Investor Presentation: Q1 2023 Trading Statement

Strong *forward* momentum

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”, “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 Annual Report and Accounts for the year ended 31 December 2022. In addition to those factors contained in the Group’s 2022 Annual Report and Accounts, any forward-looking statements contained in this release may be affected by: the number and type of insurance and reinsurance contracts that the Group writes or may write; the group’s ability to successfully implement its business strategy during ‘soft’ as well as ‘hard’ markets; the premium rates which may be available at the time of such renewals within its targeted business lines; increased competition on the basis of pricing, capacity, coverage terms or other factors; cyclical downturns of the industry. All forward-looking statements in this release 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 release and the report and accounts noted above which could cause actual results to differ before making an investment decision.

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 2022.

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 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 or, for example, new business lines within a segment. The future profitability of the portfolio of contracts within the RPI is dependent upon many factors besides the trends in premium rates.

Contents

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Highlights

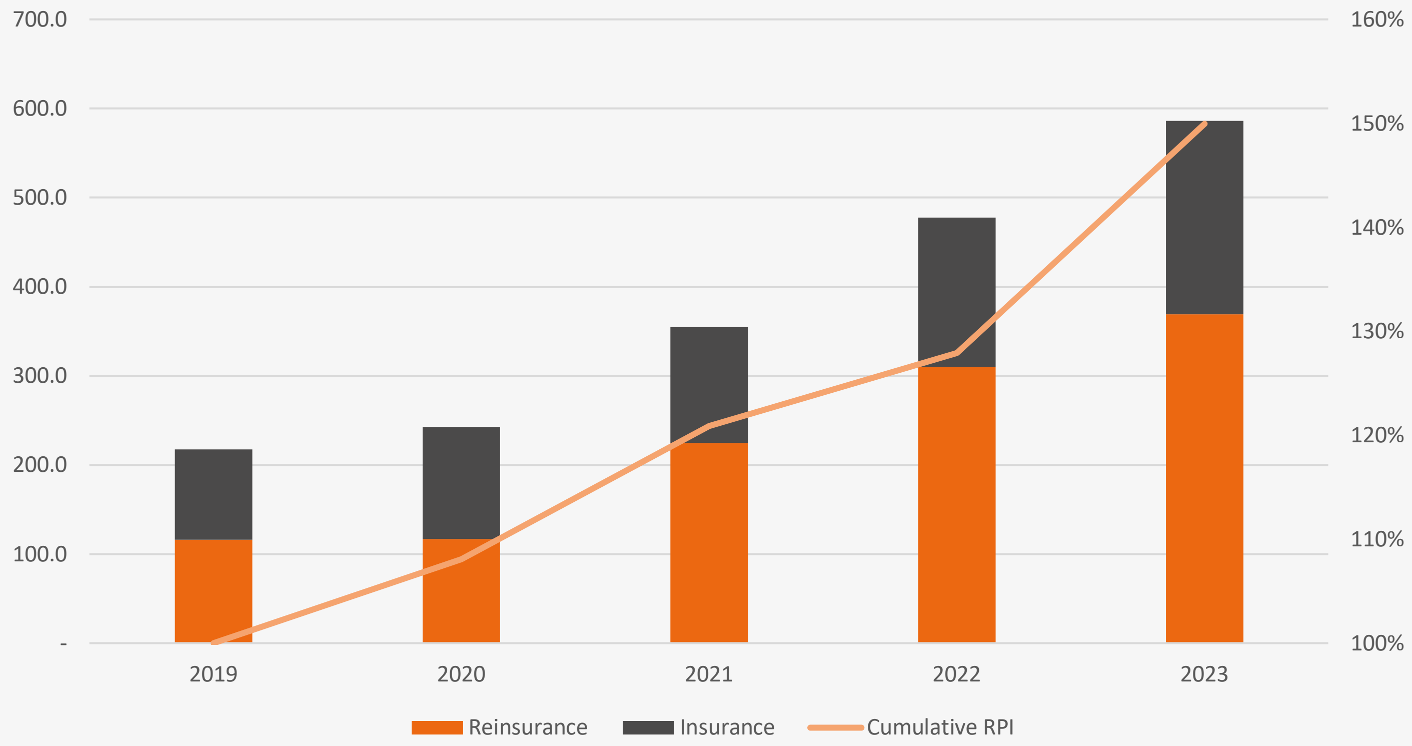
Good start to 2023 with premium growth in line with positive market conditions

- Gross premiums written increased by 22.7% year-on-year to $586.2 million.
- Group Renewal Price Index (RPI) of 117%.
- IFRS 17 insurance revenue increased by 31.6% year-on-year to $338.7 million.
- Total net investment return, including unrealised gains and losses, of 1.5% for the quarter.
- Regulatory ECR ratio of approximately 308% as at 31 December 2022.

Strong track record of navigating the insurance cycle through disciplined risk selection and capital management.

Delivering on our strategy to grow and diversify our underwriting footprint to maximise the market opportunity

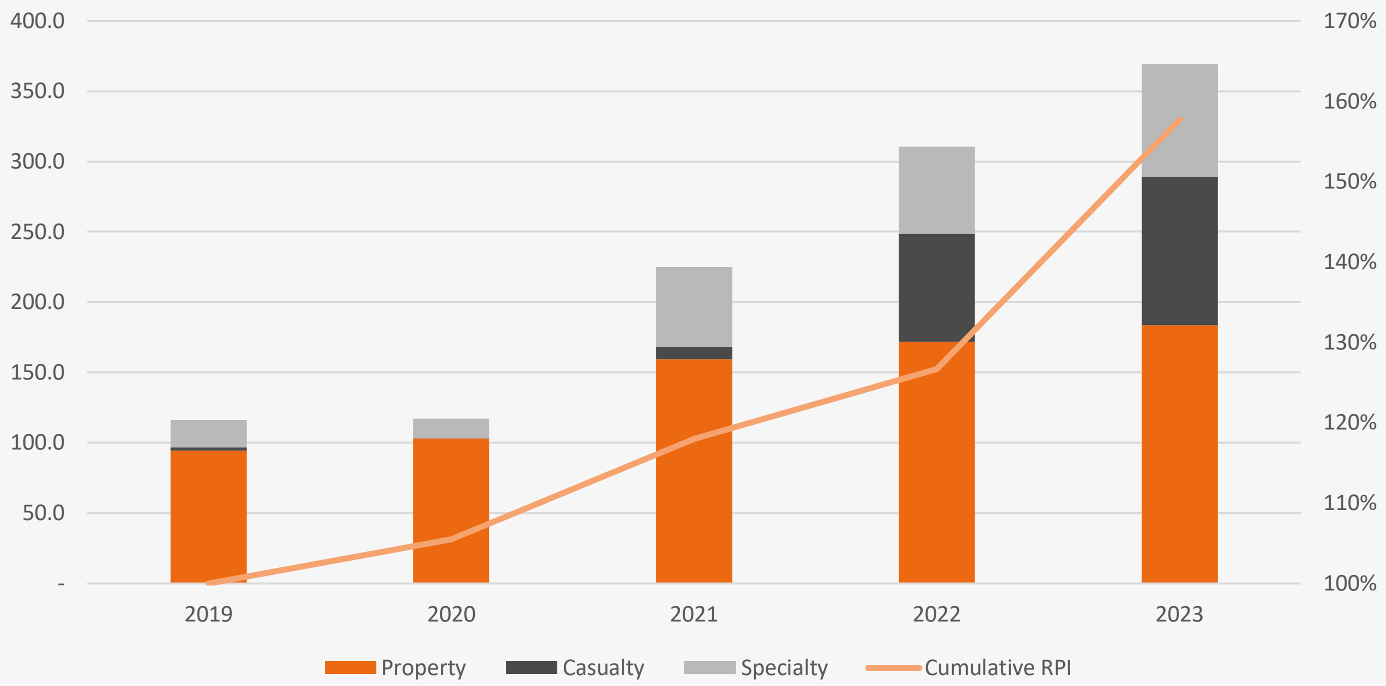
Gross premiums written ($m) and cumulative RPI (%) for the first quarter: 2019 to 2023



Gross premiums written increased by $108.3 million or 22.7% in the first three months of 2023 compared to the same period in 2022.

Strong premium growth in Q1 2023: Reinsurance segment

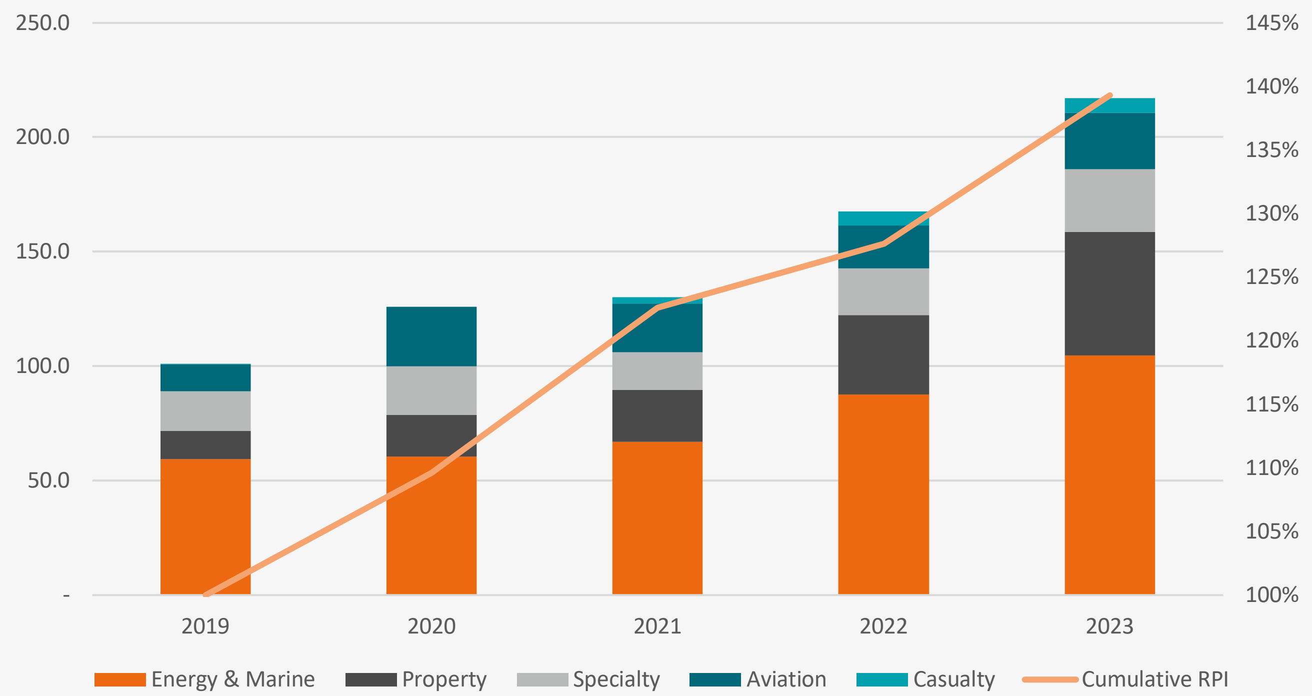
Gross premiums written ($m) and cumulative RPI (%) for the first quarter: 2019 to 2023



- Continued development of casualty reinsurance classes the most significant contributors to growth in the segment.
- Within property reinsurance we saw significant rate increases in property catastrophe treaty.
- New business drove increases in specialty reinsurance.

Strong premium growth in Q1 2023: Insurance segment

Gross premiums written ($m) and cumulative RPI (%) for the first quarter: 2019 to 2023



- Growth primarily driven by property insurance where we continue to build out our property construction book of business.
- Substantial rate increases in the property direct and facultative class.
- Strong growth in energy and marine insurance driven by exposure increases in energy liabilities and new business in cargo and specie.

Financials

Financial update

- IFRS 17 insurance revenue increased by 31.6% year-on-year to $338.7 million.
- Q1 natural catastrophe loss activity included US convective storms, the Turkey earthquake and New Zealand flooding. We also saw some risk losses, particularly in energy classes.
- Total net investment return, including unrealised gains and losses, of 1.5%.

Strong capital position

- Regulatory ECR ratio of approximately 308% as at 31 December 2022.

Applying a stress scenario, which incorporates a net loss catastrophe event (representative of our 1 in 100 Gulf of Mexico wind PML at $301.2 million) at 31 December 2022, our ECR ratio would be approximately 263%.

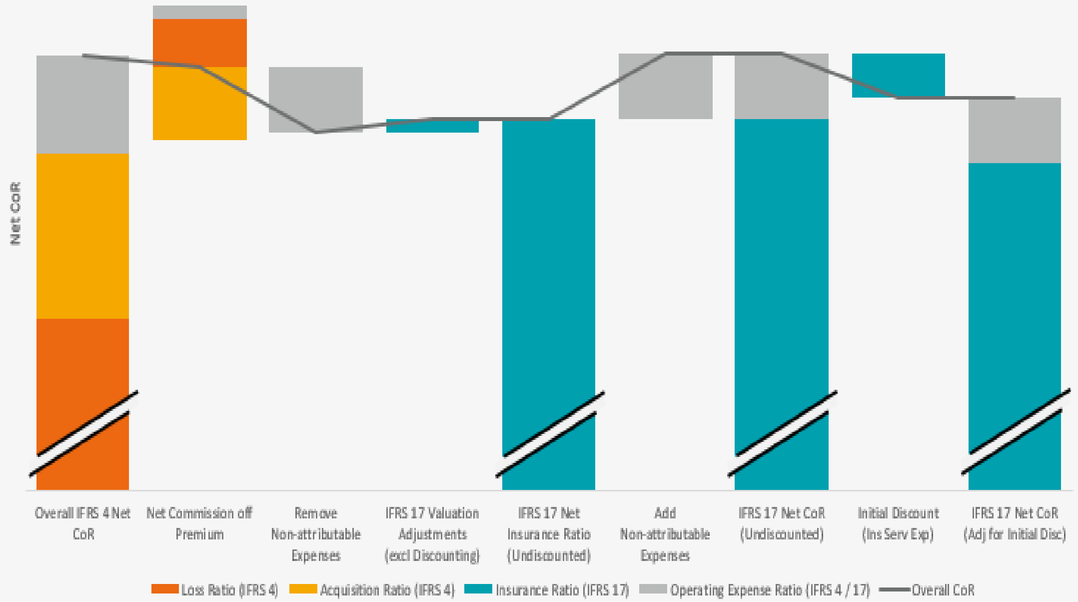
No change to 2023 IFRS 4 guidance

- Underlying IFRS 4 combined ratio ex catastrophe/large losses 74%-79%.
- Approximate reserve releases $100 million-$110 million.

Illustrative guidance – possible range of outcomes			
Underlying CR*	74.0%	76.5%	79.0%
Illustrative reserve releases	-8.0%	-8.0%	-8.0%
Cat/Large loss	5.0%	15.0%	25.0%
Overall CR	71.0%	83.5%	96.0%

* Includes attritional losses, acquisition costs and operating expenses.
Guidance based on historic averages and business plan projections.

Combined ratio – bridge between IFRS 4 and IFRS 17



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Outlook

Outlook: maintaining momentum

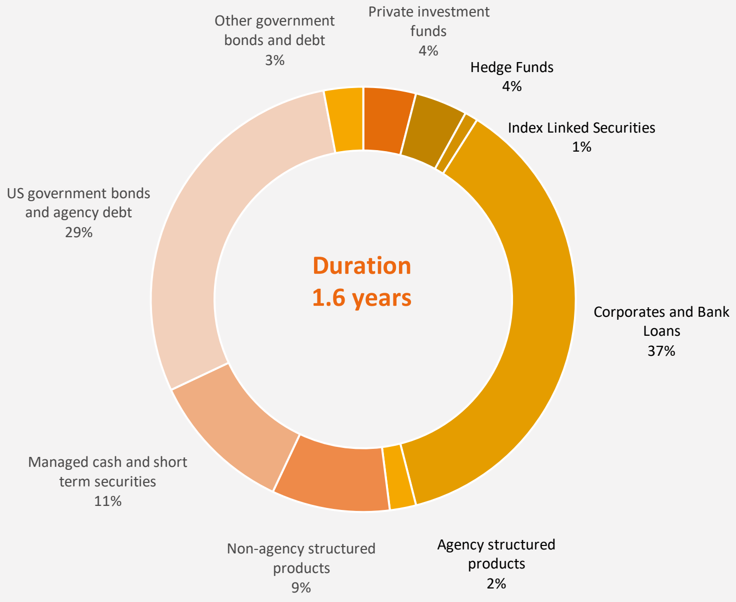
- **We see strong opportunities for the remainder of 2023.** We will continue to grow while the opportunity persists in an attractive rating environment.
- **We remain strongly capitalised to deliver on our long-term strategy.** We continue to navigate the insurance cycle and manage the business for the long term.
- **Our franchise has strengthened and is more resilient.** We continue to see the profitability of our non-catastrophe business providing positive ballast to better balance our catastrophe exposures.
- **We will continue to build out the franchise, rating environment permitting.**

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.

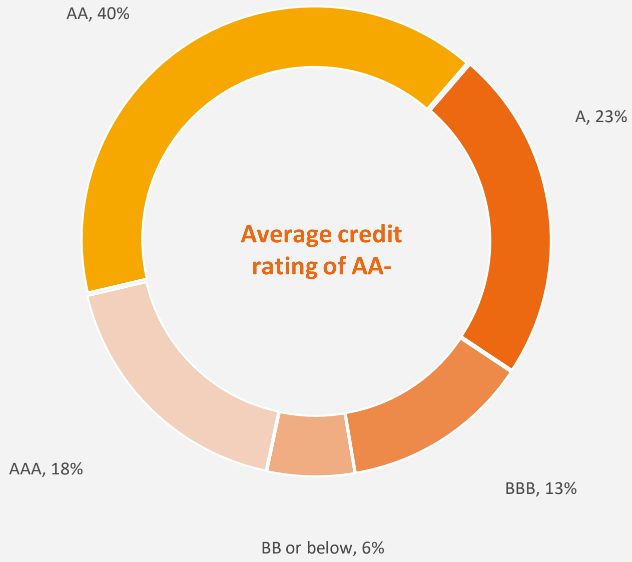
Appendix

Investments: conservative portfolio structure – quality focus

Asset Allocation
total investment portfolio and managed cash



Credit Quality
fixed maturities and managed cash



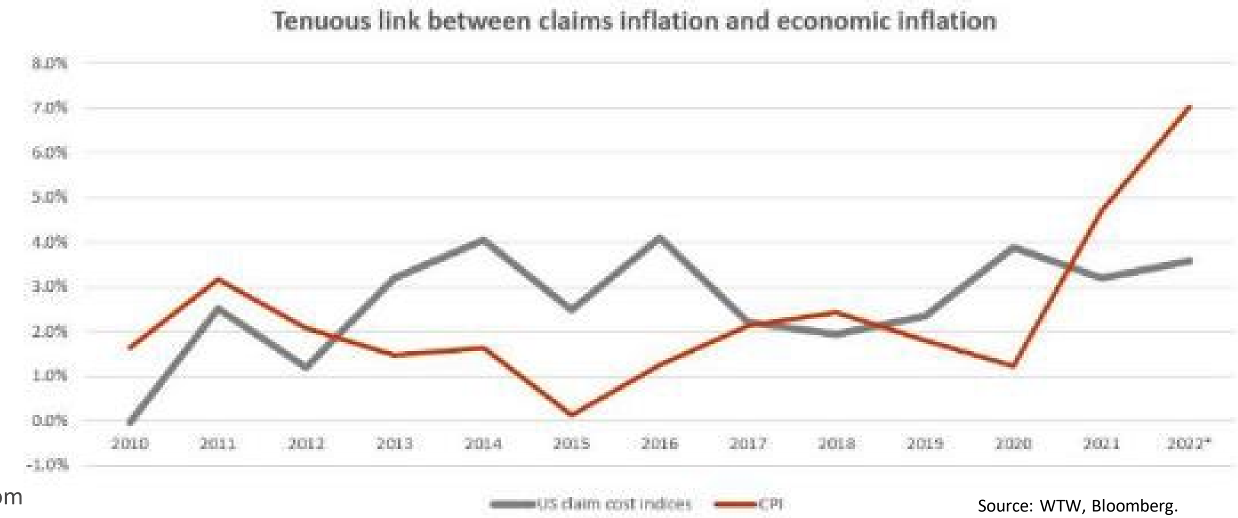
- Total investment portfolio and managed cash at 31 March 2023 = $2,542.0 million.
- Total net investment return of 1.5% for the quarter, primarily driven by unrealised gains and investment income.

Claims inflation

- We have a **good track record of managing inflationary pressures**, e.g. the impact of oil price in our energy book.
- We write a predominantly **short-tail book**, with the bulk of our policies renewing every year.
- Policies renew through the year, not just on January 1st.

- Clients provide regularly **updated schedules of insured values** where required.
- Premiums increase to reflect higher values.
- If we do not feel declared values adequately cater for inflation we **manually load**.
- RPI is calculated post values changes and is consequently **risk adjusted**.

- Catastrophe modelling includes (our) inflation loading.
- A weak relationship between claims inflation and economic inflation (see chart below).
- Short-term demand driven spikes in materials/labour reflected in our wider attritional loss ratio guidance.



Source: WTW, Bloomberg.
*2022 figures are preliminary.

Progress on our ESG journey

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People and culture

Giving our people the environment, tools, skills and support they need to thrive in an open, honest and diverse culture.

Progress

- High level of diversity maintained (Senior management positions 53% male/47% female; Group executive 57% male/43% female).
- Accredited living wage employer, for our business and our supply chain.
- Hiring practices seek to remove bias through anonymisation of CVs and gender neutral language for role adverts.
- Training on diversity matters included in employee induction programme and unconscious bias training across the Group.

Sustainable insurance

Ensuring our business considers climate change and other ESG issues in our underwriting decision making.

Progress

- ESG insurance underwriting guidelines implemented by reference to Lloyd's ESG underwriting guidelines.
- We underwrite renewable energy covers, where appropriate, and continue to monitor our energy clients' transition plans.
- 2022 peer benchmarking exercise. ESG framework reviewed annually.
- Our CCWG articulates underwriting related risks and opportunities relating to physical, transition and liability risks and investment-related risks and opportunities.
- Joined ClimateWise in 2022.

Operating responsibly

Running our business as a good corporate citizen, a responsible preserver of resources, and holding our supply chain to the high standards we apply to ourselves.
Supporting wider society through our corporate and charitable activities including the Lancashire Foundation.
Meet and comply with legal, regulatory and investor obligations on ESG.

Progress

- In the five years from 2015 up until the pandemic hit early in 2020 the Group's emissions reduced by 16% per FTE.
- Fully offset calculated 2022 GHG market-based emissions by purchasing verified credits.
- More than $22.3 million donated to charitable organisations since 2007.
- The Group continues to operate in line with all relevant regulatory and legal requirements.

Responsible investment

Demonstrating our commitment to ESG, including responsibility for our environment, through the management of our investments.

Progress

- 93.9% of the Group's principal investment managers are signatories to the UN Principles for Responsible Investment.
- Our ESG investment guidelines embedded in external investment managers' guidelines for 2022.

(Figures at 31 December 2022).

Lancashire Foundation

- We believe that the success of the Foundation in making a real difference to the lives of those less fortunate is due to the enthusiasm of our people.
- $0.6 million donated to charitable organisations in 2022.
- Since the first donation in 2007, the Foundation has given more than $22.3 million (at 31 December 2022) to charitable organisations.
- Whether actively getting involved in helping others through volunteering or requesting funding for causes close to them, their support is invaluable.
- Employees raising funds for charitable organisations can also request matching funds from the Foundation.
- The annual donation made to the Foundation to fund its assistance pool is aligned to the financial performance of the business.
- The Foundation receives 0.75% of Group profits with a minimum threshold of $250,000 to a maximum of $750,000.

In 2023 we will continue to support a range of charities nominated by our employees.

Lancashire
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For more information

Investor Relations
Jelena Bjelanovic
Lancashire Holdings Limited
29th Floor,
20 Fenchurch Street,
London, EC3M 3BY

T +44 (0) 20 7264 4066
E jelena.bjelanovic@lancashiregroup.com

Media
Peter Krinks
Lancashire Holdings Limited
29th Floor,
20 Fenchurch Street,
London, EC3M 3BY

T +44 (0)20 3300 1548
E peter.krinks@lancashiregroup.com

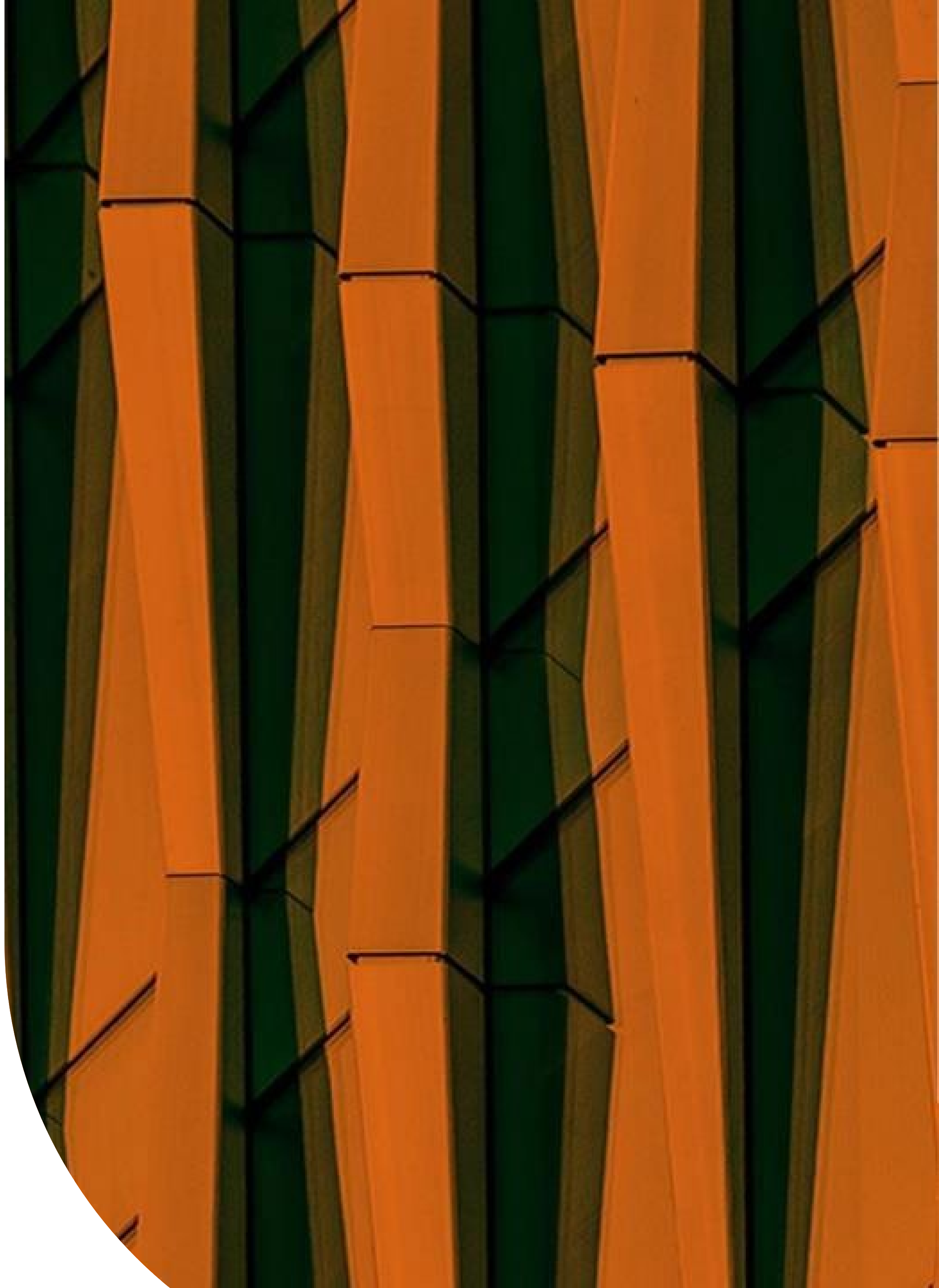
FTI Consulting
200 Aldersgate,
Aldersgate Street,
London, EC1A 4HD
E Tom.Blackwell@fticonsulting.com

Registered and Head Office, Bermuda
Lancashire Holdings Limited
Power House,
7 Par-la-Ville Road,
Hamilton HM 11,
Bermuda

T + 1 (441) 278-8950
F +1 (441) 278-8951
E info@lancashiregroup.com

London Office, UK
Lancashire Holdings Limited
29th Floor,
20 Fenchurch Street,
London, EC3M 3BY

T +44 (0) 20 7264 4000
F +44 (0) 20 7264 4077
E info@lancashiregroup.com



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