Lancashire Holdings Limited

Investor Presentation: H1 2023

Strong *forward* momentum

Safe harbour statements

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 and the Group’s unaudited condensed interim consolidated financial statements for the six months ending 30 June 2023. In addition to those factors contained in the Group’s 2022 Annual Report and Accounts and the Group’s unaudited condensed interim consolidated financial statements for the six months ending 30 June 2023, any forward-looking statements contained in this release may be affected by: the impact of the ongoing conflict in Ukraine, including any escalation or expansion thereof, on the Group’s clients, reserves, the continued uncertainty of the situation in Russia, including issues relating to coverage and the impact of sanctions, the securities in our investment portfolio and on global financial markets generally, as well as any governmental or regulatory changes, arising therefrom; 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; and 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 and the unaudited condensed interim consolidated financial statements 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. Comparatives have been restated to reflect the consistent application of IFRS 9 and IFRS 17 and to align with the current definition of the APMs.

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.

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Highlights

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Continuing to take advantage of market conditions

- Gross premiums written increased by 26.2% to $1,184.0 million, insurance revenue $720.9 million.
- Insurance service result of $188.8 million; profit after tax $159.2 million.
- Discounted combined ratio 71.4%, undiscounted combined ratio 79.2%.
- Total net investment return, including unrealised gains and losses, of 2.2%.
- Half year change in DBVS of 12.2%.
- Interim dividend of $0.05 per common share, in line with our dividend policy.
- Strong capital position. Regulatory ECR ratio of approximately 312% as at 30 June 2023.

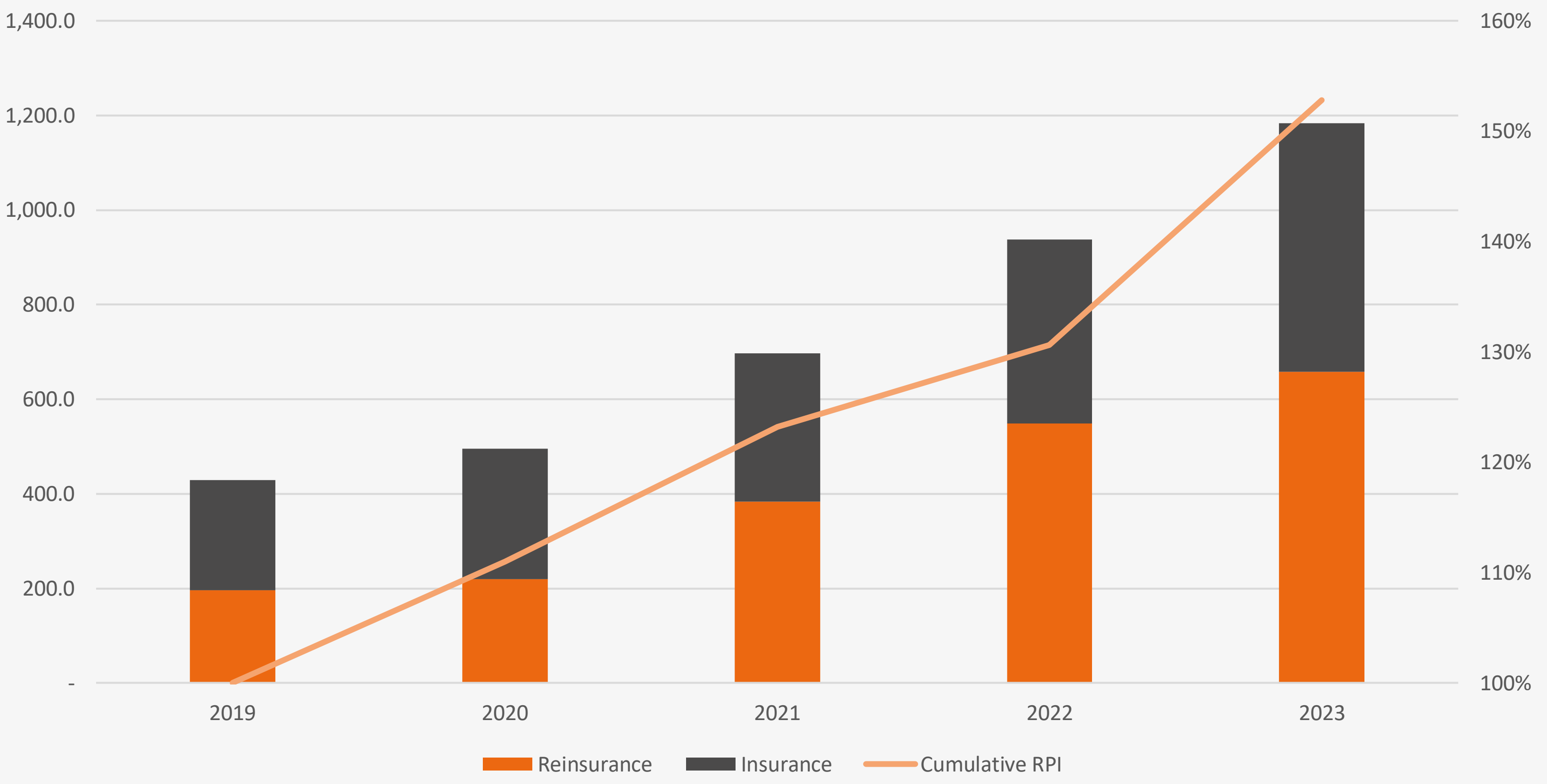
Launch of Lancashire Insurance U.S. LLC (LUS)

- Expansion of international footprint and aim to begin underwriting in early 2024.
- LUS complementary to existing capabilities.

Our long-term strategy to develop a more diversified and capital-efficient product portfolio continues to be successful as we spread risk across catastrophe and non-catastrophe related business.

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

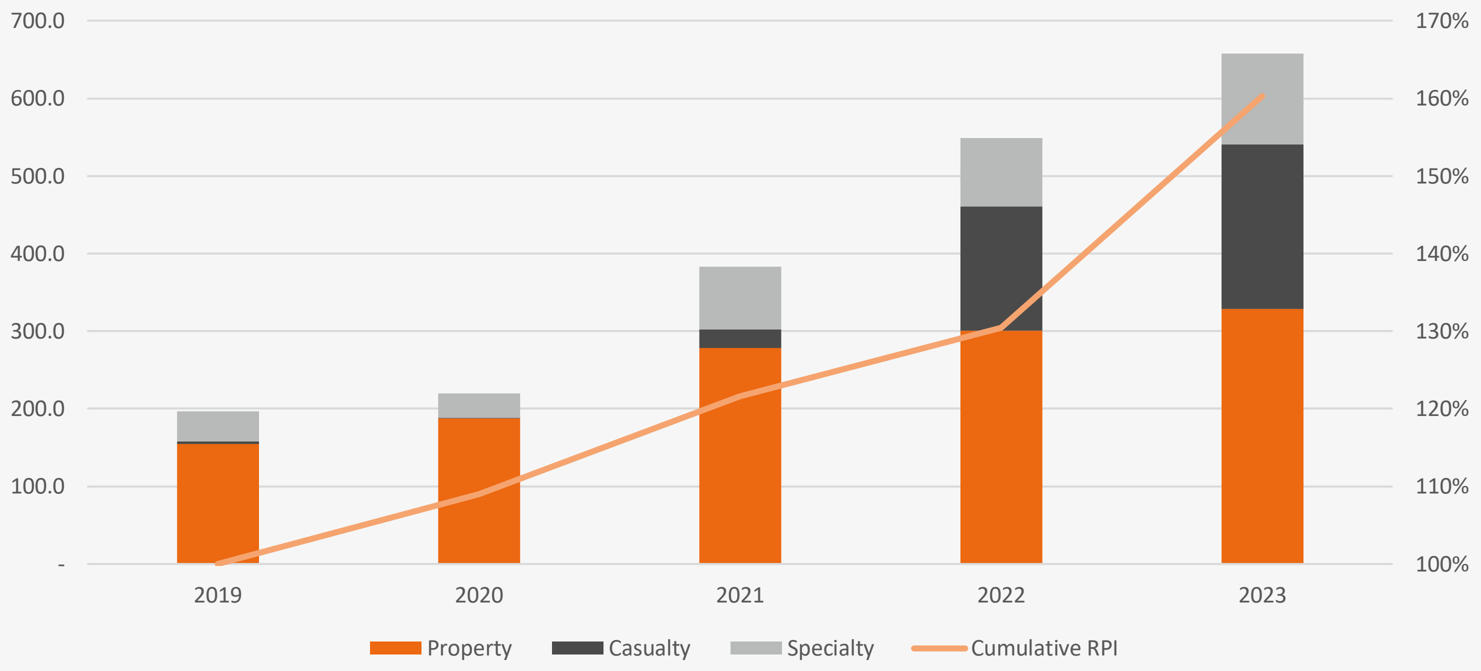
Gross premiums written ($m) and cumulative RPI (%) for the first half: 2019 to 2023



- Gross premiums written increased 26.2% year-on-year in the first six months of 2023.
- Combined ratio (discounted) of 71.4%.
- Combined ratio (undiscounted) of 79.2%.
- The rating environment remains positive.

Strong premium growth in H1 2023: Reinsurance segment

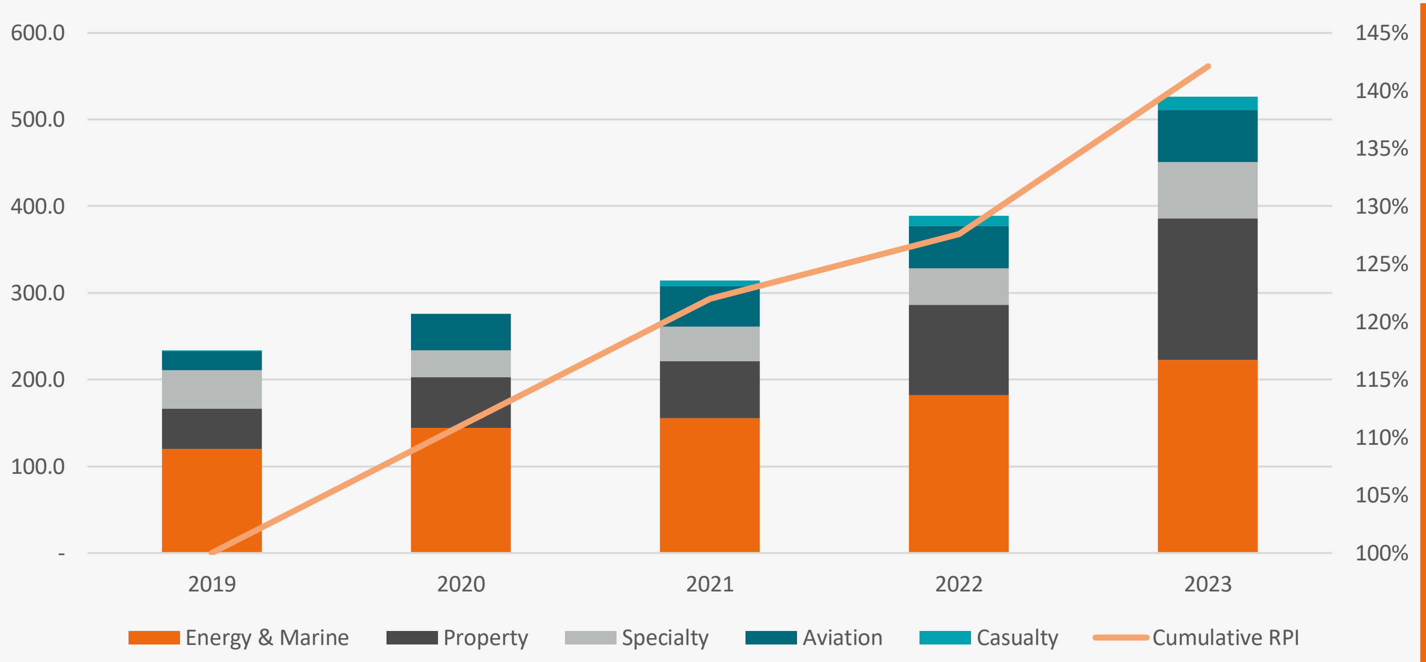
Gross premiums written ($m) and cumulative RPI (%) for the first half: 2019 to 2023



- Growth primarily driven by the continued build out of casualty reinsurance lines.
- Strong new business growth in specialty reinsurance.
- Significant rate increases in property reinsurance.
- RPI of 123% for the reinsurance segment.

Strong premium growth in H1 2023: Insurance segment

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



- Growth primarily driven by property insurance with substantial rate increases in property D&F.
- New business written across all energy and marine insurance lines.
- Strong growth in political risk and aviation business.
- RPI of 111% for the insurance segment.

Financials

H1 2023 financial results summary

For the six months ended 30 June	2023	2022	Variance
	$m	$m	$m
Insurance revenue	720.9	579.8	141.1
Insurance service expenses	(288.5)	(293.8)	5.3
Insurance service expenses ratio	**432.4**	**286.0**	**146.4**
Allocation of reinsurance premiums	(212.7)	(183.8)	(28.9)
Amounts recoverables from reinsurers	(30.9)	39.3	(70.2)
Net expense from reinsurance contracts held	**(243.6)**	**(144.5)**	**(99.1)**
Insurance service results	**188.8**	**141.5**	**47.3**
Net investment income	63.2	(85.8)	149.0
Finance expenses from insurance contracts issued	(37.7)	28.0	(65.7)
Finance income from reinsurance contracts held	14.1	(9.5)	23.6
Net insurance and investment results	**228.4**	**74.2**	**154.2**
Profit (loss) before tax	**167.2**	**34.1**	**133.1**
Total comprehensive income for the year	**159.2**	**31.0**	**128.2**
Net insurance ratio	62.8%	64.3%	-1.5%
Operating expense ratio	8.6%	8.3%	0.3%
Combined ratio (discounted)	**71.4%**	**72.6%**	**-1.2%**
Discounting impact on combined ratio	7.8%	4.5%	3.3%
Combined ratio (undiscounted)	**79.2%**	**77.1%**	**2.1%**

The Group adopted IFRS 17, Insurance Contracts and IFRS 9, Financial Instruments: Classification and Measurement, for the first time on 1 January 2023. The unaudited condensed interim consolidated financial statements for the six months ended 30 June 2023 are being reported under these new accounting standards, which have resulted in a change to some of the Group's long standing Alternative Performance Measures (APMs). Comparatives have been restated to reflect the consistent application of IFRS 9 and IFRS 17.

Insurance revenue

- Insurance revenue under IFRS 17 is gross earned premium less reinstatements and commissions.
- Currently insurance revenue is 60-62% of gross premiums written.
- This % will change depending on the underlying business mix and quantum of reinstatement premium.

	H1 2023 $m	H1 2022 $m
Gross premiums written	1,184.0	938.1
Gross earned premium	826.4	637.6
Less reinstatements	(4.2)	(7.2)
Less commissions	(101.3)	(50.6)
Insurance revenue	720.9	579.8
Revenue as % GPW	60.9%	61.8%

Net claims environment

- Net losses (undiscounted, including reinstatement premiums) from catastrophe and large loss events of $49.5 million.
- No change to our conservative reserving philosophy with the net liability for insured claims corresponding to a confidence level of 87% as at 30 June 2023. This is within our preferred confidence level range of 80%-90%.
- As we continue the conservative build out of our casualty classes, this is adding approximately 5% to the undiscounted combined ratio.

Prior year development

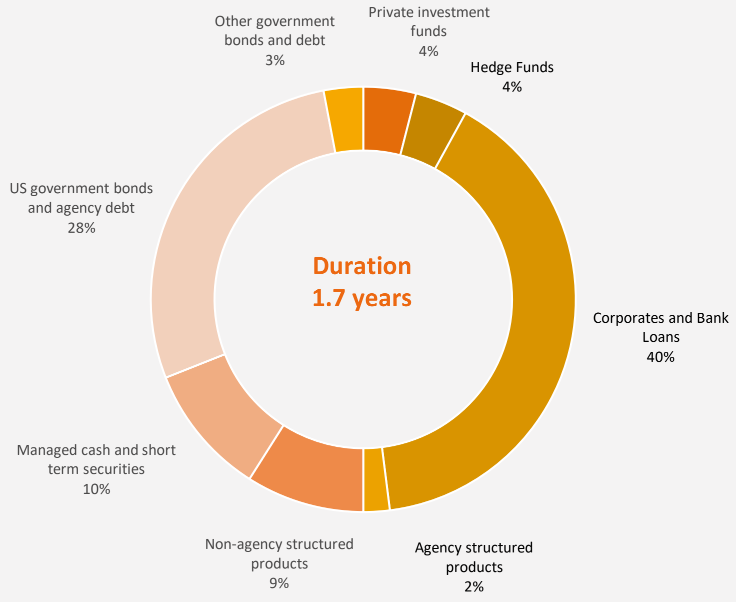
- Prior year favourable ultimate loss development for the period was $46.3 million, compared to $64.6 million in H1 2022.
- Favourable development primarily due to releases on the 2022 and 2021 accident years across most lines of business.
- On an IFRS 17 basis, prior year development is $72.1 million.

IFRS 17 prior year development

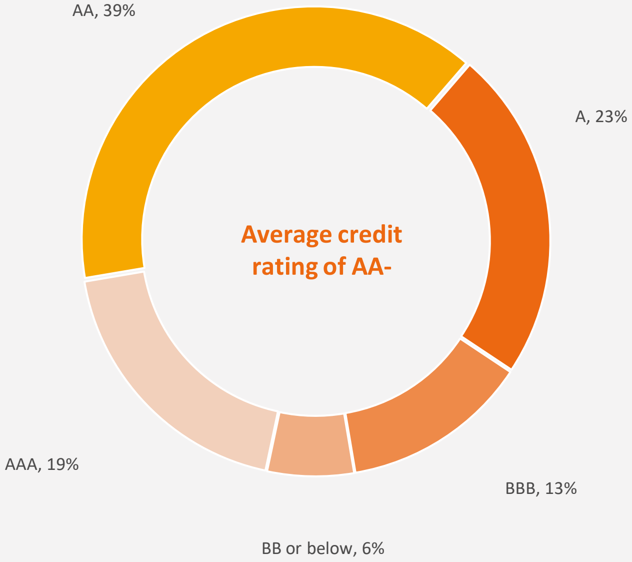
Ultimate loss movement	RIPs	Change in expense provision	Other	Total
46.3	13.6	11.3	0.9	72.1

Investments: conservative portfolio structure – quality focus

Asset Allocation
total investment portfolio and managed cash

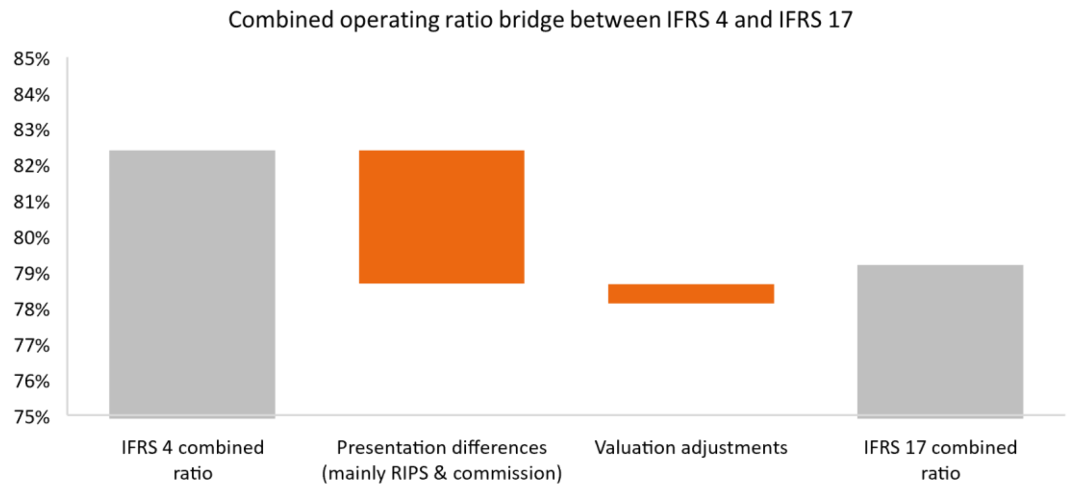


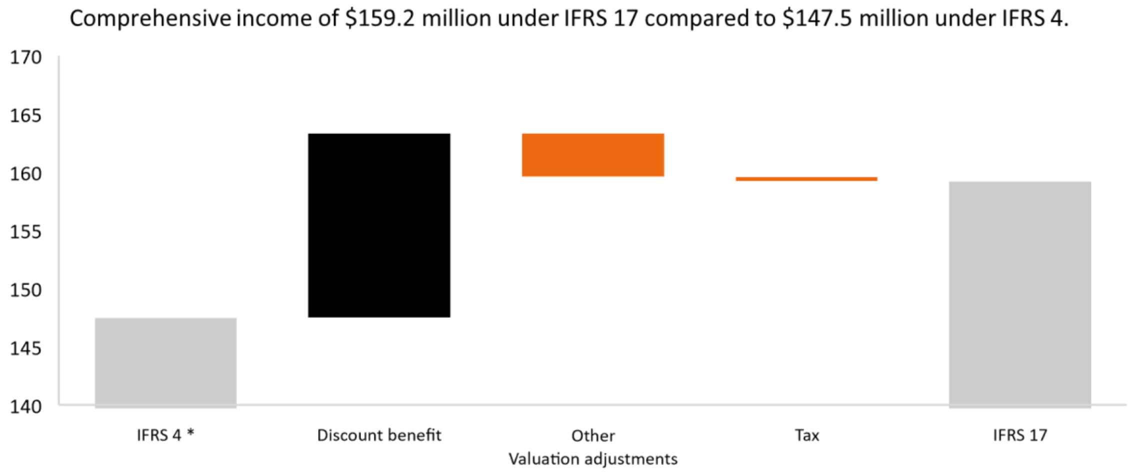
Credit Quality
fixed maturities and managed cash



- Total investment portfolio and managed cash at 30 June 2023 = $2,588.3 million.
- Total net investment return of 2.2%, primarily driven by unrealised gains and investment income.

H1 2023 IFRS 4 to IFRS 17 bridge (Income)

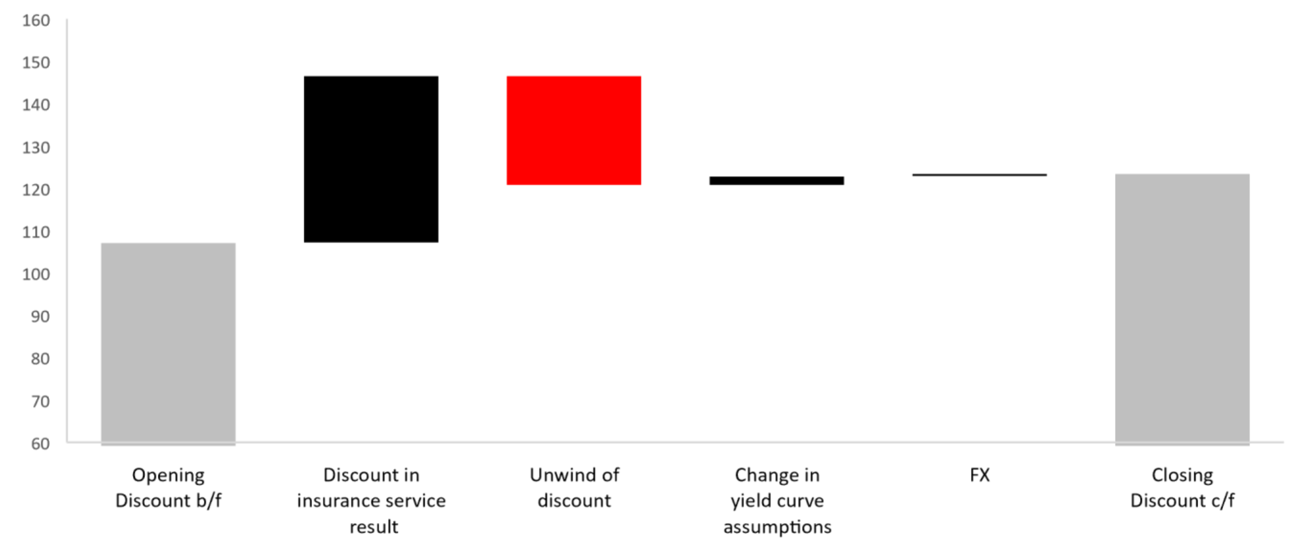




* IFRS 4 includes FX on all components of insurance contracts issued and reinsurance contracts held

- Undiscounted combined ratio of 79.2%, Discounted combined ratio of 71.4%.
- The improved performance under IFRS 17 is driven by the IFRS 17 discount benefit.

H1 2023 IFRS 4 to IFRS 17 bridge (Discounting)



- Higher yield curves than equivalent period in prior year on higher fulfilment cashflows.
- Offset by unwind of previous recognised discount.
- Limited impact from change in yield curve assumptions.

No change to full year guidance – restated to IFRS 17 basis

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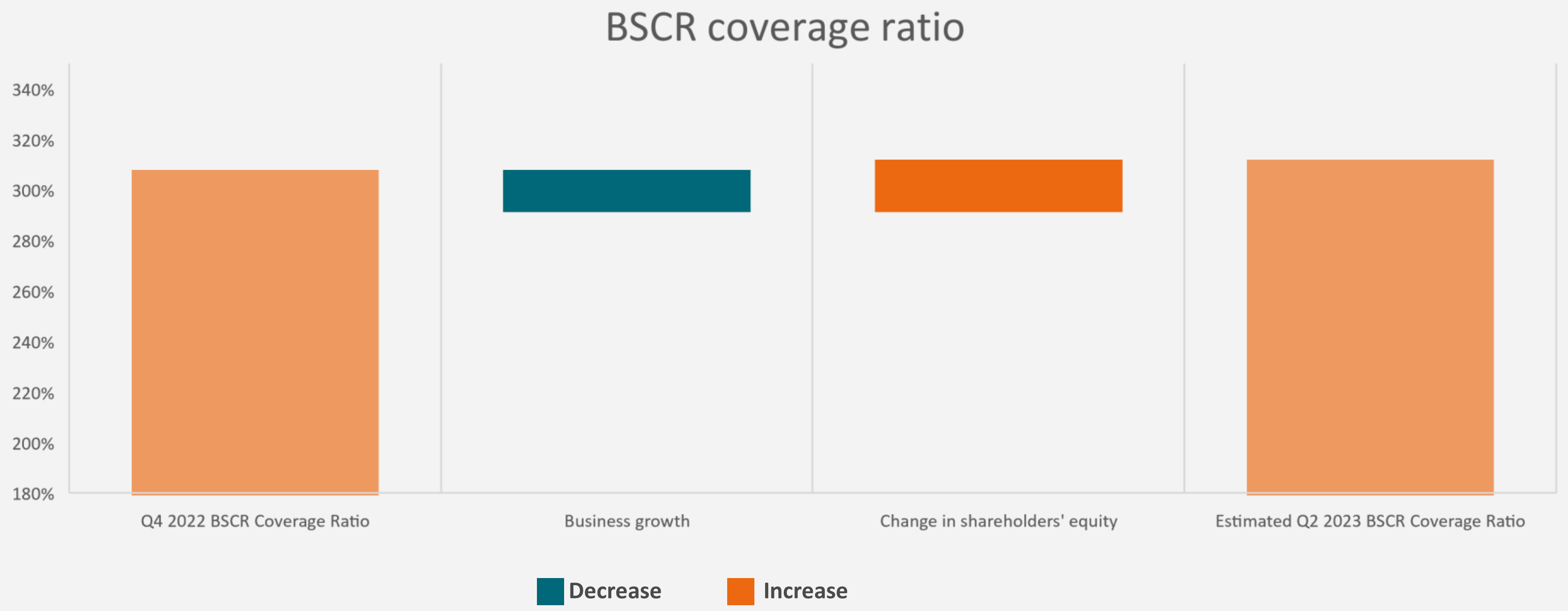
- Underlying IFRS 4 combined ratio ex catastrophe/large losses 74%-79%.
- Equates to IFRS 17 underlying undiscounted combined ratio guidance of 73%-78%.
- Approximate prior year ultimate loss development $100 million-$110 million.

Illustrative guidance – possible range of outcomes			
Underlying undiscounted CR*	73.0%	75.5%	78.0%
Illustrative reserve releases	-8.0%	-8.0%	-8.0%
Cat/Large loss	5.0%	15.0%	25.0%
Overall CR	70.0%	82.5%	95.0%

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

Remaining strongly capitalised



Note: The Q2 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 $300.4 million) at 30 June 2023 our ECR ratio would be approximately 268%.

Outlook

Outlook: continued 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

2022 financial performance: IFRS 4 compared to IFRS 17

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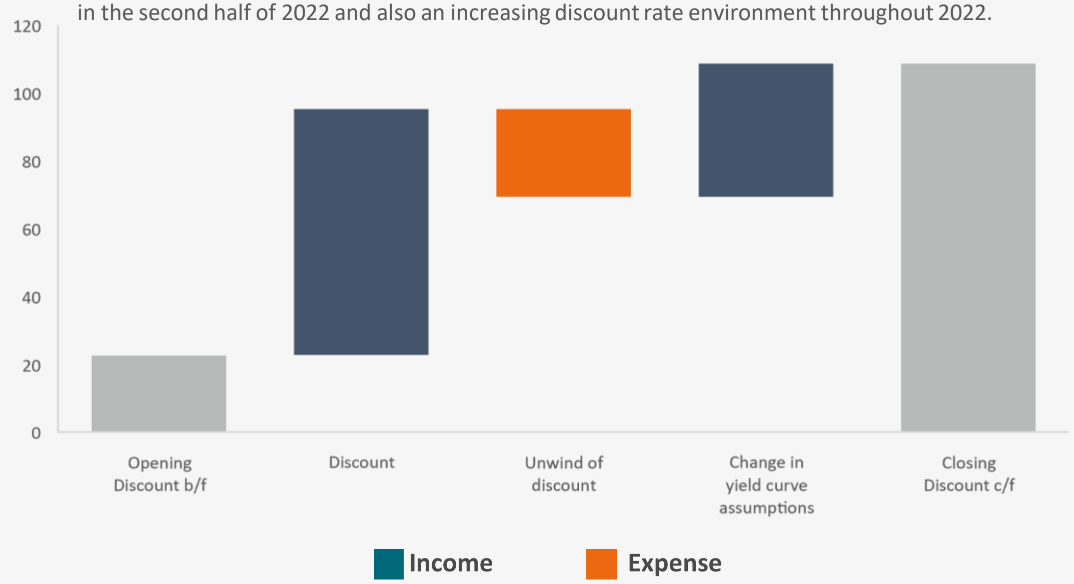
IFRS 17	2022 $m
Insurance revenue	1,226.5
Insurance service expenses	(994.6)
Insurance service result before reinsurance contracts held	**231.9**
Allocation of reinsurance premiums	(376.4)
Amounts recoverable from reinsurers	286.1
Net expense from reinsurance contracts held	**(90.3)**
Insurance service result	**141.6**
Net investment income	(76.5)
Finance income (expense) from insurance contracts issued	20.1
Finance income (expense) from reinsurance contracts held	(6.7)
Net insurance and investment results	**78.5**
Share of profit (loss) of associate	(5.4)
Other income	6.5
Net foreign exchange gains (losses)	(0.7)
Equity based comepensation	(8.6)
Other operating expenses	(58.3)
Financing costs	(29.2)
Loss before tax	**(17.2)**
Income tax	1.7
Total comprehensive loss for the year	**(15.5)**

IFRS 4	2022 $m
Gross premium written	1,652.3
Outwards reinsurance premiums	(464.3)
Net premiums written	**1,188.0**
Change in unearned premiums	(223.2)
Change in unearned premiums on premiums ceded	23.6
Net premiums earned	**988.4**
Net investment income	43.7
Net other investment income (losses)	(4.5)
Net realised (losses) gains and impairments	(22.7)
Share of profit (loss) of associate	(6.5)
Other income	6.5
Net foreign exchange gains (losses)	(3.6)
Total net revenue	**1,001.3**
Insurance losses	922.7
Insurance losses recoverable	(346.3)
net insurance acquisition expenses	261.2
Equity based comepensation	8.6
Other operating expenses	128.7
Total expenses	**974.9**
Profit before tax and finance costs	**26.4**
Financing costs	(29.2)
Loss before tax	**(2.8)**
Income tax expense	(0.5)
Loss after tax	**(3.3)**
Change in net unrealised gains/losses on investments	(89.3)
Comprehensive loss attributable to Lancashire	**(92.6)**

2022 financial performance: IFRS 4 compared to IFRS 17

Comprehensive loss of $15.5 million under IFRS 17 compared to a comprehensive loss of $92.6 million under IFRS 4. The improved performance is primarily driven by the IFRS 17 discount benefit.

The discount benefit is primarily driven by the discount applied to catastrophe and large loss events in the second half of 2022 and also an increasing discount rate environment throughout 2022.



2022 combined ratio: IFRS 4 compared to IFRS 17

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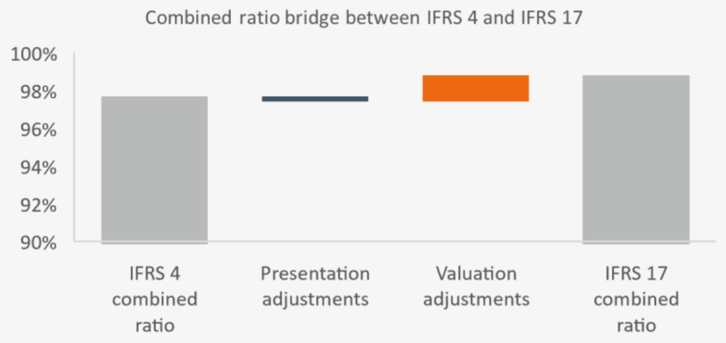
IFRS 4 Combined ratio	Insurance	Reinsurance	Total
Loss ratio	45.5%	71.0%	**58.3%**
Acquisition ratio	26.4%	26.4%	**26.4%**
Operating expense ratio			**13.0%**
Combined ratio	71.9%	97.4%	**97.7%**
Combined ratio	71.9%	97.4%	**97.7%**

IFRS 17 Combined ratio	Insurance	Reinsurance	Total
Net insurance ratio	72.4%	95.2%	**83.3%**
Operating expense ratio			**6.9%**
Combined ratio	72.4%	95.2%	**90.2%**
Discount	6.2%	11.5%	**8.6%**
Combined ratio undiscounted	78.2%	106.7%	**98.8%**



- Loss ratio: (net insurance losses) / (net earned premium).
- Acquisition ratio: (net insurance acquisition expenses) / (net earned premium).
- Operating expense ratio: (other operating expenses excluding restricted stock expenses) / (net premiums earned).
- Combined ratio: (net insurance losses + net insurance acquisition expenses + other operating expenses) / (net premiums earned).

- Net insurance ratio: (insurance service expense less amounts recoverable from reinsurers) / (insurance revenue less allocation of reinsurance premium).
- Operating expense ratio: (other operating expenses) / (insurance revenue less allocation of reinsurance premium).
- Combined ratio: sum of net insurance ratio and operating expense ratio. Included for comparison to peers who may not adjust their combined ratio metric for the impact of discounting.
- Combined ratio undiscounted (KPI): This ratio excludes the impact of discounting included in insurance service expenses and amounts recoverable from reinsurers. This would typically be higher than the combined ratio as it strips out the discount benefit.

Our ESG themes and progress

Lancashire Holdings Limited

- ESG Insurance underwriting guidelines implemented by reference to Lloyd's ESG underwriting guidelines.
- We underwrite renewable energy covers, where appropriate, and continue to engage with our energy clients on their 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.

- 95.6% 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.
- We are investigating the development of a sustainable fund during 2023.
- We monitor the ESG profile of our fixed maturity portfolio through the MSCI ESG rating tool.

- High level of diversity maintained - Group executive 50% male / 50% female, at 30 June 2023.
- 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.
- Group DE&I Policy implemented

- 100% renewable electricity for our London operations backed by Renewable Energy Guarantees of Origin.
- Trending in the right direction with our current target to reduce emissions by a further 15% by 2030.
- Fully offset calculated 2022 GHG market-based emissions by purchasing verified credits.
- More than $22 million donated to charitable organisations since 2007.
- Our ClimateWise report, which is TCFD aligned, will be publicly available this year on our website.

ESG in action

- Since the first donation in 2007, the Foundation has given more than $22 million to charitable organisations across an ever increasing range of causes. During 2022, around $600,000 was distributed to charities.
- The Foundation is actively supported by our colleagues through volunteering and requesting funding for causes close to them. 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 annual minimum threshold of $250,000 to a maximum of $750,000.

2023 year to date

- Total donations of more than £250,000 including £50,000 to support Red Cross response to Turkey/Syria earthquakes
- More than £200,000 to charities including St Giles Trust, ICM (International Care Ministries), The Family Centre, Tomorrow's Voices, and Cancer Research UK.
- Funding pool of £225,000 available to support wider ESG initiatives with a focus for 2023 on environmental causes.

Project Transform 2023

In November 2023 staff will be taking part in Project Transform. This initiative extends Lancashire's impact and tangibly gives back to a community in need. This year selected employees will visit Tanzania with International Volunteer HQ ("IVHQ") to help with a construction / renovation project.

Lancashire
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