LANCASHIRE HOLDINGS LIMITED

EXCELLENT 2024 PERFORMANCE, DRIVEN BY STRONG UNDERWRITING AND INVESTMENT RETURNS

6 March 2025
Hamilton, Bermuda

Lancashire Holdings Limited ("Lancashire" or "the Group") today announces its results for the year ended 31 December 2024.

Highlights:

- Profit after tax of $321.3 million, resulting in a change in DBVS of 23.4%.
- Gross premiums written increased 11.3% year-on-year to $2,149.6 million. Insurance revenue increased 16.1% year-on-year to $1,765.1 million.
- Insurance service result of $379.9 million, discounted combined ratio of 80.0%, undiscounted combined ratio of 89.1%.
- Total investment return of 5.0%, including unrealised gains and losses.
- Total dividends with respect to 2024 of $294.3 million, including final ordinary dividend of $0.15 per share, subject to shareholder approval, and additional special dividend of $0.25 per share.

For the year ended	31 December 2024	31 December 2023
	$m	$m
Highlights		
Gross premiums written[1]	2,149.6	1,931.7
Insurance revenue	1,765.1	1,519.9
Insurance service result	379.9	382.1
Net investment return	162.2	160.5
Profit after tax	321.3	321.5
Financial ratios		
Net insurance ratio[1]	71.3%	65.1%
Combined ratio (discounted)[1]	80.0%	74.9%
Combined ratio (undiscounted)[1]	89.1%	82.6%
Total investment return[1]	5.0%	5.7%
Per Share data		
Diluted book value per share[1]	$6.03	$6.17
Change in diluted book value per share ("ROE")[1]	23.4%	24.7%
Dividends per common share paid in the financial year	$1.475	$0.65
Diluted earnings per share	$1.30	$1.32

1. Please refer to the end of this release for details of how these Alternative Performance Measures (APMs) are calculated.

Alex Maloney, Group Chief Executive Officer, commented

"2024 was another superb year for Lancashire with an excellent profit after tax of $321.3 million delivering a strong return on equity of 23.4%.

In a year of high industry losses this is an outstanding result. It shows the continued successful execution of our strategy to grow materially at the right time in the underwriting cycle, utilise our capital more efficiently, diversify our portfolio to reduce volatility, and retain and attract the best talent.

Throughout 2024, we continued to take advantage of the healthy margin environment. Gross premiums written increased by 11.3% to more than $2.1 billion and insurance revenue was $1.7 billion, an increase of 16.1% on 2023.

As a result, we delivered an excellent underwriting return, with an insurance service result of $379.9 million and a combined ratio of 89.1% (80.0% discounted), underpinned by our robust and disciplined underwriting approach.

Also contributing to our strong performance was our investment portfolio, which returned a very healthy 5% for the year.

Our overall performance enabled us to deliver increased returns for our investors with total capital returned of $354.2 million during the year.

Additionally, the Board has declared a total year-end dividend of $0.40, comprising a final ordinary dividend of $0.15 per common share, subject to shareholder approval, and a special dividend of $0.25 per common share.

Returning excess capital generated to our shareholders has always been a core part of Lancashire's DNA and, importantly, we remain extremely well capitalised to fund future growth opportunities.

In 2024, we continued to deploy our strategy that has seen us more than double the number of product classes that we write since 2018 giving us access to more of these opportunities in a compelling market where margins remain strong.

Demand also remains resilient as 2024 was another year of high industry losses and our clients and business partners continue to see value in our specialised (re)insurance solutions.

Lancashire experienced net losses (undiscounted, including reinstatement premiums) from catastrophe, weather and large loss events totalling $214.1 million. This included the impacts of hurricanes Milton, Helene, and Debby, storm Boris and the Calgary hailstorms. The MV Dali Baltimore bridge collision was the most significant large risk event.

We have achieved the results we are reporting today due to the hard work of everybody in the Group and their belief in our strategy and vision. I would like to thank them all for their commitment to the business and for playing their part in driving forward our strong and positive culture.

Early in 2025, we have seen the terrible devastation wrought by the wildfires in California on those communities. As recently announced, for Lancashire, the impact is expected to be within the range $145 million to $165 million.

With a similar level of catastrophe and large losses as 2024, in addition to the wildfire loss, we would anticipate delivering an RoE in the mid-teens in 2025. Whilst this assumes a significantly above average loss environment, our guidance clearly demonstrates the continued delivery of our strategy of more predictable returns for investors.

As always, I would like to thank our clients, their brokers, our shareholders and other stakeholders for their support.

In 2025, Lancashire is celebrating its 20th anniversary and, while we look back with pride on our achievements and how the business has evolved, we also look forward with confidence to the opportunities to develop this fantastic company further."

Underwriting results

For the year ended	31 December 2024			31 December 2023		
	Reinsurance $m	Insurance $m	Total $m	Reinsurance $m	Insurance $m	Total $m
Gross premiums written	1,097.8	1,051.8	2,149.6	967.5	964.2	1,931.7
RPI	101%	101%	101%	122%	110%	115%
Insurance revenue	855.1	910.0	1,765.1	714.9	805.0	1,519.9
Insurance service expenses	(420.0)	(766.1)	(1,186.1)	(254.2)	(442.0)	(696.2)
Insurance service result before reinsurance contracts held	**435.1**	**143.9**	**579.0**	**460.7**	**363.0**	**823.7**
Allocation of reinsurance premium	(168.2)	(271.2)	(439.4)	(174.6)	(250.2)	(424.8)
Amounts recoverable from reinsurers	(2.8)	243.1	240.3	(78.2)	61.4	(16.8)
Net expense from reinsurance contracts held	**(171.0)**	**(28.1)**	**(199.1)**	**(252.8)**	**(188.8)**	**(441.6)**
Insurance service result	**264.1**	**115.8**	**379.9**	**207.9**	**174.2**	**382.1**
Net insurance ratio	**61.6%**	**81.9%**	**71.3%**	**61.5%**	**68.6%**	**65.1%**

Gross premiums written
Gross premiums written increased by $217.9 million, or 11.3%, during 2024 compared to 2023. Excluding the impact of reinstatement premiums and multi-year contracts, underlying growth in gross premiums written was 11.6%. The Group's two principal segments, and the key market factors impacting them, are discussed below.

Reinsurance segment
Gross premiums written for 2024 increased by $130.3 million, or 13.5%, compared to 2023. New business within the property reinsurance and specialty reinsurance lines was the most significant driver of growth. The RPI for the reinsurance segment was largely flat for the year at 101%.

Insurance segment
Gross premiums written for 2024 increased by $87.6 million, or 9.1% compared to 2023. This increase was primarily driven by new business within the property class, including business written through both our Lancashire US and Lancashire Australia distribution channels for the property direct and facultative line of business.

Insurance revenue
Insurance revenue increased by $245.2 million, or 16.1%, for 2024 compared to 2023. Gross premiums earned, which is the key driver of insurance revenue, as a percentage of gross premiums written was 95.1% for 2024 compared to 89.2% in 2023. Insurance revenue has increased at a faster rate than gross premiums written, which reflects the benefit of gross premiums earned from the significant increase in business in recent years.

Allocation of reinsurance premiums
Allocation of reinsurance premiums increased by $14.6 million, or 3.4%, during 2024 compared to 2023. The allocation of reinsurance premiums as a percentage of insurance revenue for the Group was 24.9%, a decrease from 27.9% in the prior year, reflecting the Group's increased risk retention given the positive market environment.

Net claims
During 2024, the Group experienced net losses (undiscounted, including reinstatement premiums) from catastrophe, weather and large loss events totalling $214.1 million. Catastrophe and weather losses were $122.7 million with hurricane Milton the most significant, together with the combined impact of hurricane Helene, hurricane Debby, storm Boris and the Calgary hailstorms. During 2024, the Group also experienced net losses (undiscounted, including reinstatement premiums) from large risk events totalling $91.4 million. The MV Dali Baltimore bridge collision loss, which occurred in the first

quarter, was the most significant. None of these large risk losses were individually material for the Group.

In comparison, during 2023 the Group experienced net losses (undiscounted, including reinstatement premiums) from catastrophe, weather and large loss events totalling $106.1 million.

Favourable prior accident year loss development, including the undiscounted net movement in loss reserves, reinstatement premiums and expense provisions, was $121.1 million during 2024. This was primarily due to attritional loss experience in respect of the 2023 accident year, together with catastrophe event reserve releases on the 2022 and 2021 accident years.

In comparison, favourable prior accident year development during 2023 of $78.8 million was primarily the result of favourable attritional loss experience and reserve releases on the 2022 accident year.

The prior accident year loss development for both 2024 and 2023 also benefited from the net release of expense provisions and reductions in outwards reinstatement premiums. This reduction was slightly more pronounced in 2024.

Net discounting benefit

The table below shows the total net impact of discounting in respect of both insurance contracts issued, and reinsurance contracts held, by financial statement line item.

	31 December 2024			31 December 2023		
	Insurance contracts issued $m	Reinsurance contracts held $m	Total $m	Insurance contracts issued $m	Reinsurance contracts held $m	Total $m
Initial discount included in insurance service result	**144.4**	**(24.1)**	**120.3**	**101.9**	**(17.2)**	**84.7**
Unwind of discount	(95.5)	26.9	(68.6)	(84.2)	28.4	(55.8)
Impact of change in assumptions	17.6	(2.9)	14.7	(14.1)	3.3	(10.8)
Finance (expense) income	**(77.9)**	**24.0**	**(53.9)**	**(98.3)**	**31.7**	**(66.6)**
Total net discounting income (expense)	**66.5**	**(0.1)**	**66.4**	**3.6**	**14.5**	**18.1**

The total impact of discounting for 2024 was a net benefit of $66.4 million, compared to a net benefit of $18.1 million in 2023. The higher net initial discount in 2024 compared to 2023 is primarily due to the underlying growth of the Group's insurance portfolio and an active loss environment in 2024, which in turn has resulted in an increased quantum of initial loss reserves being established. The sustained high discount rate environment over the last few years has contributed to an increased net expense from the unwind of discount relative to the prior year.

The majority of the Group's net insurance contract liabilities are denominated in US dollars, and this has driven a positive impact from the change in discount assumptions, primarily due to the increase in the US dollar three-year and five-year discount rates during the year.

In 2023, discount rates across all the Group's major currencies were at a relatively high level throughout the year, with a small decrease in the fourth quarter. This drove the relatively high initial discount and low change in assumption impact.

Investments

For the year ended	31 December 2024 $m	31 December 2023 $m
Total net investment return	162.2	160.5

Net investment income, excluding realised and unrealised gains and losses, was $144.8 million in 2024, an increase of 33.5% compared to 2023. Total investment return, including net investment income, net realised gains and losses and net change in unrealised gains and losses, was $162.2 million in 2024 compared to $160.5 million in 2023.

The investment portfolio generated a total investment return of 5.0% during 2024. The returns were driven primarily from investment income given the higher yields throughout most of the year. In addition to positive returns from the fixed income portfolio, the risk assets, notably the bank loans and the private credit funds, contributed positively to the overall investment return.

In 2023, the investment portfolio generated a positive return of 5.7%. The returns were driven primarily from elevated interest rates and the tighter credit spreads, in addition to positive return contributions from risk assets, resulting in positive returns in all asset classes.

The managed portfolio was invested as follows:

As at	31 December 2024 $m	31 December 2023 $m
Fixed maturity securities	2,603.8	2,280.1
Managed cash and cash equivalents	294.4	263.8
Private investment funds	253.1	165.6
Hedge funds	7.9	9.9
Other investments	0.1	(0.1)
Total	**3,159.3**	**2,719.3**

Key investment portfolio statistics for our fixed maturity securities and managed cash and cash equivalents were:

As at	31 December 2024 $m	31 December 2023 $m
Duration	2.0 years	1.6 years
Credit quality	AA-	AA-
Book yield	4.7%	4.0%
Market yield	5.0%	5.3%

Other operating expenses

For the year ended	31 December 2024 $m	31 December 2023 $m
Operating expenses - fixed	184.8	147.9
Operating expenses - variable	36.4	41.7
Total operating expenses	**221.2**	**189.6**
Directly attributable expenses allocated to insurance service expenses	(105.3)	(82.2)
Other operating expenses	**115.9**	**107.4**

The most significant driver of the increase in operating expenses for 2024, compared to 2023, was an increase in fixed costs of $36.9 million or 24.9%. This increase is primarily in relation to employment expenses given the continued growth in headcount for the Group. The growth of the business also drove an increase in IT, building and operational processing costs.

In 2024, $105.3 million of operating expenses were considered directly attributable to the fulfillment of insurance contracts issued and have therefore been re-allocated to insurance service expenses and form part of the insurance service result. This compares to $82.2 million for 2023, and is reflective of the increase within the Group's overall fixed operating expense base.

Capital
As at 31 December 2024, total capital available to Lancashire was approximately $1.9 billion, comprising shareholders' equity of $1.5 billion and $0.4 billion of long-term debt. Tangible capital was approximately $1.7 billion. Leverage was 23.0% on total capital and 25.6% on tangible capital. Total capital and total tangible capital as at 31 December 2023 were $2.0 billion and $1.8 billion respectively.

Dividends
On 5 March 2025, Lancashire's Board of Directors declared a final ordinary dividend of $0.15 (approximately £0.12) per common share, subject to a shareholder vote of approval at the AGM to be held on 30 April 2025, which will result in an aggregate payment of approximately $36.0 million. The dividend will be paid in Pounds Sterling on 13 June 2025 (the "Dividend Payment Date") to shareholders of record on 16 May 2025 (the "Record Date") using the £ / $ spot market exchange rate at 12 noon London time on the Record Date.

Lancashire's Board of Directors has declared a special dividend of $0.25 per common share (approximately £0.20 per common share at the current exchange rate), which will result in an aggregate payment of approximately $60.0 million. The dividend will be paid in Pounds Sterling on 11 April 2025 (the "Dividend Payment Date") to shareholders of record on 14 March 2025 (the "Record Date") using the £ / $ spot market exchange rate at 12 noon London time on the Record Date.

Financial Information
The Audited Consolidated Financial Statements for the year ended 31 December 2024 are published on Lancashire's website at www.lancashiregroup.com.

The 2024 Annual Report and Accounts is expected to be circulated to shareholders from 28 March 2025 and will also be made available on Lancashire's website.

Analyst and Investor Earnings Conference Call
There will be an analyst and investor conference call on the results at 1pm UK time / 9am Bermuda time / 8am EDT on Thursday 6 March 2025. The conference call will be hosted by Lancashire management.

Participant Registration and Access Information:

Audio conference call access:
https://emportal.ink/4jjReKi
Please register at this link to obtain your personal audio conference pin and call details.

Webcast access:
https://onlinexperiences.com/Launch/QReg/ShowUUID=FA3FEF89-663A-441D-998A-ABA12532AC00

Please use this link to register and access the call via webcast.

A webcast replay facility will be available for 12 months and accessible at:
https://www.lancashiregroup.com/en/investors/results-reports-and-presentations.html

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About Lancashire

Lancashire, through its operating subsidiaries, is a provider of global specialty insurance and reinsurance products. The Group companies carry the following ratings:

	Financial Strength Rating[1]	Financial Strength Outlook[1]	Long Term Issuer Rating[2]
A.M. Best	A (Excellent)	Stable	bbb+
S&P Global Ratings	A-	Positive	BBB
Moody’s	A3	Stable	Baa2

1. Financial Strength Rating and Financial Strength Outlook apply to Lancashire Insurance Company Limited and Lancashire Insurance Company (UK) Limited.
2. Long Term Issuer Rating applies to Lancashire Holdings Limited.

Lancashire Syndicates Limited benefits from Lloyd’s ratings: A.M. Best: A+ (Excellent); S&P Global Ratings: AA- (Very Strong); and Fitch: AA- (Very Strong).

Lancashire’s common shares trade in the equity shares (commercial companies) category of the Main Market of the London Stock Exchange under the ticker symbol LRE. Lancashire has its head office and registered office at Power House, 7 Par-la-Ville Road, Hamilton HM 11, Bermuda.

The Bermuda Monetary Authority is the Group Supervisor of the Lancashire Group.

For more information, please visit Lancashire’s website at www.lancashiregroup.com.

This release contains information, which may be of a price sensitive nature that Lancashire is making public in a manner consistent with the UK Market Abuse Regulation and other regulatory obligations. The information was submitted for publication, through the agency of the contact persons set out above, at 07:00 GMT on 6 March 2025.

Alternative Performance Measures (APMs)

As is common practice within the insurance industry, the Group also utilises certain non-GAAP measures to evaluate, monitor and manage the business and to aid users' understanding of the Group. Management believes that APMs are important for understanding the Group's overall results of operations and may be helpful to investors and other interested parties who may benefit from having a consistent basis for comparison with other companies within the industry. However, these measures may not be comparable to similarly labelled measures used by companies inside or outside the insurance industry. In addition, the information contained herein should not be viewed as superior to, or a substitute for, the measures determined in accordance with the accounting principles used by the Group for its Consolidated financial statements or in accordance with GAAP.

In compliance with the Guidelines on APMs of the European Securities and Markets Authority and as suggested by the Financial Reporting Council, as applied by the Financial Conduct Authority, information on APMs which the Group use is described below. This information has not been audited.

All amounts, excluding share data, ratios, percentages, or where otherwise stated, are in millions of US dollars.

Net insurance ratio:
Ratio, in per cent, of net insurance expenses to net insurance revenue. Net insurance expenses represent the insurance service expenses less amounts recoverable from reinsurers. Net insurance revenue represents insurance revenue less allocation of reinsurance premium.

For the year ended 31 December	2024	2023
Insurance service expenses	1,186.1	696.2
Amounts recoverable from reinsurers	(240.3)	16.8
Net insurance expenses	**945.8**	**713.0**
Insurance revenue	1,765.1	1,519.9
Allocation of reinsurance premium	(439.4)	(424.8)
Net insurance revenue	**1,325.7**	**1,095.1**
Net insurance ratio	**71.3%**	**65.1%**

Operating expense ratio:
Ratio, in per cent, of other operating expenses, excluding equity based compensation expense, to net insurance revenue.

For the year ended 31 December	2024	2023
Other operating expenses	115.9	107.4
Net insurance revenue	1,325.7	1,095.1
Operating expense ratio	**8.7%**	**9.8%**

Combined ratio (discounted):
Ratio, in per cent, of the sum of net insurance expenses plus other operating expenses to net insurance revenue.

For the year ended 31 December	2024	2023
Net insurance ratio	71.3%	65.1%
Net operating expense ratio	8.7%	9.8%
Combined ratio (discounted)	**80.0%**	**74.9%**

Combined ratio (undiscounted) (KPI):
Ratio, in per cent, of the sum of net insurance expenses plus other operating expenses to net insurance revenue. This ratio excludes the impact of the discounting recognised within net insurance expenses.

For the year ended 31 December	2024	2023
Combined ratio (discounted)	80.0%	74.9%
Discount included in net insurance expenses	120.3	84.7
Net insurance revenue	1,325.7	1,095.1
Discounting impact on combined ratio	9.1%	7.7%
Combined ratio (undiscounted)	**89.1%**	**82.6%**

Diluted book value per share ('DBVS') attributable to the Group:
Calculated based on the value of the total shareholders' equity attributable to the Group, divided by the sum of all shares and dilutive restricted stock units (as calculated under the treasury method), assuming all are exercised.

As at 31 December	2024	2023
Shareholders' equity attributable to the Group	1,493.3	1,507.9
Common voting shares outstanding*	240,584,795	239,037,977
Shares relating to dilutive restricted stock	6,877,762	5,355,909
Fully converted book value denominator	247,462,557	244,393,886
Diluted book value per share	**$6.03**	**$6.17**

*Common voting shares outstanding comprise issued share capital less amounts held in trust.

Change in DBVS (KPI):
The internal rate of return of the change in DBVS in the period plus accrued dividends. Sometimes referred to as RoE.

As at 31 December	2024	2023
Opening DBVS	$6.17	$5.48
Q1 dividend per share	$0.50	—
Q2 dividend per share	$0.15	$0.10
Q3 dividend per share	$0.075	$0.05
Q4 dividend per share	$0.75	$0.50
Closing DBVS	$6.03	$6.17
Change in DBVS	**23.4%**	**24.7%**

Total investment return (KPI):
Total investment return in percentage terms is calculated by dividing the total net investment return excluding interest income on non-managed cash and cash equivalents, by the investment portfolio net asset value including managed cash and cash equivalents, on a daily basis. These daily returns are then geometrically linked to provide a total return for the period. The total investment return can be approximated by dividing the total net investment return excluding interest on non-managed cash and cash equivalents by the average portfolio net asset value, including managed cash and cash equivalents.

For the year ended 31 December	2024	2023
Net investment return	162.2	160.5
Less interest income on non-managed cash and cash equivalents	(13.6)	(12.5)
Net investment return excluding interest on non-managed cash and cash equivalents	**148.6**	**148.0**
Average invested assets including managed cash and cash equivalents*	2,939.3	2,592.6
Approximate total investment return	5.1%	5.7%
Reported total investment return	**5.0%**	**5.7%**

*Calculated as the average between the opening and closing investments and our managed cash and cash equivalents.

Total shareholder return (KPI):
Determined using the simple method of calculating the increase/(decrease) in the Group's share price, adjusted for dividends (included at the ex-dividend date) as recalculated below. This measurement basis will generally approximate the increase/(decrease) in share price in the period measured on a total return basis, which assumes the reinvestment of dividends.

As at 31 December	2024	2023
Opening share price	$7.96	$7.86
Q1 dividend per share	$0.50	—
Q2 dividend per share	$0.15	$0.10
Q3 dividend per share	$0.075	$0.05
Q4 dividend per share	$0.75	$0.50
Q4 closing share price	$8.25	$7.96
Total shareholder return	**22.1%**	**9.5%**

Gross premiums written:
The Group adopted IFRS 17 on 1 January 2023. Under IFRS 4, the previous insurance accounting standard, the Group reported gross premiums written on the consolidated statement of comprehensive income as amounts payable by the insured, excluding any taxes or duties levied on the premium, including brokerage and commission deducted by intermediaries and any inwards reinstatement premiums. The Group continues to report gross premiums written as a growth metric and non-GAAP APM.

The table below reconciles gross premiums written on an IFRS 4 basis to insurance revenue on an IFRS 17 basis.

For the year ended 31 December	2024	2023
Gross premiums written	2,149.6	1,931.7
Change in unearned premiums	(105.9)	(207.7)
Gross earned premium	**2,043.7**	**1,724.0**
Adjust for reinstatement premiums	(5.3)	(7.1)
Less commission and non-distinct investment components	(273.3)	(197.0)
Total insurance revenue	**1,765.1**	**1,519.9**

Gross premiums written under management (KPI):
The gross premiums written under management equals the total of the Group's consolidated gross premiums written, plus the external Names portion of the gross premiums written in Syndicate 2010.

For the year ended 31 December	2024	2023
Gross premiums written by the Group	2,149.6	1,931.7
LSL Syndicate 2010 - external Names portion of gross premiums written (unconsolidated)	120.5	140.5
Total gross premiums written under management	**2,270.1**	**2,072.2**

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 FORWARD-LOOKING STATEMENTS

CERTAIN STATEMENTS AND INDICATIVE PROJECTIONS (WHICH MAY INCLUDE MODELLED LOSS SCENARIOS) MADE IN THIS RELEASE 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. THESE FACTORS INCLUDE, BUT ARE NOT LIMITED TO: THE IMPACT OF THE ONGOING CONFLICT IN UKRAINE, INCLUDING ANY ESCALATION OR EXPANSION THEREOF, THE CONTINUED UNCERTAINTY OF THE SITUATION IN RUSSIA, INCLUDING ISSUES RELATING TO COVERAGE AND THE IMPACT OF SANCTIONS, THE SECURITIES IN THE GROUP'S INVESTMENT PORTFOLIO AND ON GLOBAL FINANCIAL MARKETS GENERALLY, AS WELL AS ANY GOVERNMENTAL OR REGULATORY CHANGE ARISING THEREFROM; AND OTHER ADVERSE MARKET CONDITIONS GENERALLY; THE CONTINUATION OF HOSTILITIES IN THE MIDDLE EAST, INCLUDING ANY ESCALATION THEREOF AND ITS IMPACT ON THE STABILITY OF THE REGION, GLOBAL SUPPLY ROUTES AND INSURANCE AND FINANCIAL MARKETS; THE ACTUAL DEVELOPMENT OF LOSSES AND EXPENSES IMPACTING ESTIMATES FOR CLAIMS WHICH ARISE AS A RESULT OF THE WILDFIRES IN CALIFORNIA, WHICH OCCURRED IN THE FIRST QUARTER OF 2025, HURRICANES MILTON, DEBBY AND HELENE, THE CALGARY HAILSTORMS AND EUROPEAN STORM BORIS, ALL OF WHICH OCCURRED IN THE SECOND HALF OF 2024, THE IMPACT OF THE COLLAPSE OF THE FRANCIS SCOTT KEY BRIDGE IN BALTIMORE, WHICH OCCURRED IN THE FIRST QUARTER OF 2024; HURRICANE IAN, WHICH OCCURRED IN THE THIRD QUARTER OF 2022, THE COVID-19 PANDEMIC, THE KENTUCKY TORNADOES, HURRICANE IDA AND THE EUROPEAN STORMS WHICH OCCURRED IN THE SECOND HALF OF 2021, WINTER STORM URI WHICH OCCURRED DURING THE FIRST QUARTER OF 2021, HURRICANES LAURA AND SALLY, THE MIDWEST DERECHO STORM AND THE WILDFIRES IN CALIFORNIA WHICH OCCURRED IN 2020, THE 2020 AND 2021 LARGE LOSS EVENTS ACROSS THE GROUP'S SPECIALTY BUSINESS LINES, AND FURTHER HURRICANES, TYPHOONS, MARINE LOSSES, EARTHQUAKES AND WILDFIRES, WHICH OCCURRED IN 2017 TO 2020, THE IMPACT OF COMPLEX AND UNIQUE CAUSATION AND COVERAGE ISSUES ASSOCIATED WITH ATTRIBUTION OF LOSSES TO WIND OR FLOOD DAMAGE OR OTHER PERILS SUCH AS FIRE OR BUSINESS INTERRUPTION RELATING TO SUCH EVENTS; POTENTIAL UNCERTAINTIES RELATING TO REINSURANCE RECOVERIES, REINSTATEMENT PREMIUMS AND OTHER FACTORS INHERENT IN LOSS ESTIMATIONS; THE GROUP'S ABILITY TO INTEGRATE ITS BUSINESS AND PERSONNEL; THE SUCCESSFUL RETENTION AND MOTIVATION OF THE GROUP'S KEY MANAGEMENT; THE INCREASED REGULATORY BURDEN FACING THE GROUP; 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; POTENTIALLY UNUSUAL LOSS FREQUENCY; THE IMPACT THAT THE GROUP'S FUTURE OPERATING RESULTS, CAPITAL POSITION AND RATING AGENCY AND OTHER CONSIDERATIONS MAY HAVE ON THE EXECUTION OF ANY CAPITAL MANAGEMENT INITIATIVES OR DIVIDENDS; THE POSSIBILITY OF GREATER FREQUENCY OR SEVERITY OF CLAIMS AND LOSS ACTIVITY THAN THE GROUP'S UNDERWRITING, RESERVING OR INVESTMENT PRACTICES HAVE ANTICIPATED; THE RELIABILITY OF, AND CHANGES IN ASSUMPTIONS TO, CATASTROPHE PRICING, ACCUMULATION AND ESTIMATED LOSS MODELS; INCREASED COMPETITION FROM EXISTING ALTERNATIVE CAPITAL PROVIDERS AND INSURANCE-LINKED FUNDS AND COLLATERALISED SPECIAL PURPOSE INSURERS, AND THE RELATED DEMAND AND SUPPLY DYNAMICS AS CONTRACTS COME UP FOR RENEWAL; THE EFFECTIVENESS OF ITS LOSS LIMITATION METHODS; THE POTENTIAL LOSS OF KEY PERSONNEL; A DECLINE IN THE GROUP'S OPERATING SUBSIDIARIES' RATINGS WITH RELEVANT RATING AGENCIES; INCREASED COMPETITION ON THE BASIS OF PRICING, CAPACITY, COVERAGE TERMS OR OTHER FACTORS; CYCLICAL DOWNTURNS OF THE INDUSTRY; THE IMPACT OF A DETERIORATING CREDIT ENVIRONMENT FOR ISSUERS OF FIXED MATURITY INVESTMENTS; THE IMPACT OF SWINGS IN MARKET INTEREST RATES, CURRENCY EXCHANGE RATES AND SECURITIES PRICES; CHANGES BY CENTRAL BANKS REGARDING THE LEVEL OF INTEREST RATES; THE IMPACT OF INFLATION OR DEFLATION IN RELEVANT ECONOMIES IN WHICH THE GROUP OPERATES; THE EFFECT, TIMING AND OTHER UNCERTAINTIES SURROUNDING FUTURE BUSINESS COMBINATIONS WITHIN THE INSURANCE AND REINSURANCE INDUSTRIES; THE IMPACT OF TERRORIST ACTIVITY IN THE COUNTRIES IN WHICH THE GROUP WRITES RISKS; A RATING DOWNGRADE OF, OR A MARKET DECLINE IN, SECURITIES IN ITS INVESTMENT PORTFOLIO; CHANGES IN GOVERNMENTAL REGULATIONS OR TAX LAWS IN JURISDICTIONS WHERE THE GROUP CONDUCTS BUSINESS; LANCASHIRE OR ITS BERMUDIAN SUBSIDIARIES BECOMING SUBJECT TO INCOME TAXES IN THE UNITED STATES OR IN THE UNITED KINGDOM; THE IMPACT OF THE CHANGE IN TAX RESIDENCE ON STAKEHOLDERS OF THE GROUP; THE AVAILABILITY TO THE GROUP OF THE EXCLUSION THAT REMOVES COMPANIES WITH A LIMITED INTERNATIONAL PRESENCE FROM THE SCOPE OF BERMUDA CORPORATE INCOME TAX FOR A PERIOD OF UP TO FIVE YEARS FROM 1 JANUARY 2025 AND THE IMPACT OF THE UNITED KINGDOM'S WITHDRAWAL FROM THE EUROPEAN UNION ON THE GROUP'S BUSINESS, REGULATORY RELATIONSHIPS, UNDERWRITING PLATFORMS OR THE INDUSTRY GENERALLY, THE FOCUS AND SCRUTINY ON ESG-RELATED MATTERS REGARDING THE INSURANCE INDUSTRY FROM KEY STAKEHOLDERS OF THE GROUP, AND ANY ADVERSE ASSET, CREDIT, FINANCING OR DEBT OR CAPITAL MARKET CONDITIONS GENERALLY WHICH MAY AFFECT THE ABILITY OF THE GROUP TO MANAGE ITS LIQUIDITY. ANY ESTIMATES RELATING TO LOSS EVENTS INVOLVE THE EXERCISE OF CONSIDERABLE JUDGEMENT AND REFLECT A COMBINATION OF GROUND-UP EVALUATIONS, INFORMATION AVAILABLE TO DATE FROM BROKERS AND INSUREDS, MARKET INTELLIGENCE, INITIAL AND/OR TENTATIVE LOSS REPORTS AND OTHER SOURCES. JUDGEMENTS IN RELATION TO LOSSES ARISING FROM NATURAL CATASTROPHE AND MAN-MADE EVENTS ARE INFLUENCED BY COMPLEX FACTORS. THE GROUP CAUTIONS AS TO THE PRELIMINARY NATURE OF THE INFORMATION USED TO PREPARE ANY SUCH ESTIMATES AS SUBSEQUENTLY AVAILABLE INFORMATION MAY CONTRIBUTE TO AN INCREASE IN THESE TYPES OF LOSSES. 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 COULD CAUSE ACTUAL RESULTS TO DIFFER BEFORE MAKING AN INVESTMENT DECISION.

Consolidated statement of comprehensive income

For the year ended 31 December	2024 $m	2023 $m
Insurance revenue	1,765.1	1,519.9
Insurance service expenses	(1,186.1)	(696.2)
Insurance service result before reinsurance contracts held	**579.0**	**823.7**
Allocation of reinsurance premium	(439.4)	(424.8)
Amounts recoverable from reinsurers	240.3	(16.8)
Net expense from reinsurance contracts held	**(199.1)**	**(441.6)**
Insurance service result	**379.9**	**382.1**
Net investment return	162.2	160.5
Finance expense from insurance contracts issued	(77.9)	(98.3)
Finance income from reinsurance contracts held	24.0	31.7
Net insurance and investment result	**488.2**	**476.0**
Share of profit of associate	8.6	12.1
Other income	10.4	2.9
Net foreign exchange losses	(2.6)	(4.1)
Other operating expenses	(115.9)	(107.4)
Equity based compensation	(19.0)	(15.2)
Financing costs	(33.0)	(31.6)
Profit before tax	**336.7**	**332.7**
Tax charge	(15.4)	(11.2)
Profit after tax	**321.3**	**321.5**
Earnings per share		
Basic	$1.34	$1.35
Diluted	$1.30	$1.32

Consolidated statement of financial position

As at 31 December	2024 $m	2023 $m
Assets		
Cash and cash equivalents	684.3	756.9
Accrued interest receivable	22.0	16.7
Investments	2,864.9	2,455.5
Reinsurance contract assets	557.2	387.8
Other receivables	20.5	58.4
Investment in associate	9.1	16.2
Right-of-use assets	16.2	19.3
Property, plant and equipment	8.7	9.8
Intangible assets	197.0	181.1
Total assets	**4,379.9**	**3,901.7**
Liabilities		
Insurance contract liabilities	2,300.4	1,823.7
Other payables	91.9	80.6
Corporation tax payable	2.7	2.0
Deferred tax liability	22.3	16.2
Lease liabilities	22.3	24.7
Long-term debt	447.0	446.6
Total liabilities	**2,886.6**	**2,393.8**
Shareholders' equity		
Share capital	122.0	122.0
Own shares	(20.5)	(29.7)
Other reserves	1,242.3	1,233.2
Retained earnings	149.5	182.4
Total shareholders’ equity	**1,493.3**	**1,507.9**
Total liabilities and shareholders’ equity	**4,379.9**	**3,901.7**

Consolidated statement of cash flows

For the year ended 31 December	2024 $m	2023 $m
Cash flows from operating activities		
Profit before tax	336.7	332.7
Adjustments for:		
Tax paid	(7.7)	(1.9)
Depreciation	6.3	4.3
Amortisation on intangible assets	1.2	0.2
Impairment of intangible assets	—	1.4
Interest expense on long-term debt	25.8	25.8
Interest expense on lease liabilities	1.3	1.5
Interest income	(131.5)	(95.4)
Dividend income	(16.6)	(11.3)
Net unrealised gains on investments	(20.4)	(53.4)
Net realised gains on investments	(2.7)	(3.9)
Equity based compensation	19.0	15.2
Foreign exchange losses	1.2	3.9
Share of profit of associate	(8.6)	(12.1)
Changes in operational assets and liabilities		
Insurance and reinsurance contracts	316.9	220.4
Other assets and liabilities	52.9	14.5
Net cash flows from operating activities	**573.8**	**441.9**
Cash flows used in investing activities		
Interest income received	126.2	90.0
Dividend income received	16.6	11.3
Purchase of property, plant and equipment	(1.5)	(9.6)
Purchase of syndicate participation rights	(11.2)	(3.3)
Internally generated intangible assets	(5.9)	(7.0)
Investment in associate	15.7	55.6
Purchase of investments	(1,785.8)	(1,057.4)
Proceeds on sale of investments	1,394.0	866.1
Net cash flows used in investing activities	**(251.9)**	**(54.3)**
Cash flows used in financing activities		
Interest paid	(25.8)	(25.8)
Lease liabilities paid	(4.0)	(3.8)
Dividends paid	(354.2)	(155.3)
Distributions by trust	(2.1)	(0.5)
Net cash flows used in financing activities	**(386.1)**	**(185.4)**
Net (decrease) increase in cash and cash equivalents	(64.2)	202.2
Cash and cash equivalents at beginning of year	756.9	548.8
Effect of exchange rate movements on cash and cash equivalents	(8.4)	5.9
Cash and cash equivalents at end of year	**684.3**	**756.9**