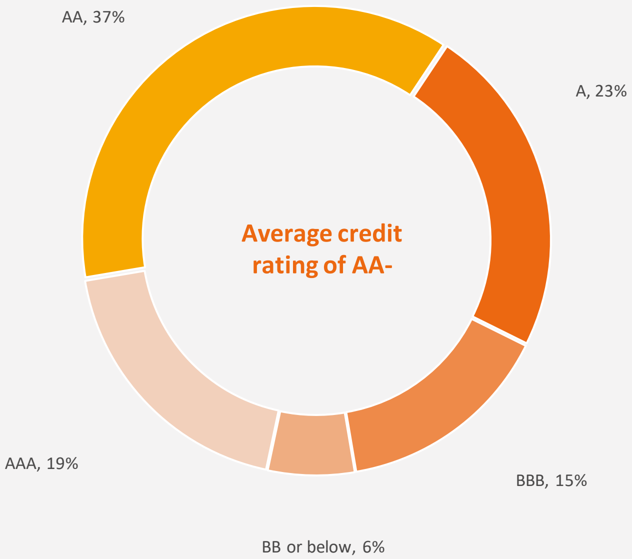
Investments: conservative portfolio structure – quality focus

Lancashire Holdings Limited

Asset Allocation
total investment portfolio and managed cash

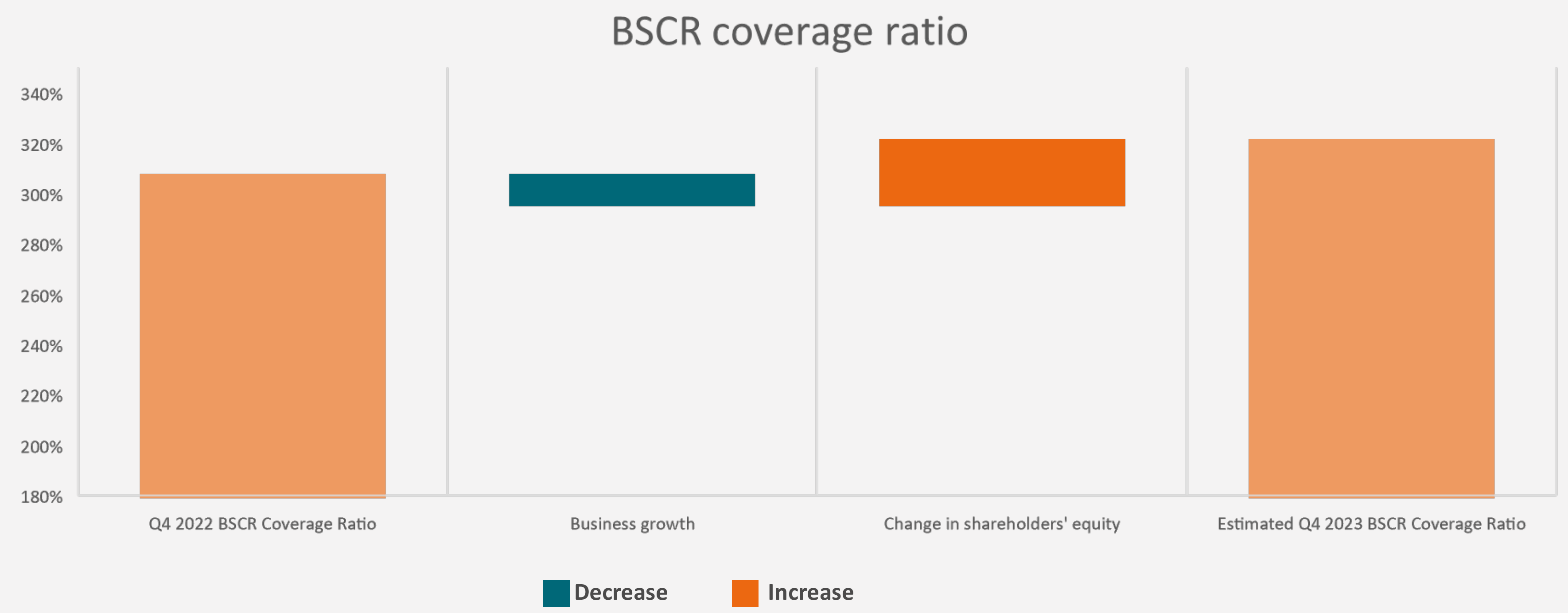


Credit Quality
fixed maturities and managed cash



- Total investment portfolio and managed cash as at 31 December 2023 was $2,719.3 million.
- Total net investment return of 5.7%, primarily driven by higher yields and interest rate volatility.

Remaining strongly capitalised



Note: The Q4 BSCR Coverage Ratio is estimated and not the final result. Applying a stress scenario which incorporates a net loss catastrophe event (representative of our 1 in 100 Gulf of Mexico wind PML at $300.5 million) at 31 December 2023 our ECR ratio would be approximately 280%.
Following the Group's recently announced capital actions (special dividend and ordinary dividend) for 2024 of approximately $155.0 million, our ECR ratio would be approximately 300%.

Bermuda Corporate Income Tax Legislation

- New Bermuda Corporate Income Tax rules are effective from 1 January 2025.
- Our limited international presence means we currently expect to be excluded from scope for a period of up to five years.
- We expect to have deferred tax assets in the future in the event that the Group decides to make use of the Economic Transition Adjustment (ETA) of the Bermuda Corporate Tax Legislation.

Lancashire
Holdings Limited

Outlook

Outlook

Lancashire Holdings Limited

- **There is no change to our long-term strategy.** Disciplined growth is important to balance returns over the longer term. This approach to growth will allow Lancashire to mitigate the weaker years through portfolio optimisation and we expect this to enhance returns over the cycle.
- **Our franchise has strengthened and is more resilient.**
- **We remain strongly capitalised to deliver on our long-term strategy.** We continue to navigate the insurance cycle and manage the business for the long term.
- **We see strong opportunities in 2024.** We will continue to grow while the opportunity persists in an attractive rating environment.
- **We continue to remain disciplined in our underwriting,** while taking advantage of the stronger market conditions.

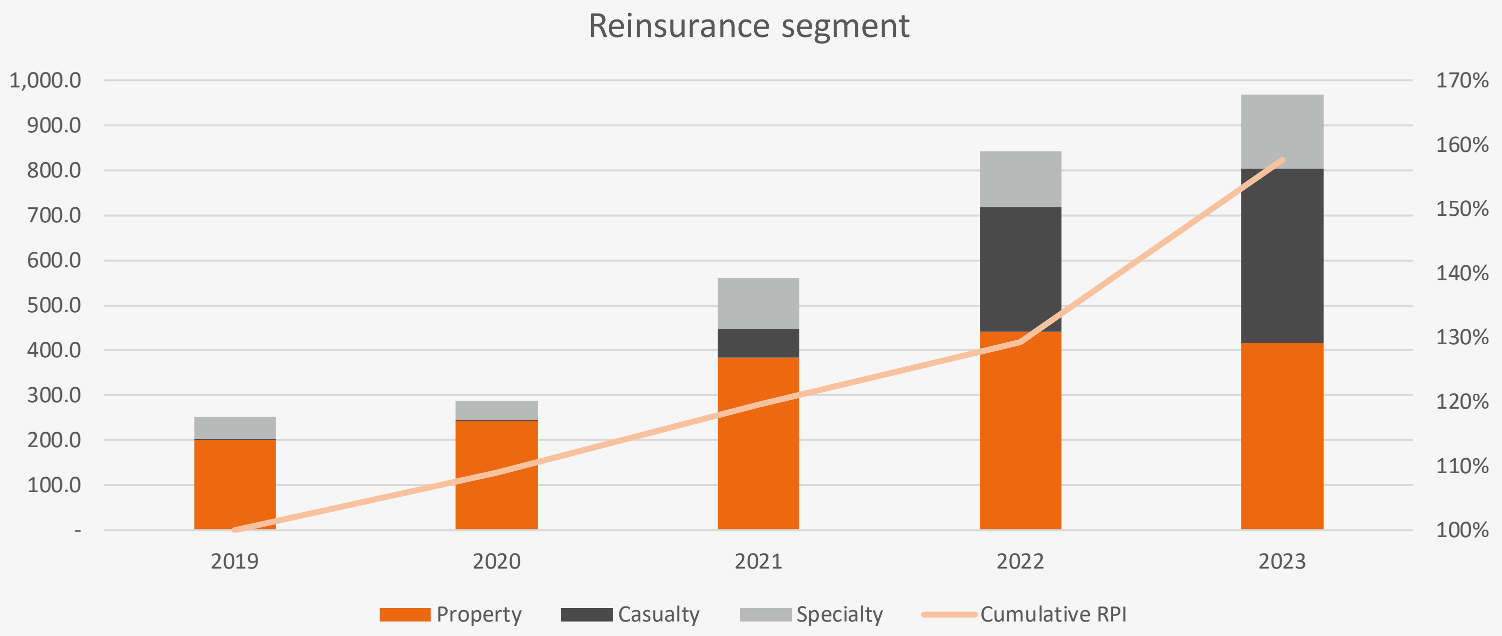
2024 guidance

- In an average loss year we would expect the 2024 undiscounted combined ratio to be around the mid-80% range.
- This would result in an RoE, as measured by change in DBVS, of around 20%.

Appendix

2023: Reinsurance segment

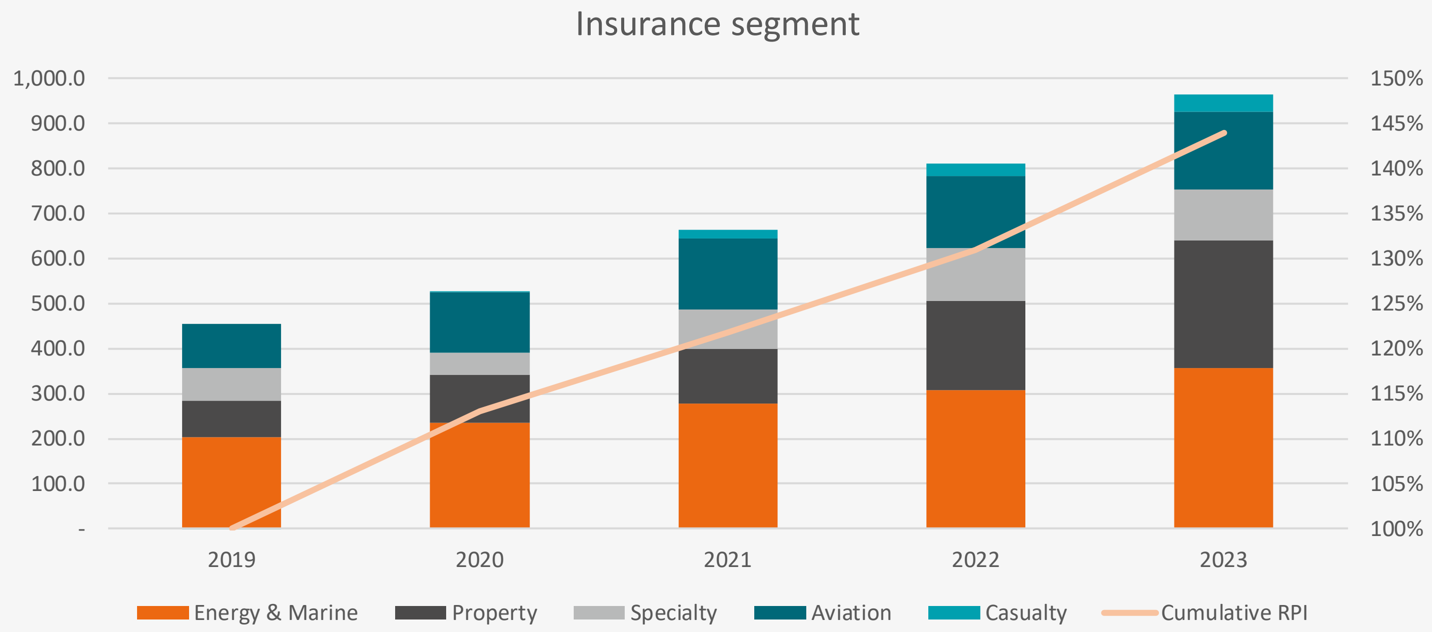
Gross premiums written ($m) and cumulative RPI (%) for the years ended 2019 to 2023



- Build out of casualty reinsurance lines remains the primary driver of growth.
- Strong rating environment for specialty reinsurance classes.
- Property reinsurance classes benefiting from strong RPIs and new business.
- RPI of 122% for the segment.

2023: Insurance segment

Gross premiums written ($m) and cumulative RPI (%) for the years ended 2019 to 2023



- Strong growth in property insurance lines in positive rating environment with mature book of business.
- Increased premiums in energy and marine insurance with new business across all lines.
- Rate and exposure increases driver of growth in aviation insurance.
- RPI of 110% for the segment.

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