

LANCASHIRE HOLDINGS LIMITED

STRONG PROFIT AFTER TAX OF \$109.2 MILLION DEMONSTRATES INCREASED RESILIENCE OF THE BUSINESS

6 August 2025
Hamilton, Bermuda

Lancashire Holdings Limited (“Lancashire” or “the Group”) today announces its results for the six months ended 30 June 2025.

Highlights:

- Gross premiums written increased 5.8% year-on-year to \$1,356.2 million. Insurance revenue increased 8.9% year-on-year to \$930.1 million.
- Insurance service result of \$155.7 million, discounted combined ratio of 87.4%, undiscounted combined ratio of 97.8%.
- Profit after tax of \$109.2 million, resulting in a change in DBVS of 7.6%.
- Total investment return of 3.7%, including unrealised gains and losses.
- 2025 RoE expected to be high-teens, upgraded from mid-teens, assuming a similar H2 loss environment to 2024.

For the six months ended	30 June 2025	30 June 2024
	\$m	\$m
Highlights		
Gross premiums written ¹	1,356.2	1,282.2
Insurance revenue	930.1	854.1
Insurance service result	155.7	222.8
Net investment return	108.2	75.2
Profit after tax	109.2	200.8
Financial ratios		
Net insurance ratio ¹	78.6%	65.2%
Combined ratio (discounted) ¹	87.4%	73.0%
Combined ratio (undiscounted) ¹	97.8%	82.2%
Total investment return ¹	3.7%	2.3%
Per Share data		
Diluted book value per share ¹	\$6.08	\$6.35
Change in diluted book value per share ("ROE") ¹	7.6%	14.0%
Dividends per common share paid in the financial year ²	\$0.40	\$0.65
Diluted earnings per share	\$0.44	\$0.82

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

2. Includes special dividend of 25 cents per share paid in April 2025 in respect of the year ended 31 December 2024 financial results.

Alex Maloney, Group Chief Executive Officer, commented

“Lancashire’s performance for the first six months of the year clearly demonstrates the increased resilience within our business model.

Our strategy to grow at the right time in the cycle means we are better positioned, across various classes and geographies, than ever before. We have developed a robust, diversified and capital-efficient underwriting portfolio that can absorb the impact of significant industry loss events whilst delivering more predictable returns.

The impact of the wildfires in California in January has been felt across the sector. Estimated industry insured losses are around \$40 billion, making it one of the costliest wildfire disasters ever recorded. In this context, our strong profit after tax of \$109.2 million and healthy discounted combined ratio for the

period of 87.4% (undiscounted of 97.8%) shows our ability to deliver attractive returns even in a challenging loss environment.

We have continued to grow our underwriting portfolio in line with the market opportunity in a disciplined way with gross premiums written increasing 5.8% year-on-year to \$1,356.2 million. Insurance revenue increased 8.9% year-on-year to \$930.1 million, with the Group RPI for the period standing at 96%. Whilst the market has become more competitive, several years of rate increases and improvement of terms mean most lines remain fundamentally well-priced and offer opportunities to grow selectively.

Our underwriting performance has been complemented by our investment portfolio, which returned 3.7% for the period and remains an important strategic lever for value creation. The relatively conservative, short duration, portfolio is well-positioned to limit downside risk, which is a prudent position in volatile markets.

So, overall, we approach the second half of the year with confidence, a very strong balance sheet and robust capital base, which is able to support growth and shareholder returns.

We outlined earlier in the year, in a severe loss year with a similar level of catastrophe and large risk losses as 2024, in addition to the California wildfires, we would expect to deliver an RoE in the mid-teens for 2025. In light of our half-year 2025 performance, in the same scenario, we would now expect to deliver a high teens RoE.

I am pleased to report that during the period, we made an offer for the remaining capacity on Syndicate 2010 (for the 2026 underwriting year), which is not already owned by the Group. Acceptances have been received such that we now have 99.4% of the capacity and an application has been made to Lloyd's for permission to effect a minority buy-out in respect of the remaining capacity.

2025 is our 20th year of operations and I am proud that we remain a healthy, relevant and strong player in the sector. Our accomplishments during the first six months of the year have only been made possible by the talented and committed people that we have across the Lancashire Group, in all functions and all regions. I would like to thank them all for their hard work, dedication and support in assisting us in delivering our strategic goals and, importantly, in deepening our thriving and positive culture.

In an unstable world, both geopolitically and economically, Lancashire continues to have the vision, resilience, and talent to maintain long and mutually beneficial relationships with our clients and brokers, and deliver sustainable returns for our investors."

Underwriting results

For the six months ended	30 June 2025			30 June 2024		
	Reinsurance \$m	Insurance \$m	Total \$m	Reinsurance \$m	Insurance \$m	Total \$m
Gross premiums written	815.6	540.6	1,356.2	734.6	547.6	1,282.2
RPI	97%	96%	96%	101%	103%	102%
Insurance revenue	450.6	479.5	930.1	407.6	446.5	854.1
Insurance service result	80.4	75.3	155.7	152.0	70.8	222.8
Net insurance ratio	78.3%	78.9%	78.6%	53.3%	77.5%	65.2%

Gross premiums written

Gross premiums written increased by \$74.0 million, or 5.8%, during the first six months of 2025 compared to the equivalent period in 2024. Excluding the impact of reinstatement premiums, underlying growth in gross premiums written was 2.5%. In the reinsurance segment, new business growth and premium coming through from policies bound in prior years resulted in an increase in casualty, while a higher level of reinstatement premium contributed to the growth in property. In the insurance segment, new business growth in energy and marine was more than offset by rate decreases in property and aviation. The overall RPI for the Group was 96%. Following several years of pricing increase the market is now more competitive, but in most lines remains fundamentally well priced. Our underwriting expertise positions us well to navigate the challenges and opportunities within the current market.

Insurance revenue

Insurance revenue increased by \$76.0 million, or 8.9%, for the first six months of 2025 compared to the same period in 2024. Gross premiums earned, the key driver of insurance revenue, as a percentage of gross premiums written was 81.9% for the first six months of 2025 compared to 76.9% for the equivalent period in 2024. Insurance revenue continues to increase at a faster rate than gross premiums written, reflecting premium earnings from prior underwriting years where the business saw substantial growth.

Allocation of reinsurance premiums

Allocation of reinsurance premiums decreased by \$10.1 million, or 4.7%, during the first six months of 2025 compared to the same period in 2024. The allocation of reinsurance premiums as a percentage of insurance revenue for the Group was 21.9%, compared to 25.0% in the prior period, reflecting restructuring of the outwards reinsurance programme as the Group seeks to achieve efficiencies and to benefit from its increasingly diversified underwriting portfolio.

Net loss environment

During the first six months of 2025, the Group experienced net losses (undiscounted, excluding reinstatement premiums) from catastrophe, weather and large loss events totalling \$211.2 million. Catastrophe and weather losses were \$172.0 million. California wildfires represent the majority of this figure and our estimate of losses resulting from this event remains unchanged. During the first six months of 2025, the Group also experienced net losses (undiscounted, excluding reinstatement premiums) from large risk events totalling \$39.2 million. None of the large risk event losses were individually material for the Group.

In comparison, during the first six months of 2024, the Group experienced net losses (undiscounted, excluding reinstatement premiums) from catastrophe, weather and large loss events totalling \$44.0 million.

Favourable prior accident year loss development for the undiscounted net movement in loss reserves was \$109.1 million during the first six months of 2025. This was primarily due to general IBNR, catastrophe and large loss reserve releases on the 2024, 2023 and 2021 accident years.

In comparison, the favourable prior accident year undiscounted net movement in loss reserves during the first six months of 2024 was \$34.9 million.

This continues our track record of favourable reserve releases and the Group remains conservatively reserved at an 85% confidence interval.

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.

For the six months ended	30 June 2025			30 June 2024		
	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	102.0	(26.3)	75.7	73.6	(14.6)	59.0
Unwind of discount	(50.3)	11.5	(38.8)	(47.1)	13.7	(33.4)
Impact of change in assumptions	(22.7)	4.8	(17.9)	18.8	(4.4)	14.4
Finance (expense) income	(73.0)	16.3	(56.7)	(28.3)	9.3	(19.0)
Total net discounting income (expense)	29.0	(10.0)	19.0	45.3	(5.3)	40.0

The total impact of discounting for the first six months of 2025 was a net benefit of \$19.0 million, compared to a net benefit of \$40.0 million for the same period in 2024. The higher net initial discount in 2025 compared to 2024 is primarily due to the continued growth in the Group's underwriting portfolio and the impact of catastrophe and large losses events contributing to a higher quantum of initial loss reserves being established.

The discount rate for all of the Group's major currencies has decreased in the first six months of 2025. This has driven an adverse impact from the change in discount rate assumptions. The unwind of discount has increased and reflects the growth in the discount provision over recent years in what has been a relatively high discount rate environment.

In the first six months of 2024, discount rates increased across all major currencies creating a positive impact from the change in discount rate assumptions and a higher overall net benefit from discounting.

Investments

For the six months ended	30 June 2025 \$m	30 June 2024 \$m
Total net investment return	108.2	75.2

Net investment income, excluding realised and unrealised gains and losses, was \$81.3 million for the first six months of 2025, an increase of 12.4% compared to the same period in 2024. Total investment return, including net investment income, net realised gains and losses and net change in unrealised gains and losses, was \$108.2 million for the first six months of 2025 compared to \$75.2 million for the same period in 2024.

The investment portfolio generated a total investment return of 3.7% during the first six months of 2025. The returns were driven by investment income, benefiting from higher yields in conjunction with higher prices from falling treasury rates, buffering the slight widening of investment grade credit spreads. In addition, the non-US dollar portfolios and cash, held for hedging purposes, benefitted from a weakening US dollar which added 50bps or \$15.7 million of investment return. The private investment funds also contributed strong returns during the period.

For the first six months of 2024, the investment portfolio generated a positive return of 2.3%.

The managed portfolio was invested as follows:

As at	30 June 2025 \$m	31 December 2024 \$m
Fixed maturity securities	2,712.2	2,603.8
Managed cash and cash equivalents	270.1	294.4
Private investment funds	275.7	253.1
Hedge funds	5.7	7.9
Other investments	(0.1)	0.1
Total	3,263.6	3,159.3

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

As at	30 June 2025	31 December 2024
Duration	2.0 years	2.0 years
Credit quality	A+	AA-
Book yield	4.8%	4.7%
Market yield	4.7%	5.0%

Other operating expenses

For the six months ended	30 June 2025 \$m	30 June 2024 \$m
Operating expenses - fixed	103.5	89.3
Operating expenses - variable	19.9	12.3
Total operating expenses	123.4	101.6
Directly attributable expenses allocated to insurance service expenses	(59.2)	(51.8)
Other operating expenses	64.2	49.8

The most significant driver of the increase in operating expenses for the first six months of 2025, compared to the same period in 2024, was an increase in employment expenses. The headcount for the Group was nearly 450 at the end of June 2025, compared to just over 400 in June 2024. This increase in headcount, and the underlying growth in the underwriting portfolio, also continues to drive increases in IT, operational processing and office costs.

In the first six months of 2025, \$59.2 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 \$51.8 million for the same period in 2024, and is reflective of the increase within the Group's operating expense base.

Capacity offer

On 26 June 2025, Lancashire's corporate member at Lloyd's (Cathedral Capital (1998) Limited ("CC98")), which provides 79.7% of the syndicate allocated capacity of syndicate 2010 for the 2025 year of account, made a formal offer (the "Offer") to all other members of that syndicate to acquire their prospective participations relating to syndicate 2010 for the 2026 year of account for a price of 62p in cash per £1 of capacity. The Offer was made to fulfil an obligation pursuant to Lloyd's Mandatory Offer Byelaw. The Offer closed on 25 July 2025 and acceptances had been received such that CC98 now has 99.4% of allocated capacity on syndicate 2010 for the 2026 year of account. An application has been made to the Council of Lloyd's for permission to effect a minority buy-out in respect of the remaining capacity on syndicate 2010 not already owned by CC98.

Capital

As at 30 June 2025, 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 22.8% on total capital and 25.3% on tangible capital. Total capital and total tangible capital as at 31 December 2024 were \$1.9 billion and \$1.7 billion, respectively.

Dividends

On 5 August 2025, Lancashire's Board of Directors declared an interim dividend of \$0.075 (approximately £0.06) per common share, which will result in an aggregate payment of approximately \$18.0 million. The dividend will be paid in Pounds Sterling on 15 September 2025 to shareholders of record on 15 August 2025 (the "Record Date") using the £ / \$ spot market exchange rate at 12 noon BST time on the Record Date.

Financial information

The Unaudited Condensed Interim Consolidated Financial Statements for the six months ended 30 June 2025 are published on Lancashire's website at www.lancashiregroup.com.

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 Wednesday 6 August 2025. The conference call will be hosted by Lancashire management.

Participant registration and access information:**Audio conference call access:**

<https://emportal.ink/44kzsQk>

Please register at this link to obtain your personal audio conference pin and call details.

Webcast access:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=31BB3D68-E4C0-435C-BC72-4C66A710B56D>

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 Rating¹	Financial Strength Outlook¹	Long Term Issuer Rating²
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 BST on 6 August 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 unaudited condensed interim 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 six months ended 30 June	2025	2024
Insurance service expenses	792.1	472.2
Amounts recoverable from reinsurers	(221.3)	(54.6)
Net insurance expenses	570.8	417.6
Insurance revenue	930.1	854.1
Allocation of reinsurance premium	(203.6)	(213.7)
Net insurance revenue	726.5	640.4
Net insurance ratio	78.6	65.2

Operating expense ratio:

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

For the six months ended 30 June	2025	2024
Other operating expenses	64.2	49.8
Net insurance revenue	726.5	640.4
Operating expense ratio	8.8%	7.8%

Combined ratio (discounted):

Ratio, in per cent, of the sum of net insurance expenses plus other operating expenses to net insurance revenue.

For the six months ended 30 June	2025	2024
Net insurance ratio	78.6%	65.2%
Net operating expense ratio	8.8%	7.8%
Combined ratio (discounted)	87.4%	73.0%

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 six months ended 30 June	2025	2024
Combined ratio (discounted)	87.4%	73.0%
Discount included in net insurance expenses	75.7	59.0
Net insurance revenue	726.5	640.4
Discounting impact on combined ratio	10.4%	9.2%
Combined ratio (undiscounted)	97.8%	82.2%

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	30 June 2025	31 December 2024
Shareholders' equity attributable to the Group	1,513.9	1,493.3
Common voting shares outstanding*	242,008,350	240,584,795
Shares relating to dilutive restricted stock	7,095,276	6,877,762
Fully converted book value denominator	249,103,626	247,462,557
Diluted book value per share	\$6.08	\$6.03

*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	30 June 2025	31 December 2024
Opening DBVS	\$6.03	\$6.17
Q1 dividend per share	\$0.25	\$0.50
Q2 dividend per share	\$0.15	\$0.15
Q3 dividend per share	—	\$0.075
Q4 dividend per share	—	\$0.75
Closing DBVS	\$6.08	\$6.03
Change in DBVS	7.6%	23.4%

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, which includes the net impact of foreign exchange. The total investment return can be approximated by dividing the total net investment return, excluding interest on non-managed cash and cash equivalents, and including net foreign exchange gains and losses related to investments and managed cash and cash equivalents, by the average portfolio net asset value, including managed cash and cash equivalents.

For the six months ended 30 June	2025	2024
Net investment return	108.2	75.2
Less interest income on non-managed cash and cash equivalents	(7.6)	(7.2)
Net foreign exchange gains / (losses) related to investments and managed cash and cash equivalents	15.7	(1.1)
Net investment return adjusted for interest and foreign exchange	116.3	66.9
Average invested assets including managed cash and cash equivalents*	3,211.4	2,829.1
Approximate total investment return	3.6%	2.4%
Reported total investment return	3.7%	2.3%

*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	30 June 2025	31 December 2024
Opening share price	\$8.25	\$7.96
Q1 dividend per share	\$0.25	\$0.50
Q2 dividend per share	\$0.15	\$0.15
Q2 closing share price	\$7.89	—
Q3 dividend per share	—	\$0.075
Q4 dividend per share	—	\$0.75
Q4 closing share price	—	\$8.25
Total shareholder return	0.4%	22.1%

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 six months ended 30 June	2025	2024
Gross premiums written	1,356.2	1,282.2
Change in unearned premiums	(246.0)	(296.2)
Gross premiums earned	1,110.2	986.0
Adjust for reinstatement premiums	(41.2)	0.3
Less commission and non-distinct investment components	(138.9)	(132.2)
Total insurance revenue	930.1	854.1

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 six months ended 30 June	2025	2024
Gross premiums written by the Group	1,356.2	1,282.2
LSL Syndicate 2010 - external Names portion of gross premiums written (unconsolidated)	53.5	75.7
Total gross premiums written under management	1,409.7	1,357.9

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", "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 2024 AND THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025. IN ADDITION TO THOSE FACTORS CONTAINED IN THE GROUP'S 2024 ANNUAL REPORT AND ACCOUNTS AND THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025, ANY FORWARD-LOOKING STATEMENTS CONTAINED IN THIS RELEASE MAY BE AFFECTED BY: THE IMPACT OF TRADE TARIFFS AND THE POSSIBILITY OF A CONTINUATION OR ESCALATION OF GLOBAL OR REGIONAL TRADE DISRUPTION ARISING THEREFROM AND THE CONSEQUENT ECONOMIC UNCERTAINTY WHICH MAY AFFECT (RE)INSURANCE DEMAND OR THE PERFORMANCE OF OUR INVESTMENT PORTFOLIO. 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.

Consolidated statement of comprehensive income

For the six months ended 30 June	2025 \$m	2024 \$m
Insurance revenue	930.1	854.1
Insurance service expenses	(792.1)	(472.2)
Insurance service result before reinsurance contracts held	138.0	381.9
Allocation of reinsurance premium	(203.6)	(213.7)
Amounts recoverable from reinsurers	221.3	54.6
Net expense from reinsurance contracts held	17.7	(159.1)
Insurance service result	155.7	222.8
Net investment return	108.2	75.2
Finance expense from insurance contracts issued	(73.0)	(28.3)
Finance income from reinsurance contracts held	16.3	9.3
Net insurance and investment result	207.2	279.0
Share of profit of associate	1.8	7.5
Other income	3.7	4.8
Net foreign exchange losses	(1.4)	(2.0)
Other operating expenses	(64.2)	(49.8)
Equity based compensation	(11.4)	(9.6)
Financing costs	(17.1)	(16.3)
Profit before tax	118.6	213.6
Tax charge	(9.4)	(12.8)
Profit after tax	109.2	200.8
Earnings per share		
Basic	\$0.45	\$0.84
Diluted	\$0.44	\$0.82

Consolidated statement of financial position

As at	30 June 2025 \$m	31 December 2024 \$m
Assets		
Cash and cash equivalents	653.2	684.3
Accrued interest receivable	24.2	22.0
Investments	2,993.5	2,864.9
Reinsurance contract assets	620.8	557.2
Other receivables	31.3	20.5
Investment in associate	8.0	9.1
Right-of-use assets	14.4	16.2
Property, plant and equipment	7.9	8.7
Intangible assets	196.7	197.0
Total assets	4,550.0	4,379.9
Liabilities		
Insurance contract liabilities	2,461.7	2,300.4
Other payables	73.0	91.9
Corporation tax payable	10.0	2.7
Deferred tax liability	22.5	22.3
Lease liabilities	21.7	22.3
Long-term debt	447.2	447.0
Total liabilities	3,036.1	2,886.6
Shareholders' equity		
Share capital	122.0	122.0
Own shares	(12.0)	(20.5)
Other reserves	1,241.7	1,242.3
Retained earnings	162.2	149.5
Total shareholders' equity	1,513.9	1,493.3
Total liabilities and shareholders' equity	4,550.0	4,379.9

Consolidated statement of cash flows

For the six months ended 30 June	2025 \$m	2024 \$m
Cash flows from operating activities		
Profit before tax	118.6	213.6
Adjustments for:		
Tax paid	(2.1)	(1.8)
Depreciation	3.3	3.1
Amortisation on intangible assets	1.5	0.3
Interest expense on long-term debt	12.9	12.9
Interest expense on lease liabilities	0.6	0.8
Interest income	(71.7)	(61.7)
Dividend income	(9.9)	(8.2)
Net unrealised gains on investments	(31.0)	(6.9)
Net realised losses on investments	1.3	1.2
Equity based compensation	11.4	9.6
Foreign exchange losses	2.1	1.0
Share of profit of associate	(1.8)	(7.5)
Changes in operational assets and liabilities		
Insurance and reinsurance contracts	55.8	57.3
Other assets and liabilities	(35.1)	3.5
Net cash flows from operating activities	55.9	217.2
Cash flows used in investing activities		
Interest income received	69.5	56.9
Dividend income received	9.9	8.2
Purchase of property, plant and equipment	(0.6)	(0.8)
Internally generated intangible assets	(1.2)	(0.9)
Investment in associate	2.9	7.5
Purchase of investments and capital contributions	(780.9)	(802.0)
Proceeds on sale of investments and return of capital	707.5	634.5
Net cash flows used in investing activities	7.1	(96.6)
Cash flows used in financing activities		
Interest paid	(12.9)	(12.9)
Lease liabilities paid	(3.2)	(2.0)
Dividends paid	(96.5)	(155.9)
Distributions by trust	(3.8)	(1.3)
Net cash flows used in financing activities	(116.4)	(172.1)
Net decrease in cash and cash equivalents	(53.4)	(51.5)
Cash and cash equivalents at beginning of year	684.3	756.9
Effect of exchange rate fluctuations on cash and cash equivalents	16.6	(7.0)
Effect of other items on cash and cash equivalents	5.7	(0.2)
Cash and cash equivalents at end of year	653.2	698.2