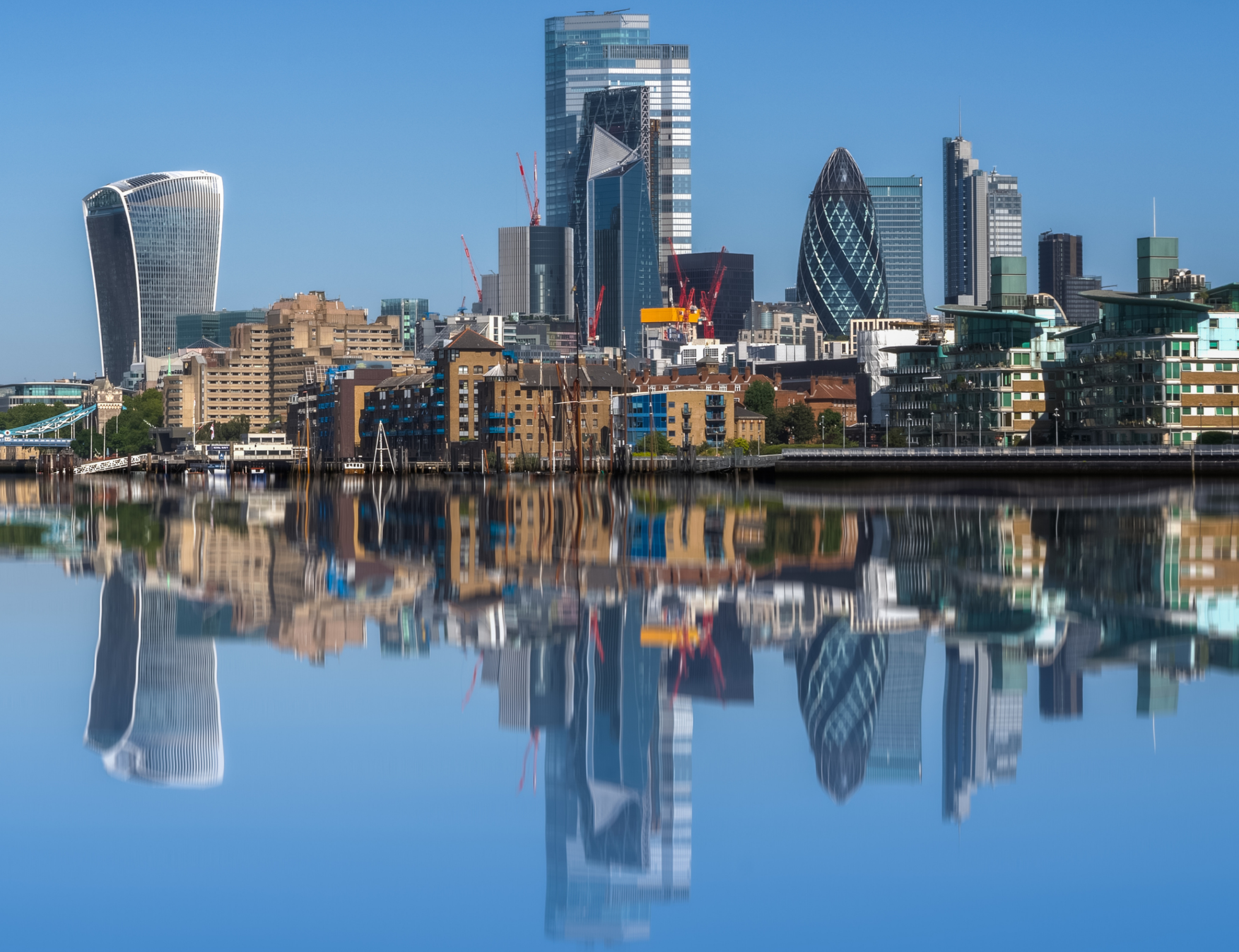
Lancashire Holdings Limited

Unaudited condensed interim consolidated financial statements

30 June 2026



Contents

Business review: Financial performance

For the six months ended 30 June 2026

Financial highlights

For the six months ended	30 June 2026 $m	30 June 2025 $m
Highlights		
Gross premiums written[1]	**1,315.0**	1,356.2
Insurance revenue	**930.0**	930.1
Insurance service result	**198.8**	155.7
Net investment return	**51.3**	108.2
Profit after tax	**141.7**	109.2
Financial ratios		
Net insurance ratio[1]	**71.5%**	78.6%
Combined ratio (discounted)[1]	**80.7%**	87.4%
Combined ratio (undiscounted)[1]	**90.8%**	97.8%
Total investment return[1]	**1.2%**	3.7%
Per share data		
Diluted book value per share[1]	**$5.92**	$6.08
Change in diluted book value per share[1]	**9.7%**	7.6%
Dividends per common share paid in the financial year to date[2]	**$0.65**	$0.40
Diluted earnings per share	**$0.56**	$0.44

1. Please refer to pages 30 and 31 for details of how these Alternative Performance Measures (APMs) are calculated.
2. Includes special dividend of 50 cents per share paid in April 2026 in respect of the year ended 31 December 2025.

Alex Maloney, Group Chief Executive Officer, commented:

"The first half of 2026 demonstrated the strength of Lancashire's strategy in action. Our diversified portfolio, disciplined underwriting and strong capital position have produced an excellent return for shareholders while we continue to invest for future growth.

For the first six months of the year, the Group delivered a healthy profit of $141.7 million, resulting in an annualised RoE of 19.6%, reflecting the quality of our underwriting portfolio and strong capital base. These results further demonstrate our ability to generate attractive returns through different stages of the market cycle.

In line with our expectations of a broadly stable top line, gross premiums written were $1,315.0 million and insurance revenue was $930.0 million. The Group RPI for the first six months of the year was 92%, which is reflective of some softening - but not soft - market conditions and, importantly, rating adequacy remains across most lines of business.

Although the loss environment during the first half was less active than 2025, it was by no means benign. Against this backdrop, Lancashire delivered another strong result. Our exposure to losses arising from events in the Middle East remains manageable and we have established reserves for expected claims to date, which are not material to the Group. We have also increased our reserve for the MV Dali Baltimore Bridge loss to our full policy limits, thereby capping any further downside from this event.

Our investment portfolio also performed well notwithstanding the mark-to-market impact of higher government bond yields over the period. The portfolio remains high quality and short duration, consistent with our approach to risk management and capital preservation.

We have also continued to invest in talent and products to enhance our underwriting capabilities and support long-term value creation.

In June, we announced the expansion of Lancashire Insurance US's product portfolio to include financial lines, inland marine, and environmental liability classes. We have also added some new niche underwriting lines to our London portfolio and will continue to pursue opportunities aligned with market conditions.

Our ability to attract high-calibre talent across the business remains a clear competitive advantage and is supported by the strong and positive culture that we have built across the Lancashire Group.

Looking ahead, we remain on track to deliver our guidance given at the start of the year of a high-teens RoE for 2026 and we are well positioned to manage the next phase of the cycle, in which we expect rates will continue to reflect the excess capacity in the industry. In this context, we will draw on our considerable experience and expertise to remain disciplined, and we have the agility to deploy capital where we see the best returns. Lancashire's strong capital base, robust reserves, and more efficient use of reinsurance provide important levers to underpin performance and to manage the business through the cycle.

As we enter the second half of the year, I would like to thank colleagues across the Lancashire Group for their continued hard work and commitment. With a diversified business, clear strategy, talented teams, and strong culture, we are well positioned to sustain our momentum and generate attractive returns for our shareholders."

Business review *continued*

Underwriting results

For the six months ended 30 June	2026 Reinsurance $m	2026 Insurance $m	2026 Total $m	2025 Reinsurance $m	2025 Insurance $m	2025 Total $m
Gross premiums written	**749.2**	**565.8**	**1,315.0**	815.6	540.6	1,356.2
RPI	**91%**	**93%**	**92%**	97%	96%	96%
Insurance revenue	**437.0**	**493.0**	**930.0**	450.6	479.5	930.1
Insurance service result	**125.5**	**73.3**	**198.8**	80.4	75.3	155.7
Net insurance ratio	**62.5%**	**79.8%**	**71.5%**	78.3%	78.9%	78.6%

Gross premiums written

On an underlying basis, which excludes the significant impact of reinstatement premiums in the prior period, gross premiums written in the first six months of 2026 decreased by 1% year-on-year to $1,315.0 million.

In the reinsurance segment, we saw lower level of inwards reinstatement premiums and executed a planned reduction in inwards property retrocession business, which was partially offset by growth in energy, marine and aviation treaty lines. In the insurance segment growth was broad based across the energy, marine and casualty lines of business. The Group acquired 100% of the underwriting capacity of Syndicate 2010 for the 2026 and subsequent underwriting years, increasing the overall consolidated Group share of gross premiums written. This has helped to offset the softening market conditions. The overall RPI for the Group for the period was 92%.

Insurance revenue

Insurance revenue was flat for the first six months of 2026 compared with the same period in 2025. Gross premiums earned, the key driver of insurance revenue, as a percentage of gross premiums written was 83.0% for 2026 compared with 81.9% for 2025. The increased percentage reflects premium earnings from prior underwriting years where the business saw substantial growth.

Allocation of reinsurance premium

Allocation of reinsurance premiums increased by $28.2 million, or 13.9%, during the first six months of 2026 compared with the same period in 2025. The allocation of reinsurance premiums as a percentage of insurance revenue for the Group was 24.9%, compared with 21.9% in the prior year period. In 2026, the Group purchased more proportional outwards reinsurance protection than in the first half of 2025 with much of this shift covering the property reinsurance and insurance lines of business.

Net loss environment

During the first six months of 2026, the Group experienced net losses (undiscounted, excluding reinstatement premiums) from catastrophe, weather and large loss events totalling $60.1 million. None of the catastrophe or large risk event losses was individually material for the Group. This is a significant reduction compared with the prior year period (2025: $211.2 million) in which the California wildfires represented the majority of the net losses.

Favourable prior accident year loss development for the undiscounted net movement in loss reserves was $21.8 million during the first six months of 2026. This is significantly lower than the $109.1 million released in the same period in 2025, where we recognised releases across a number of prior year catastrophe events. For 2026, favourable development was seen primarily on the 2023 and 2025 accident years, partially offset by adverse development on the 2024 accident year following an increase in our reserves on the MV Dali Baltimore Bridge loss to our full policy limits, thereby capping any further downside from this event.

The Group remains conservatively reserved with a net discounted risk adjustment of $286.7 million and an 85% confidence level. Our consistently prudent approach to reserving is demonstrated by positive prior year reserve development in every financial year since the Group's inception.

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	2026 Insurance contracts issued $m	2026 Reinsurance contracts held $m	2026 Total $m	2025 Insurance contracts issued $m	2025 Reinsurance contracts held $m	2025 Total $m
Initial discount included in insurance service result	**83.5**	**(13.1)**	**70.4**	102.0	(26.3)	75.7
Unwind of discount	**(51.3)**	**11.6**	**(39.7)**	(50.3)	11.5	(38.8)
Impact of change in assumptions	**19.5**	**(3.8)**	**15.7**	(22.7)	4.8	(17.9)
Finance (expense) income	**(31.8)**	**7.8**	**(24.0)**	(73.0)	16.3	(56.7)
Total net discounting income (expense)	**51.7**	**(5.3)**	**46.4**	29.0	(10.0)	19.0

Business review *continued*

The total impact of discounting for the first six months of 2026 was a net benefit of $46.4 million, compared with a net benefit of $19.0 million for the same period in 2025, primarily due to higher market rates across all our major currencies in the period. The unwind of discount continues to increase following growth in the discount provision over recent years in what has been a relatively high discount rate environment.

Investments

For the six months ended 30 June	2026 $m	2025 $m
Total net investment return	**51.3**	108.2

Total investment return, including net investment income and net realised and unrealised gains and losses, was $51.3 million for the first six months of 2026 compared with $108.2 million for the same period in 2025. Net investment income, excluding realised and unrealised gains and losses, of $78.3 million was at a similar level to the prior year period (2025: $81.3 million).

The total investment return of 1.2% (1.4% excluding foreign exchange gains and losses) included a negative unrealised mark-to-market impact of $29.6 million (2025: $31.0 million unrealised gain). This was driven by higher Treasury rates in the period, due to the impact of geopolitical risks, higher energy prices, and increased market volatility, partially offset by a modest tightening in credit spreads. The private investment funds contributed positive returns during the period.

The managed portfolio was invested as follows:

As at	30 June 2026 $m	31 December 2025 $m
Fixed maturity securities	**2,758.4**	2,810.2
Managed cash and cash equivalents	**213.7**	161.2
Private investment funds	**308.7**	291.2
Hedge funds	**7.1**	8.8
Other investments	**0.4**	(0.3)
Total	**3,288.3**	3,271.1

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

As at	30 June 2026	31 December 2025
Duration	**2.1 years**	2.1 years
Credit quality	**AA-**	A+
Book yield	**4.6%**	4.6%
Market yield	**4.7%**	4.4%

Other income

Other income of $15.2 million (2025: $3.7 million) mainly comprised consortium fees and profit commissions where we have expanded our use of consortia to generate fee income, particularly in the aviation and construction classes.

Operating expenses

For the six months ended 30 June	2026 $m	2025 $m
Operating expenses - fixed	**111.0**	103.5
Operating expenses - variable	**19.0**	19.9
Total operating expenses	**130.0**	123.4
Directly attributable expenses allocated to insurance service expenses	**(65.6)**	(59.2)
Other operating expenses	**64.4**	64.2

The Group continues to invest in profitable growth opportunities in its established markets, including the US. Consequently, total operating expenses increased by 5% year-on-year, reflecting an increase in headcount and the impact of acquiring 100% of Syndicate 2010's underwriting capacity.

In the first six months of 2026, $65.6 million of operating expenses were 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 with $59.2 million for the same period in 2025, and is reflective of the increase within the Group's operating expense base.

Business review *continued*

Capital

As at 30 June 2026, total capital available to Lancashire was approximately $2.0 billion, comprising shareholders' equity of $1.5 billion and $0.5 billion of long-term debt. Tangible capital was approximately $1.7 billion. Leverage was 23.1% on total capital and 26.6% on tangible capital. Total capital and total tangible capital as at 31 December 2025 were $2.0 billion and $1.7 billion, respectively.

Dividends

On 28 July 2026, 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 4 September 2026 (the "Dividend Payment Date") to shareholders of record on 7 August 2026 (the "Record Date") using the £ / $ spot market exchange rate at 12 noon London time on the Record Date.

Ratings

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	Stable	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).

Condensed interim consolidated statement of comprehensive income

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 $m	Six months ended 30 June 2025 $m
Insurance revenue	2, 8	**930.0**	930.1
Insurance service expenses	2, 8	**(593.9)**	(792.1)
Insurance service result before reinsurance contracts held		**336.1**	138.0
Allocation of reinsurance premium	2, 8	**(231.8)**	(203.6)
Amounts recoverable from reinsurers	2, 8	**94.5**	221.3
Net (expense) income from reinsurance contracts held		**(137.3)**	17.7
Insurance service result		**198.8**	155.7
Net investment return	2, 4	**51.3**	108.2
Finance expense from insurance contracts issued	2, 3	**(31.8)**	(73.0)
Finance income from reinsurance contracts held	2, 3	**7.8**	16.3
Net insurance and investment result		**226.1**	207.2
Share of profit of associate		**0.3**	1.8
Other income		**15.2**	3.7
Net foreign exchange gains (losses)		**4.1**	(1.4)
Other operating expenses	2, 5	**(64.4)**	(64.2)
Equity based compensation		**(12.7)**	(11.4)
Financing costs		**(17.6)**	(17.1)
Profit before tax		**151.0**	118.6
Tax charge	6	**(9.3)**	(9.4)
Profit after tax		**141.7**	109.2
Earnings per share			
Basic	12	**$0.58**	$0.45
Diluted	12	**$0.56**	$0.44

Condensed interim consolidated statement of financial position

As at 30 June 2026

	Notes	30 June 2026 $m	31 December 2025 $m
Assets			
Cash and cash equivalents		**610.1**	561.4
Accrued interest receivable		**24.8**	24.6
Investments	7	**3,074.6**	3,109.9
Reinsurance contract assets	8	**661.4**	717.8
Other receivables		**47.9**	101.2
Corporation tax receivable		**0.3**	0.4
Deferred tax asset	9	**1.2**	—
Investment in associate		**4.1**	4.8
Right-of-use assets		**21.6**	22.7
Property, plant and equipment		**8.5**	8.2
Intangible assets		**251.6**	253.0
Total assets		**4,706.1**	4,804.0
Liabilities			
Insurance contract liabilities	8	**2,631.7**	2,712.1
Other payables		**87.4**	89.8
Corporation tax payable		**7.2**	—
Deferred tax liability	9	**13.1**	15.6
Lease liabilities		**29.0**	29.7
Long-term debt		**447.7**	447.5
Total liabilities		**3,216.1**	3,294.7
Shareholders' equity			
Share capital	10	**122.0**	122.0
Own shares	10	**(5.6)**	(8.7)
Other reserves	10	**1,242.6**	1,249.6
Retained earnings		**131.0**	146.4
Total shareholders' equity		**1,490.0**	1,509.3
Total liabilities and shareholders' equity		**4,706.1**	4,804.0

The unaudited condensed interim consolidated financial statements were approved by the Board of Directors on 28 July 2026 and signed on its behalf by:

Philip Broadley
Director/Chair

Natalie Kershaw
Director/Group CFO

Condensed interim consolidated statement of changes in shareholders' equity

For the six months ended 30 June 2026

	Notes	Share capital $m	Own shares $m	Other reserves $m	Retained earnings $m	Shareholders' equity $m
Balance as at 31 December 2024		122.0	(20.5)	1,242.3	149.5	1,493.3
Profit for the period		—	—	—	109.2	109.2
Distributed by the trust	10	—	8.5	(12.3)	—	(3.8)
Dividends on common shares	10	—	—	—	(96.5)	(96.5)
Net deferred tax	9	—	—	0.1	—	0.1
Equity based compensation		—	—	11.6	—	11.6
Balance as at 30 June 2025		122.0	(12.0)	1,241.7	162.2	1,513.9
Profit for the period		—	—	—	184.2	184.2
Distributed by the trust	10	—	3.3	(4.6)	—	(1.3)
Dividends on common shares	10	—	—	—	(200.0)	(200.0)
Net deferred tax	9	—	—	0.2	—	0.2
Equity based compensation		—	—	12.3	—	12.3
Balance as at 31 December 2025		122.0	(8.7)	1,249.6	146.4	1,509.3
Profit for the period		**—**	**—**	**—**	**141.7**	**141.7**
Shares purchased by the trust		**—**	**(9.9)**	**—**	**—**	**(9.9)**
Distributed by the trust	10	**—**	**13.0**	**(19.7)**	**—**	**(6.7)**
Dividends on common shares	10	**—**	**—**	**—**	**(157.1)**	**(157.1)**
Net deferred tax	9	**—**	**—**	**—**	**—**	**—**
Equity based compensation		**—**	**—**	**12.7**	**—**	**12.7**
Balance as at 30 June 2026		**122.0**	**(5.6)**	**1,242.6**	**131.0**	**1,490.0**

Condensed interim consolidated statement of cash flows

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 $m	Six months ended 30 June 2025 $m
Cash flows from operating activities			
Profit before tax		**151.0**	118.6
Adjustments for:			
Tax paid		**(5.7)**	(2.1)
Depreciation		**4.1**	3.3
Amortisation of intangible assets		**1.4**	1.5
Interest expense on long-term debt		**12.9**	12.9
Interest expense on lease liabilities		**0.9**	0.6
Interest income		**(70.8)**	(71.7)
Dividend income		**(7.5)**	(9.9)
Net realised (gains) losses on investments	4	**(5.8)**	1.3
Net unrealised losses (gains) on investments	4	**29.6**	(31.0)
Equity based compensation		**12.7**	11.4
Foreign exchange (gains) losses		**(3.2)**	2.1
Share of profit of associate		**(0.3)**	(1.8)
Changes in operational assets and liabilities			
Insurance and reinsurance contracts		**(20.8)**	55.8
Other assets and liabilities		**(18.4)**	(35.1)
Net cash flows from operating activities		**80.1**	55.9
Cash flows from investing activities			
Interest income received		**70.6**	69.5
Dividend income received		**7.5**	9.9
Purchase of property, plant and equipment		**(2.0)**	(0.6)
Internally generated intangible asset		**—**	(1.2)
Investment in associate		**0.9**	2.9
Purchase of investments		**(697.5)**	(780.9)
Proceeds on sale of investments		**780.5**	707.5
Net cash flows from investing activities		**160.0**	7.1
Cash flows used in financing activities			
Interest paid		**(12.9)**	(12.9)
Lease liabilities paid		**(3.3)**	(3.2)
Dividends paid	10	**(157.1)**	(96.5)
Shares purchased by the trust		**(9.9)**	—
Distributions by trust		**(6.7)**	(3.8)
Net cash flows used in financing activities		**(189.9)**	(116.4)
Net increase (decrease) in cash and cash equivalents		**50.2**	(53.4)
Cash and cash equivalents at beginning of period		**561.4**	684.3
Effect of exchange rate fluctuations on cash and cash equivalents		**(2.6)**	16.6
Effect of other items on cash and cash equivalents[1]		**1.1**	5.7
Cash and cash equivalents at end of period		**610.1**	653.2

1. Other items includes the effect of prior underwriting years of account losses and loss adjustment expenses, and reinsurance recoveries, being reinsured to close into the oldest open underwriting year of account, to the extent where the Group's syndicate participation has changed between those years of account.

Accounting policies

For the six months ended 30 June 2026

Summary of significant accounting policies

The basis of preparation, use of judgements and estimates, consolidation principles and material accounting policies adopted in the preparation of the Group's unaudited condensed interim consolidated financial statements are those that the Group expects to apply for the year ending 31 December 2026.

The unaudited condensed interim consolidated financial statements do not include all the information and disclosures required in the annual audited consolidated financial statements, and should therefore be read in conjunction with the 2025 annual audited consolidated financial statements within the Group's 2025 Annual Report and Accounts.

Basis of preparation

Going concern basis of accounting

The Group's unaudited condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with IFRS as adopted by the UK and in accordance with IAS 34, Interim Financial Reporting.

In assessing the Group's going concern position as at 30 June 2026, the Directors have considered a number of factors. These include:

- the current balance sheet and liquidity position;
- the level and composition of the Group's capital and solvency ratios;
- the Group's ability to service its long-term debt financing arrangements;
- the current performance against the Group's strategic and financial business plan;
- the Group's dividend distribution policy; and
- the current market environment, including consideration for climate change.

In April each year, the ORSA report is a key document informing the Group's going concern assessment that is submitted to the Board.

Based on the going concern assessment performed, the Directors consider there to be no material uncertainties that may cast significant doubt over the Group's ability to continue to operate as a going concern. The Directors have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence in the foreseeable future, being a period of at least 12 months from the date of signing these unaudited condensed interim consolidated financial statements.

Other basis of preparation

All amounts presented, excluding share data, or where otherwise stated, are in millions of US dollars ($m), with amounts rounded to the nearest $0.1 million where appropriate. The unaudited condensed interim consolidated statement of financial position is presented in order of decreasing liquidity.

Use of judgements, estimates and assumptions

The preparation of the Group's unaudited condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual amounts may differ from these estimates.

Assumptions and estimates are based on information, knowledge and data available when the unaudited condensed interim consolidated financial statements are prepared. However, existing circumstances and assumptions about future developments may change, or circumstances may arise that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur, and are recognised prospectively. It is considered impracticable to determine the effect that changes in these assumptions and estimates are expected to have on future periods.

Key assumptions concerning the future, and sources of estimation uncertainty

The Group has considered both key assumptions concerning the future, and sources of estimation uncertainty, that may be expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in a subsequent financial year.

Insurance contracts issued and reinsurance contracts held

The Group has determined that its most significant area of estimation uncertainty is in relation to the measurement of insurance contracts issued and reinsurance contracts held. Changes in assumptions may materially change the FCF that make up these balances. The FCF are the current estimates of the future cash flows within the contract boundary of a group of insurance or reinsurance contracts and include expected premiums, claims, benefits and expenses, adjusted to reflect the timing and uncertainty of those amounts.

Changes in the following key assumptions may change the FCF materially:

- assumptions about the amount and timing of future cash flows;
- assumptions about claims development;
- assumptions about discount rates, including any illiquidity premiums; and
- assumptions about the risk adjustment for non-financial risk.

The estimation of the FCF is a complex actuarial process which incorporates a significant amount of judgement, in particular, in relation to the estimation of the LIC and AIC. Delays in reporting losses to the Group, together with unforeseen loss development, increase uncertainty over the valuation of loss reserves.

Accounting policies *continued*

A significant portion of the Group's business is in classes with high attachment points of coverage, and therefore a low frequency but high severity of claims. This adds further complexity to the reserving process due to the limited volume of industry data available from which to reliably predict ultimate losses following a loss event. Volatility for the majority of losses is limited on a net basis by the reinsurance protection purchased by the Group. Information about these key assumptions and estimates are included in our risk disclosures in the Group's 31 December 2025 Annual Report and Accounts and in note 8.

Management judgements, other than those involving estimations

Lancashire is an insurance group whose primary focus is on underwriting and proactively balancing risk and return throughout the underwriting and claims cycles. In doing so, the Group focuses on ensuring premium revenue and investment return exceeds the cost of claims, outwards reinsurance and operating expenses. The main areas in which judgement is applied are therefore the measurement and recognition of insurance contracts and financial assets.

Simplified premium allocation measurement model

Management applies judgement to determine if the Group is eligible to apply the simplified PAA measurement model under IFRS 17.

The Group considers that it is eligible to apply the PAA measurement model to its portfolios and groups of insurance contracts on the basis that the measurement of the LRC is not reasonably expected to differ materially from that calculated under the GMM. The Group applies the PAA to simplify the measurement of all its insurance contracts issued and reinsurance contracts held.

In the years prior to IFRS 17 adoption, and in the initial year of adoption, this assessment was made through detailed quantitative modelling of all portfolios and groups of insurance contracts. Since then, the PAA eligibility assessment has been undertaken through a combination of qualitative and quantitative analysis. This testing confirms that the PAA measurement model remains appropriate in the current period.

Level of aggregation

Judgement is required to determine the level of aggregation under IFRS 17. Insurance contracts issued that are subject to similar risks and that are managed together, are classified into a portfolio of insurance contracts. The following considerations have been given most weight in the definition of similar risks:

- risk aggregations used for other business purposes such as reserving;
- segmentations used for underwriting; and
- perils covered and incidence of risk over time.

Each portfolio of insurance contracts is then further disaggregated into annual cohorts, and each annual cohort is classified into a maximum of three groups of contracts for recognition and measurement purposes based on their expected profitability. See accounting policies in the Group's 31 December 2025 Annual Report and Accounts and disclosures in note 8.

Onerous contract assessment

Management applies judgement to assess whether facts and circumstances indicate that a group of insurance contracts is onerous at initial recognition, and subsequently assesses whether facts and circumstances indicate any changes in the onerous group's profitability, and whether any loss component remeasurement is required. See accounting policies and note 13 in the Group's 31 December 2025 Annual Report and Accounts and disclosures in note 8.

Classification of investment portfolio

The classification of the Group's investment portfolio requires judgement in assessing the business model within which assets are held. The Group has established that all investment classes are managed, and their performance evaluated, on a fair value basis, and they are therefore classified at FVTPL. See risk disclosures in the Group's 31 December 2025 Annual Report and Accounts and disclosures in note 7.

Level (iii) investments

The Group holds a relatively straightforward investment portfolio consisting mainly of standard fixed maturity products. Level (iii) investments are securities for which valuation techniques are not based on observable market data, and therefore require management judgement to determine an appropriate fair value. The Group determines securities classified as Level (iii) to include private investment funds and hedge funds. The estimation of fair value, specifically for Level (iii) investments, is discussed within the risk disclosures in the Group's 31 December 2025 Annual Report and Accounts and in note 7.

Annual impairment assessments

The syndicate participation rights and goodwill are intangible assets with an indefinite life and subject to an annual impairment assessment. The Group applies judgement when determining the input assumptions for the value in use calculation. The input assumptions and their sensitivity are disclosed in note 17 of the Group's 31 December 2025 Annual Report and Accounts.

For the Group's internally generated intangible assets, an impairment review is performed when it is concluded there are sufficient indicators of impairment as disclosed within note 17 of the Group's 31 December 2025 Annual Report and Accounts.

Accounting policies *continued*

Current and deferred tax

The Group is exposed to changes in tax legislation which are complex to interpret and evolve over time. The Group applies management expertise and judgement to interpret and assess the impact of these changes in tax legislation. Third-party specialists provide tax guidance and tax opinions at the request of management where considered appropriate. Recent changes in tax legislation are disclosed in note 9.

Changes in accounting policies

IFRS 18, Presentation and Disclosure in Financial Statements

On 9 April 2024, the IASB published IFRS 18, Presentation and Disclosure in Financial Statements. The standard will be effective from 1 January 2027, replacing IAS 1, Presentation of Financial Statements. The UK endorsement process concluded and formally adopted IFRS 18 in December 2025. The Group is currently undertaking an assessment into the impact of implementing IFRS 18.

The key changes to the Group's financial statements are expected to include:

- the classification of the consolidated statement of comprehensive income into IFRS 18 operating, investing, financing and income tax categories alongside the inclusion of mandatory sub-totals to aid comparability;
- disclosure of management-defined performance measures; and
- enhanced disclosures relating to the aggregation and disaggregation of financial information.

IFRS 18 will be adopted on a fully retrospective basis. The focus of IFRS 18 is on presentation and disclosure. The Group does not anticipate any valuation adjustments to arise on adoption of IFRS 18.

There are also amendments to other existing standards and interpretations that are applicable for the first time for financial periods beginning 1 January 2026, specifically Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments, which is effective from 1 January 2026. Since the Group has not elected to apply the derecognition criteria for financial liabilities, and the other amendments are not applicable to the Group, these amendments do not impact its consolidated financial statements.

Risk disclosures

For the six months ended 30 June 2026

The Group is exposed to risks from several sources, classified into six primary risk categories. These are insurance risk, market risk, liquidity risk, credit risk, operational risk and strategic risk. The primary risk to the Group is insurance risk.

The six risk categories are discussed in detail on pages 158 to 174 in the Group's Annual Report and Accounts for the year ended 31 December 2025. These remain the most relevant risks and uncertainties for the Group for the six month period to 30 June 2026. The Group does not provide full risk disclosures as part of its interim reporting to 30 June 2026, but instead focuses only on material risks and material changes to the risk disclosures from the year ended 31 December 2025.

Catastrophe management

The Group actively monitors risk levels and manages catastrophe risk accumulations using reinsurance and PML based risk tolerances, which are monitored as part of our climate-related risks. The Group's exposures to certain peak zone elemental losses, as a percentage of tangible capital, including long-term debt, are shown below. Net loss estimates are undiscounted before income tax and net of reinstatement premiums and outwards reinsurance on a first occurrence return period basis.

100 year return period estimated net loss[1]		30 June 2026 $m	30 June 2026 % of tangible capital	31 December 2025 $m	31 December 2025 % of tangible capital
Zones	**Perils**				
Gulf of Mexico[2]	Hurricane	**227.9**	**13.5%**	337.1	19.8%
California	Earthquake	**184.0**	**10.9%**	255.1	15.0%
Non-Gulf of Mexico – US	Hurricane	**186.4**	**11.1%**	239.5	14.1%
Pan-European	Windstorm	**63.6**	**3.8%**	109.6	6.4%
Japan	Earthquake	**47.5**	**2.8%**	78.7	4.6%
Japan	Typhoon	**42.5**	**2.5%**	78.8	4.6%
Pacific North West	Earthquake	**42.0**	**2.5%**	41.6	2.4%

250 year return period estimated net loss[1]		30 June 2026 $m	30 June 2026 % of tangible capital	31 December 2025 $m	31 December 2025 % of tangible capital
Zones	**Perils**				
Gulf of Mexico[2]	Hurricane	**420.8**	**25.0%**	464.4	27.3%
California	Earthquake	**214.6**	**12.7%**	284.3	16.7%
Non-Gulf of Mexico – US	Hurricane	**429.0**	**25.4%**	421.5	24.7%
Pan-European	Windstorm	**84.2**	**5.0%**	173.4	10.2%
Japan	Earthquake	**81.6**	**4.8%**	164.6	9.7%
Japan	Typhoon	**64.6**	**3.8%**	114.7	6.7%
Pacific North West	Earthquake	**149.1**	**8.8%**	177.6	10.4%

1. Estimated net loss balances presented in the tables above are not subject to the external auditor's independent review report.
2. Landing hurricane from Florida to Texas.

There can be no guarantee that the modelled assumptions and techniques deployed in calculating these figures are accurate. There could also be an unmodelled loss which exceeds these figures. In addition, any modelled loss scenario could cause a larger loss to capital than the modelled expectation from the above return periods.

Emerging risk

There have been no significant new emerging risks identified in addition to those disclosed on page 158 of the Group's 31 December 2025 Annual Report and Accounts.

Notes to the financial statements

For the six months ended 30 June 2026

1. General information

The Group is a provider of global specialty (re)insurance products with operations in London, Bermuda, the US, and Australia. LHL (registered number 37415) was incorporated under the laws of Bermuda and its common shares trade on the main market of the LSE. LHL's head office and registered office is Power House, 7 Par-la-Ville Road, Hamilton HM 11, Bermuda.

The unaudited condensed interim consolidated financial statements for the six months ended 30 June 2026 include LHL's subsidiary companies, the Group's investment in associate, and the Group's share of the syndicates' assets and liabilities, and income and expenses. A full listing of the Group's related parties can be found in note 22 of the Group's 31 December 2025 Annual Report and Accounts.

2. Segmental reporting

Management and the Board of Directors review the Group's insurance business primarily by its two principal segments: reinsurance and insurance. These segments are therefore deemed to be the Group's operating segments for the purposes of segmental reporting. Lines of business are underwritten within each operating segment. These lines of business are written primarily, but not exclusively, on a reinsurance or insurance basis.

Operating segment performance is measured by the insurance service result and net insurance ratio. The performance of the overall Group is measured by the combined ratio on both an undiscounted and discounted basis.

All amounts reported are transactions with external parties and the Group's associate. There are no significant inter-segmental transactions, and there are no significant insurance or reinsurance contracts that insure or reinsure risks located in Bermuda, the Group's country of domicile.

Insurance revenue geographical split

	2026			2025		
For the six months ended 30 June	Reinsurance $m	Insurance $m	Total $m	Reinsurance $m	Insurance $m	Total $m
US and Canada	**251.6**	**196.1**	**447.7**	244.7	169.6	414.3
Worldwide – multi territory	**136.4**	**145.1**	**281.5**	161.0	190.8	351.8
Europe	**28.9**	**62.3**	**91.2**	25.4	44.9	70.3
Rest of world	**20.1**	**89.5**	**109.6**	19.5	74.2	93.7
Total insurance revenue	**437.0**	**493.0**	**930.0**	450.6	479.5	930.1

Revenue and expenses by operating segment

	2026			2025		
For the six months ended 30 June	Reinsurance $m	Insurance $m	Total $m	Reinsurance $m	Insurance $m	Total $m
Insurance revenue	**437.0**	**493.0**	**930.0**	450.6	479.5	930.1
Insurance service expenses	**(215.3)**	**(378.6)**	**(593.9)**	(346.0)	(446.1)	(792.1)
Insurance contract result before reinsurance contracts held	**221.7**	**114.4**	**336.1**	104.6	33.4	138.0
Allocation of reinsurance premiums	**(102.0)**	**(129.8)**	**(231.8)**	(80.2)	(123.4)	(203.6)
Amounts recoverable from reinsurers	**5.8**	**88.7**	**94.5**	56.0	165.3	221.3
Net (expense) income from reinsurance contracts held	**(96.2)**	**(41.1)**	**(137.3)**	(24.2)	41.9	17.7
Insurance services result	**125.5**	**73.3**	**198.8**	80.4	75.3	155.7
Finance expense from insurance contracts issued	**(14.7)**	**(17.1)**	**(31.8)**	(41.9)	(31.1)	(73.0)
Finance income from reinsurance contracts held	**2.6**	**5.2**	**7.8**	6.4	9.9	16.3
Net insurance financing result	**(12.1)**	**(11.9)**	**(24.0)**	(35.5)	(21.2)	(56.7)
Net investment return			**51.3**			108.2
Other operating expenses			**(64.4)**			(64.2)
Net other unallocated (expenses) and income			**(10.7)**			(24.4)
Profit before tax			**151.0**			118.6
Net insurance ratio	**62.5%**	**79.8%**	**71.5%**	78.3%	78.9%	78.6%
Net operating expense ratio			**9.2%**			8.8%
Combined ratio (discounted)			**80.7%**			87.4%
Discounting impact on combined ratio			**10.1%**			10.4%
Combined ratio (undiscounted)			**90.8%**			97.8%

Notes to the financial statements *continued*
For the six months ended 30 June 2026

3. Net insurance financing result

Insurance contracts issued, and reinsurance contracts held, are accounted for on a discounted basis. The table below shows the total impact of discounting recognised in the unaudited condensed interim consolidated statement of comprehensive income for the six months ended 30 June 2026 and 30 June 2025.

	2026			2025		
For the six months ended 30 June	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	**83.5**	**(13.1)**	**70.4**	102.0	(26.3)	75.7
Unwind of discount	**(51.3)**	**11.6**	**(39.7)**	(50.3)	11.5	(38.8)
Impact of change in assumptions	**19.5**	**(3.8)**	**15.7**	(22.7)	4.8	(17.9)
Finance (expense) income	**(31.8)**	**7.8**	**(24.0)**	(73.0)	16.3	(56.7)
Total net discounting income (expense)	**51.7**	**(5.3)**	**46.4**	29.0	(10.0)	19.0

4. Net investment return

For the six months ended 30 June	2026 $m	2025 $m
Interest and dividend income on financial investments	**70.4**	69.1
Interest income on cash and cash equivalents	**7.9**	12.2
Net realised gains (losses)	**5.8**	(1.3)
Net unrealised (losses) gains	**(29.6)**	31.0
Investment income	**54.5**	111.0
Investment management fees	**(3.2)**	(2.8)
Total net investment return	**51.3**	108.2

Interest income on cash and cash equivalents within the table above includes $5.8 million (30 June 2025 - $7.6 million) of interest income on operating cash and cash equivalents. As at 30 June 2026 cash and cash equivalents includes managed cash and cash equivalents of $213.7 million (31 December 2025 - $161.2 million).

5. Expenses

	2026			2025		
For the six months ended 30 June	Other operating expenses $m	Directly attributable expenses $m	Total expenses $m	Other operating expenses $m	Directly attributable expenses $m	Total expenses $m
Employee remuneration costs	**41.5**	**38.1**	**79.6**	42.1	35.8	77.9
Operating expenses	**22.9**	**27.5**	**50.4**	22.1	23.4	45.5
Total	**64.4**	**65.6**	**130.0**	64.2	59.2	123.4

Directly attributable expenses comprise fixed and variable expenses incurred by the Group in the reporting period that relate directly to fulfilling insurance contracts issued, and have been allocated to insurance service expenses within the consolidated statement of comprehensive income.

Notes to the financial statements *continued*

For the six months ended 30 June 2026

6. Tax

For the six months ended 30 June	2026 $m	2025 $m
Corporation tax charge for the period	**13.8**	9.1
Adjustments in respect of prior period corporation tax	**(0.8)**	—
Deferred tax (credit) charge for the period	**(3.7)**	0.3
Total tax charge	**9.3**	9.4

Tax reconciliation[1]	2026 $m	2025 $m
Profit before tax	**151.0**	118.6
Tax calculated at the standard corporation tax rate applicable in Bermuda of 15% (2025: 15%)	**22.7**	17.8
Effect of income taxed at a higher rate	**4.1**	3.2
Effect of income tax at a lower rate for Bermuda entities currently out of scope	**(16.6)**	(12.4)
Adjustments in respect of prior period	**(0.8)**	—
Differences related to equity based compensation	**(0.5)**	—
Other expense permanent differences	**0.4**	0.8
Total tax charge	**9.3**	9.4

1. All tax reconciling balances have been classified as recurring items.

The total tax charge as a percentage of the Group's profit before tax is 6.2% (30 June 2025 – 7.9%). The UK, US and Australia subsidiaries of LHL are subject to corporation tax on all their taxable profits.

7. Investments

The Group determines the fair value of each individual security utilising the highest-level inputs of the fair value hierarchy, as defined below. The fair value of fixed maturity investments is determined from quotations received from third-party recognised pricing services. The Group receives independent assurance reports to assess the design and operating effectiveness of controls over these processes. The fair value of private investment funds is estimated based on the most recently available NAV as advised by the external fund manager or third-party administrator.

The pricing sources use bid prices where available, otherwise indicative prices are quoted based on observable market trade data. The prices provided are compared to the investment managers' own pricing.

The Group has not made any adjustments to the pricing provided by its third-party investment managers for either the six months ended 30 June 2026 or the six months ended 30 June 2025.

The fair values of securities within the Group's investment portfolio are estimated using the following valuation techniques in accordance with the fair value hierarchy:

Level (i)

Level (i) investments are securities with quoted prices in active markets. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions, on an arm's length basis.

Level (ii)

Level (ii) investments are securities with quoted prices in active markets for similar assets or liabilities, or securities valued using other valuation techniques for which all significant inputs are based on observable market data. Instruments included in Level (ii) are valued through independent external sources using directly observable inputs to models or other valuation methods. The valuation methods used are typically of an industry-accepted standard and include broker-dealer quotes and pricing models, including present values and future cash flows, together with inputs such as yield curves, interest rates, prepayment profiles, and default rates.

Level (iii)

Level (iii) investments are securities for which valuation techniques are not based on observable market data, and therefore require management judgement to determine an appropriate fair value. The Group determines securities classified as Level (iii) to include private investment funds and hedge funds.

Notes to the financial statements *continued*
For the six months ended 30 June 2026

The fair value hierarchy of the Group's investment holdings is as follows:

	30 June 2026				31 December 2025			
As at	Level (i) $m	Level (ii) $m	Level (iii) $m	Total $m	Level (i) $m	Level (ii) $m	Level (iii) $m	Total $m
Short-term investments	**0.4**	**18.0**	**—**	**18.4**	7.8	7.2	—	15.0
Fixed maturity funds	**—**	**35.1**	**—**	**35.1**	—	30.4	—	30.4
US treasuries	**407.1**	**—**	**—**	**407.1**	392.9	—	—	392.9
Other government bonds	**44.9**	**72.9**	**—**	**117.8**	24.6	96.3	—	120.9
US municipal bonds	**—**	**10.4**	**—**	**10.4**	2.3	8.8	—	11.1
US government agency debt	**2.2**	**1.7**	**—**	**3.9**	2.3	1.7	—	4.0
Asset backed securities	**3.5**	**319.3**	**—**	**322.8**	1.6	301.8	—	303.4
US government agency MBS	**—**	**360.9**	**—**	**360.9**	15.0	391.0	—	406.0
Non-agency MBS	**—**	**111.3**	**—**	**111.3**	—	97.8	—	97.8
US government agency CMBS	**—**	**1.1**	**—**	**1.1**	—	1.1	—	1.1
Non-agency CMBS	**2.0**	**68.8**	**—**	**70.8**	—	54.6	—	54.6
Bank loans	**—**	**155.4**	**—**	**155.4**	—	153.7	—	153.7
Corporate bonds	**1,010.5**	**132.9**	**—**	**1,143.4**	1,051.5	167.8	—	1,219.3
Total fixed maturity securities	**1,470.6**	**1,287.8**	**—**	**2,758.4**	1,498.0	1,312.2	—	2,810.2
Private investment funds	**—**	**—**	**308.7**	**308.7**	—	—	291.2	291.2
Hedge funds	**—**	**—**	**7.1**	**7.1**	—	—	8.8	8.8
Other investments	**—**	**0.4**	**—**	**0.4**	—	(0.3)	—	(0.3)
Total investments	**1,470.6**	**1,288.2**	**315.8**	**3,074.6**	1,498.0	1,311.9	300.0	3,109.9

The Group determines whether transfers have occurred between levels of the fair value hierarchy by reassessing the categorisation at the end of each reporting period.

Transfers between Level (i) to Level (ii) securities amounted to $37.1 million and transfers from Level (ii) to Level (i) securities amounted to $40.3 million during the six months ended 30 June 2026.

The table below analyses the movements in investments classified as Level (iii) investments:

	Private investment funds $m	Hedge funds $m	Total $m
As at 31 December 2025	291.2	8.8	300.0
Purchases and capital contributions	**85.3**	**—**	**85.3**
Sales and return of capital	**(67.9)**	**—**	**(67.9)**
Net unrealised gains (losses)	**1.7**	**(1.7)**	**—**
Net unrealised foreign exchange losses	**(1.6)**	**—**	**(1.6)**
As at 30 June 2026	**308.7**	**7.1**	**315.8**

There have been no transfers into or out of the Level (iii) investments during the period.

Net unrealised losses recognised in profit or loss related to Level (iii) investments still held as at 30 June 2026 are nil.

Notes to the financial statements *continued*

For the six months ended 30 June 2026

8. Insurance and reinsurance contracts

The table below shows how the net carrying amounts of insurance contracts issued changed during the six months ended 30 June 2026:

	Liability for remaining coverage	Liability for incurred claims		
	Including loss component $m	Estimates of the present value of future cash flows $m	Risk adjustment $m	Total $m
Net insurance contract liabilities (assets) as at 31 December 2025	**67.3**	**2,273.0**	**371.8**	**2,712.1**
Insurance revenue	(930.0)	—	—	(930.0)
Insurance service expenses				
• Incurred claims and other insurance service expenses	—	439.0	45.7	484.7
• Changes in liability for incurred claims	—	74.2	(74.8)	(0.6)
• Losses and reversals of losses on onerous underlying contracts	(4.0)	—	—	(4.0)
• Amortisation of insurance acquisition cash flows	113.8	—	—	113.8
Insurance service result before reinsurance contracts held	**(820.2)**	**513.2**	**(29.1)**	**(336.1)**
Finance expense from insurance contracts issued	—	27.4	4.4	31.8
Effects of movements in exchange rates	(1.8)	(7.5)	(1.0)	(10.3)
Total changes in comprehensive income	**(822.0)**	**533.1**	**(25.7)**	**(314.6)**
Investment components	(27.9)	27.9	—	—
Other[1]	—	8.2	1.5	9.7
Other changes	**(27.9)**	**36.1**	**1.5**	**9.7**
Premiums received net of insurance acquisition cash flows	764.5	—	—	764.5
Claims and other expenses paid	—	(540.0)	—	(540.0)
Total cash flows	**764.5**	**(540.0)**	**—**	**224.5**
Net insurance contract liabilities (assets) as at 30 June 2026	**(18.1)**	**2,302.2**	**347.6**	**2,631.7**

1. Other includes the effect of the 2023 and prior underwriting years of account losses and loss adjustment expenses, and reinsurance recoveries, being reinsured to close into the 2024 underwriting year of account, to the extent where the Group's syndicate participation has changed between those years of account.

The liability for remaining coverage as at 30 June 2026 includes an onerous loss component of $7.6 million (31 December 2025 - $11.5 million).

Notes to the financial statements *continued*

For the six months ended 30 June 2026

The table below shows how the net carrying amounts of reinsurance contracts held changed during the six months ended 30 June 2026:

	Liability for remaining coverage	Liability for incurred claims		
	Including loss component $m	Estimates of the present value of future cash flows $m	Risk adjustment $m	Total $m
Net reinsurance contract (assets) liabilities as at 31 December 2025	**39.2**	**(669.7)**	**(87.3)**	**(717.8)**
Allocation of reinsurance premium paid	**231.8**	**—**	**—**	**231.8**
Amounts recoverable from reinsurers				
• Recoveries of incurred claims and other insurance service expenses	**—**	**(41.1)**	**(5.6)**	**(46.7)**
• Change in assets for incurred claims in relation to past service	**—**	**(73.3)**	**33.5**	**(39.8)**
• Reinsurance expenses	**(9.4)**	**—**	**—**	**(9.4)**
• Recoveries and reversals of recoveries of losses on onerous underlying contracts	**1.6**	**—**	**—**	**1.6**
• Effect of changes in non-performing risk of reinsurers	**—**	**(0.2)**	**—**	**(0.2)**
Net expenses from reinsurance contracts held	**224.0**	**(114.6)**	**27.9**	**137.3**
Finance income from reinsurance contracts held	**—**	**(6.7)**	**(1.1)**	**(7.8)**
Effects of movements in exchange rates	**0.1**	**3.0**	**0.2**	**3.3**
Total changes in comprehensive income	**224.1**	**(118.3)**	**27.0**	**132.8**
Other[1]	**(0.1)**	**(5.3)**	**(0.6)**	**(6.0)**
Other changes	**(0.1)**	**(5.3)**	**(0.6)**	**(6.0)**
Reinsurance premiums paid net of ceding commissions and other directly attributable expenses	**(206.4)**	**—**	**—**	**(206.4)**
Recoveries from reinsurance	**—**	**136.0**	**—**	**136.0**
Total cash flows	**(206.4)**	**136.0**	**—**	**(70.4)**
Net reinsurance contract (assets) liabilities as at 30 June 2026	**56.8**	**(657.3)**	**(60.9)**	**(661.4)**

1. Other includes the effect of the 2023 and prior underwriting years of account losses and loss adjustment expenses, and reinsurance recoveries, being reinsured to close into the 2024 underwriting year of account, to the extent where the Group's syndicate participation has changed between those years of account.

The asset for remaining coverage as at 30 June 2026 includes an onerous loss component of $3.9 million (31 December 2025 - $5.4 million).

Loss environment

During the first six months of 2026, the Group experienced net losses (undiscounted, excluding reinstatement premiums) from catastrophe, weather and large loss events totalling $60.1 million. None of the catastrophe or large risk event losses was individually material for the Group. This is a significant reduction compared with the prior year period (2025: $211.2 million) in which the California wildfires represented the majority of the net losses.

Favourable prior accident year loss development for the undiscounted net movement in loss reserves was $21.8 million during the first six months of 2026. This is significantly lower than the $109.1 million released in the same period in 2025, where we recognised releases across a number of prior year catastrophe events. For 2026, favourable development was seen primarily on the 2023 and 2025 accident years, partially offset by adverse development on the 2024 accident year following an increase in our reserves on the MV Dali Baltimore Bridge loss to our full policy limits, thereby capping any further downside from this event.

Loss information after catastrophe and large risk loss type of events can take some time to emerge. As additional information becomes available, the Group's actual ultimate net losses may vary, perhaps materially, from current estimates. It is reasonably possible that uncertainties inherent in the reserving process, delays in insureds or ceding companies reporting losses to the Group, together with the potential for unforeseen adverse developments, could lead to a material change in estimated losses and loss adjustment expenses. Furthermore, the recoverability of associated reinsurance balances is also subject to uncertainty. Current loss estimates and reinsurance recoveries are based on information available at the reporting date.

There were no other individually significant net loss events for the six months ended 30 June 2026.

Risk adjustment for non-financial risk

The measurement of the LIC and the AIC includes an explicit risk adjustment for non-financial risk. This is estimated separately from the discounted FCF and is applied to the present value of the estimated future cash flows. It reflects the compensation the Group requires, or transfers to a reinsurer, for bearing uncertainty in respect of the amount and timing of the cash flows from non-financial risk as the Group fulfils its insurance contracts issued.

Notes to the financial statements *continued*
For the six months ended 30 June 2026

The Group estimates that FCF within the net of reinsurance LIC (including the risk adjustment for non-financial risks) correspond to a confidence level of 85% (31 December 2025 - 85%) on an ultimate time horizon.

Discounting approach

The table below sets out the one, three, five and seven year yield curves (risk-free rate plus illiquidity premium) used to discount the cash flows of insurance contracts issued and reinsurance contracts held for the Group's major currencies:

	30 June 2026				31 December 2025				30 June 2025			
As at	1 year	3 years	5 years	7 years	1 year	3 year	5 year	7 year	1 year	3 year	5 year	7 year
USD	**4.42%**	**4.66%**	**4.76%**	**4.89%**	3.83%	4.03%	4.31%	4.55%	4.47%	4.22%	4.37%	4.55%
GBP	**4.38%**	**4.72%**	**4.92%**	**5.12%**	3.94%	4.23%	4.51%	4.75%	4.40%	4.42%	4.60%	4.81%
EUR	**3.09%**	**3.41%**	**3.57%**	**3.74%**	2.57%	3.08%	3.43%	3.68%	2.60%	2.92%	3.22%	3.44%
JPY	**1.58%**	**2.31%**	**2.77%**	**3.14%**	1.30%	2.02%	2.35%	2.60%	1.21%	1.63%	1.84%	2.03%

9. Provision for deferred tax

As at	30 June 2026 $m	31 December 2025 $m
Equity based compensation	**(14.9)**	(14.3)
Syndicate underwriting profits	**8.7**	11.4
Syndicate participation rights	**18.8**	18.8
Other temporary differences	**(0.7)**	(0.3)
Net deferred tax liability	**11.9**	15.6

Deferred tax assets are recognised to the extent that realising the related tax benefit through future taxable profits is probable. It is anticipated that sufficient taxable profits will be available within the Group in 2026 and subsequent years to utilise the deferred tax assets recognised when the underlying temporary differences reverse, and the tax losses carried forward.

For the six months ended 30 June 2026 and the year ended 31 December 2025, the Group had no material uncertain tax positions.

The table below reconciles the movements within the net deferred tax liability. All deferred tax assets and liabilities are classified as non-current.

As at	30 June 2026 $m	31 December 2025 $m
Opening net deferred tax liability	**15.6**	22.3
Deferred tax credit for the period	**(3.7)**	(7.2)
Adjustment in respect of prior period deferred tax	**—**	0.8
Deferred tax in equity	**—**	(0.3)
Closing net deferred tax liability	**11.9**	15.6

OECD Global minimum tax and Bermuda corporate income tax

In response to the OECD Pillar Two reforms, Bermuda enacted legislation introducing a 15% Corporation Income Tax ("CIT"), effective 1 January 2025. Where this results in an effective tax rate below 15%, any top-up tax will be collected under the Undertaxed Payments Rule ("UTPR"), also effective from that date, in jurisdictions where the Group operates - expected to be primarily the United Kingdom. However, given the Group's limited international footprint, and subject to meeting the relevant conditions, it expects to qualify for a transitional UTPR exclusion for the period 2025 to 2029. The Group is not expected to fall within the scope of the Bermuda CIT before 1 January 2030, provided it continues to meet the conditions for the temporary exclusion available to groups with limited international presence.

The Lancashire Group has not established any deferred tax assets under the ETA rules of the Bermuda CIT Act and expects to opt out of the ETA rules.

10. Share capital and other reserves

Authorised common shares of $0.50 each	Number	$m
As at 30 June 2026 and 31 December 2025	**3,000,000,000**	**1,500.0**

Allocated, called up and fully paid common shares of $0.50 each	Number	$m
As at 30 June 2026 and 31 December 2025	**244,010,007**	**122.0**

Notes to the financial statements *continued*

For the six months ended 30 June 2026

Own shares held in trust	Total number of own shares	$m
As at 31 December 2025	1,450,286	8.7
Shares purchased by the trust	**1,207,416**	**9.9**
Distributed by the trust	**(1,870,124)**	**(13.0)**
As at 30 June 2026	**787,578**	**5.6**

The number of common shares in issue with voting rights (allocated share capital, less any shares held in treasury or pursuant to a custody arrangement) as at 30 June 2026 was 244,010,007 (31 December 2025 – 244,010,007). As at 30 June 2026 there were no shares held in treasury (31 December 2025 – none). Common shares in issue (other than shares held in treasury) carry voting rights which rank pari passu, and the same rights to receive any dividends and other distributions declared, made or paid by the Company.

Share repurchases

At the AGM held on 29 April 2026, LHL's shareholders approved a renewal of the Company's Repurchase Programme authorising the repurchase of a maximum of 24,401,000 common shares, with such authority to expire on the conclusion of the 2027 AGM or, if earlier, 15 months from the date the resolution approving the Repurchase Programme was passed.

During the six months ended 30 June 2026, no shares were repurchased by the Company under the Repurchase Programme.

Dividends

The Board of Directors has authorised the following dividends:

Type	Per share amount	Record date	Payment date	$m
Special	$0.25	14 Mar 2025	11 Apr 2025	60.2
Final	$0.15	16 May 2025	13 Jun 2025	36.3
Interim	$0.075	15 Aug 2025	15 Sep 2025	18.1
Special	$0.75	14 Nov 2025	12 Dec 2025	181.9
Special	**$0.50**	**20 Mar 2026**	**17 Apr 2026**	**121.5**
Final	**$0.15**	**15 May 2026**	**12 Jun 2026**	**35.6**

11. Commitments and contingencies

Credit facility funds

As at 30 June 2026, the Group has no commitments relating to credit facility funds (31 December 2025 – $50.0 million relating to one credit facility fund).

Private investment funds

The table below shows the dates on which the Group committed to invest in different private investment funds and the amount of the total commitment that remains undrawn as at 30 June 2026.

Amount and date of commitment to invest in private investment funds	Undrawn commitment $m
GBP 50 million on 20 November 2024	**32.4**
USD 50 million on 31 July 2024	**14.0**
EUR 40 million on 11 January 2024	**14.8**
USD 34 million on 28 July 2021	**8.5**
USD 25 million on 9 December 2020	**0.5**
USD 25 million on 5 November 2019	**1.0**
Total commitment to invest in private investment funds	**71.2**

Legal proceedings and regulations

The Group operates in the insurance industry and is therefore, from time to time, subject to legal proceedings in the normal course of business. While it is not practicable to estimate or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on the Group's results and financial position.

Notes to the financial statements *continued*
For the six months ended 30 June 2026

12. Earnings per share

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

For the six months ended 30 June	2026 $m	2025 $m
Profit after tax	**141.7**	109.2

For the six months ended 30 June	2025 Number of shares	2025 Number of shares
Basic weighted average number of shares	**242,625,367**	241,307,308
Dilutive effect of RSS	**8,385,119**	7,012,513
Diluted weighted average number of shares	**251,010,486**	248,319,821

Earnings per share for the six months ended 30 June	2026	2025
Basic	**$0.58**	$0.45
Diluted	**$0.56**	$0.44

Equity based compensation awards are only treated as dilutive when their conversion to common shares would decrease the earnings per share, or increase the loss per share, from continuing operations. Unvested restricted shares without performance criteria are therefore included in the number of potentially dilutive shares. Incremental shares from ordinary restricted share options, where relevant performance criteria have not been met, are not included in the calculation of dilutive shares.

13. Related party disclosures

The Group has a loan facility agreement (the 'Facility') with JTC PLC, the trustee of the EBT. The Facility is an interest-free revolving credit facility under which the trustee can request advances on demand, within the terms of the Facility, up to a maximum aggregate amount of $80.0 million. The Facility may only be used by the trustee for the purpose of achieving the objectives of the EBT.

During the six months to 30 June 2026, the Group had made an advance of $10.0 million (31 December 2025 – $nil) to the EBT under the terms of the Facility.

Key management compensation

Remuneration for key management, the Group's Executive and Non-Executive Directors, was as follows:

For the six months ended 30 June	2026 $m	2025 $m
Short-term compensation	**3.1**	2.9
Equity based compensation	**4.4**	3.8
Directors' fees and expenses	**1.2**	1.4
Total	**8.7**	8.1

Non-Executive Directors do not receive any benefits in addition to their agreed fees, and do not participate in any of the Group's incentive, performance or pension plans.

14. Subsequent events

Dividend

On 28 July 2026, 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 4 September 2026 (the "Dividend Payment Date") to shareholders of record on 7 August 2026 (the "Record Date") using the £ / $ spot market exchange rate at 12 noon London time on the Record Date.

Statement of Directors' responsibilities

The Directors confirm to the best of their knowledge, that the unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 as adopted by the UK and the interim management report herein includes a fair review of the information required by sections 4.2.7R and 4.2.8R of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority, being:

- an indication of important events during the first six months of 2026 and their impact on the unaudited condensed interim consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
- related party transactions that have taken place in the first six months of 2026 and that have materially affected the unaudited condensed interim consolidated financial position or performance of the Group during that period, and any changes in the related party transactions described in the last Annual Report and Accounts that could have such a material effect.

The Directors also confirm that they consider it appropriate to adopt the going concern basis of accounting in preparing these unaudited condensed interim consolidated financial statements. The Directors of the Company are listed on pages 71 to 76 of the Group's 2025 Annual Report and Accounts.

The individuals responsible for authorising this responsibility statement on behalf of the Board on 28 July 2026 are:

Philip Broadley
Director/Chair

Natalie Kershaw
Director/CFO

Independent review report to Lancashire Holdings Limited

Conclusion

We have been engaged by Lancashire Holdings Limited ("the Company") to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2026 which comprises the condensed interim consolidated statement of comprehensive income, the condensed interim consolidated statement of financial position, the condensed interim consolidated statement of changes in shareholders' equity, the condensed interim statement of consolidated cash flows, the risk and other disclosures and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual consolidated financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of consolidated financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Elizabeth Cox

Elizabeth Cox
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square, London, E14 5GL
28 July 2026

Glossary

This glossary covers all defined terms used within the LHL Annual Report and Accounts, and the LHL unaudited condensed interim consolidated financial statements.

ABS

Asset backed securities

Active Underwriter

The individual at a Lloyd's syndicate with principal authority to accept insurance and reinsurance risk on behalf of the syndicate

Aggregate

Accumulations of insurance loss exposures which result from underwriting multiple risks that are exposed to common causes of loss

AGM

Annual General Meeting

AI

Artificial intelligence

AIC

Asset for incurred claims

AIM

A sub-market of the LSE

A.M. Best Company (A.M. Best)

A.M. Best is a full-service credit rating organisation dedicated to serving the financial services industry, focusing on the insurance sector

APMs

Alternative performance measures

ARC

Asset for remaining coverage

BMA

Bermuda Monetary Authority

Board of Directors or Board

Unless otherwise stated refers to the LHL Board of Directors

BREEAM

Building Research Establishment Environmental Assessment Method

BSCR

Bermuda Solvency Capital Requirement

BSX

Bermuda Stock Exchange

CMA

Competition & Markets Authority

CMBS

Commercial mortgage backed securities

CCHL

Cathedral Capital Holdings Limited

CCF

Corporate carbon footprint

CCL

Cathedral Capital Limited

CCL 1998

Cathedral Capital (1998) Limited

CCL 1999

Cathedral Capital (1999) Limited

Ceded

To transfer insurance risk from a direct insurer to a reinsurer and/or from a reinsurer to a retrocessionaire

CEO

Chief Executive Officer

CFO

Chief Financial Officer

CGU

Cash generating unit

Change in DBVS

The IRR of the change in DBVS in the period plus accrued dividends

CIO

Chief Investment Officer

CIT

Corporate income tax

The Code

UK Corporate Governance Code published by the UK FRC at www.frc.org.uk

Combined ratio (discounted)

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

Combined ratio (undiscounted)

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 initial discount recognised within net insurance expenses

Consolidated financial statements

Includes the independent auditor's report, consolidated primary statements, accounting policies, risk disclosures and related notes

Consolidated primary statements

Includes the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows

Glossary *continued*

COO
Chief Operating Officer

CRO
Chief Risk Officer

CUL
Cathedral Underwriting Limited

CUO
Chief Underwriting Officer

Delegated authorities
Arrangements under which a managing agent or (re)insurer delegates its authority to another to enter into contracts of insurance on its behalf

D&F
Direct and facultative (re)insurance

Diluted book value per share (DBVS)
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

Diluted earnings per share
Calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of common shares outstanding during the year, plus the weighted average number of common shares that would be issued on the conversion of all potentially dilutive equity-based compensation awards into common shares under the treasury stock method

Directors' fees and expenses
Unless otherwise stated, includes fees and expenses of all Directors across the Group

Duration
Duration is the weighted average maturity of a security's cash flows, where the present values of the cash flows serve as the weights. The effect of the convexity, or sensitivity, of the portfolio's response to changes in interest rates is also factored into the calculation

EAP
Employee Assistance Programme

Earnings per share (EPS)
Calculated by dividing net profit for the year attributable to shareholders by the weighted average number of common shares outstanding during the year, excluding treasury shares and shares held by the EBT

EBT
Lancashire Holdings Employee Benefit Trust

ECA
Economic Capital Assessment

ECL
Expected credit losses

ERM
Enterprise Risk Management

ERF
Emerging Risk Forum

ESG
Environmental, Social and Governance

ETA
Economic Transition Adjustment, under the Bermuda Corporate Income Tax (CIT) regime

EU
European Union

Excess of loss
Reinsurance or insurance that indemnifies the reinsured or insured against all or a specified portion of losses on an underlying insurance policy in excess of a specified amount

EY or EY LLP
Ernst & Young LLP, a UK limited liability partnership

Facultative reinsurance
A reinsurance risk that is placed by means of a separately negotiated contract as opposed to one that is ceded under a reinsurance treaty

FAL
Funds at Lloyd's

FCA
Financial Conduct Authority

FCF
Fulfilment cash flows

FRC
Financial Reporting Council

FSMA
The Financial Services and Markets Act 2000 (as amended from time to time)

FTC
Fixed-term contract

FTE
Full-time employee

FVOCI
Fair value through other comprehensive income

FVTPL
Fair value through profit or loss

G10
Belgium, Canada, Germany, France, Italy, Japan, the Netherlands, Sweden, the United Kingdom, and the United States

Glossary *continued*

GAAP

Generally accepted accounting principles

GDPR

General Data Protection Regulation

GEC

Group Executive Committee

GHG

Greenhouse gas emissions, covers carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), nitrogen trifluoride (NF_3) and sulphur hexafluoride (SF_6)

GHG Protocol

Greenhouse Gas Protocol Corporate Accounting and Reporting Standard

GloBE Rules

The Global Anti-Base Erosion Rules

GMM

General Measurement Model

The Group or the Lancashire Group

LHL and its subsidiaries

GPU

Graphics processing unit

GWP

Gross premiums written. Amounts payable by the insured, including any brokerage and commission deducted by intermediaries, and including inwards reinstatement premiums, but excluding any taxes or duties levied on the premium

IFRS

International Financial Reporting Standard(s), created by the IASB, for the preparation and presentation of financial statements

IFRS 9

International Financial Reporting Standard on Financial Instruments: Classification and Measurement

IFRS 17

International Financial Reporting Standard on Insurance Contracts

ILS

Insurance Linked Securities

Incurred but not reported (IBNR)

These are anticipated or likely losses that may result from insured events which have taken place, but for which no losses have yet been reported. IBNR also includes a reserve for possible adverse development of previously reported losses

Industry loss warranty (ILW)

A type of reinsurance or derivative contract through which one party will purchase protection based on the total loss arising from an event to the entire insurance industry rather than their own losses

Internal Audit Charter

A formal written document that sets out the mission, scope, responsibilities, authority, professional standards and the relationship with the external auditors and regulatory bodies of the internal audit function with the Company and its subsidiaries

IAS

International Accounting Standard(s), created by the IASB, for the preparation and presentation of financial statements. Now largely superseded by IFRS

International Accounting Standards Board (IASB)

An international panel of accounting experts responsible for developing IAS and IFRS

IIR

Income Inclusion Rule, under the OECD Pillar Two reform

IRR

Internal rate of return

IRRC

Investment Risk and Return Committee

ISA

International Standards on Auditing (UK)

KHL

Kinesis Holdings I Limited

Kinesis

The Group's third-party capital management division encompassing LCM, LCMMSL and the management of KHL and KRL

KPI

Key performance indicator

KPMG or KPMG LLP

KPMG LLP, a UK limited liability partnership

KRI

Key risk indicator

KRL (Kinesis Re)

Kinesis Reinsurance I Limited

Lancashire Foundation or Foundation

The Lancashire Foundation is a charity registered in England and Wales

Lancashire Insurance Companies

LICL and LUK

Glossary *continued*

LAPL
Lancashire Australia Pty Limited

LCM
Lancashire Capital Management Limited

LCMMSL
LCM Marketing Services Limited, formerly known as KCM Marketing Services Limited

LEN
Lancashire Employee Network

LHAPL
Lancashire Holdings Australia Pty Limited

LHL (The Company)
Lancashire Holdings Limited

LHUS
Lancashire Insurance Holdings (US) LLC

LIC
Liability for incurred claims

LICL
Lancashire Insurance Company Limited

LICLIHL
LICL Investment Holdings Limited, previously known as Lancashire Blocker (Cayman) Limited

LIHL
Lancashire Insurance Holdings (UK) Limited

LIMSL
Lancashire Insurance Marketing Services Limited

LISL
Lancashire Insurance Services Limited

Listing Rules
The listing rules made by the FCA under part VI of FSMA (as amended from time to time)

Lloyd's
The Society of Lloyd's

LMSCL
Lancashire Management Services (Canada) Limited

LOC
Letter of credit

Losses
Demand by an insured for indemnity under an insurance contract

LRC
Liability for remaining coverage

LSE
London Stock Exchange

LSL or Lancashire Syndicates
Lancashire Syndicates Limited, the managing agent of the syndicates

LUAPL
Lancashire Underwriting Australia Pty Limited

LUK or Lancashire UK
Lancashire Insurance Company (UK) Limited

LUS or Lancashire Insurance US
Lancashire Insurance (US) LLC

Managed cash
Managed cash includes both cash managed by external investment managers and non-operating cash managed internally

MBRT
Multi-beneficiary reinsurance trust

MBS
Mortgage backed securities

MGA
Managing General Agent

Moody's Investors Service (Moody's)
Moody's Corporation is the parent company of Moody's Investors Service, which provides credit ratings and research covering debt instruments and securities, and Moody's Analytics, which offers software, advisory services and research for credit and economic analysis, and financial risk management

MSCI
A provider of tools and services for the global investment community

NAIC
The National Association of Insurance Commissioners

Nameco
Nameco (No. 801) Limited

NAV
Net asset value

NDIC
Non-distinct investment component

Net insurance expense
Net insurance expenses represent claims-related insurance service expenses less amounts recoverables from reinsurers

Net insurance ratio
Ratio, in per cent, of net insurance expense to net insurance revenue

Glossary *continued*

Net insurance revenue

Net insurance revenue represents insurance revenue less allocation of reinsurance premiums

OECD

Organisation for Economic Co-operation and Development

Official List

The official list of the FCA

Onerous contract

A contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it

Operating expense ratio

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

ORIF

Outwards Reinsurance Forum

ORSA

Own Risk and Solvency Assessment

OTC

Over the counter

P&C

Property and casualty

PAA

Premium Allocation Approach

PIPA

Personal Information Protection Act

PML

Probable maximum loss. The Group's exposure to certain peak zone elemental losses

PRA

Prudential Regulation Authority

Pro-rata/proportional

Reinsurance or insurance where the reinsurer or insurer shares a proportional part of the original premiums and losses of the reinsured or insured

QBR

Quarterly Business Review

QDMTT

Qualified Domestic Minimum Top-up Tax, under the OECD Pillar Two reform

RCC

Risk and Compliance Committee

RDS

Realistic Disaster Scenarios

RFI

Request for information

RFP

Request for proposal

Renewal Price Index (RPI)

The 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 assessment noted above. To enhance the RPI methodology, management may revise the methodology assumptions underlying the RPI, so that 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. RPIs are expressed as an approximate percentage of pricing achieved on similar contracts written in the corresponding year

Retrocession

The insurance of a reinsurance account

Risk Free Rate of Return (RFRoR)

Being the 13-week US Treasury bill rate, unless otherwise stated

RMF

Risk Management Framework

RoE

Return on Equity

RRC

Risk and Return Committee

RSC

Reinsurance Security Committee

RSS

Restricted share scheme

S&P Global Ratings (S&P)

S&P Global Ratings is a worldwide insurance rating and information agency whose ratings are recognised as a benchmark for assessing the financial strength of insurance-related organisations

SCR

Solvency Capital Requirement

SECR

Streamlined Energy and Carbon Reporting

Glossary *continued*

SID

Senior Independent Director

Simple RoE

For the purpose of a remuneration metric, Simple RoE is profit after tax divided by average equity

Syndicate 2010

Lloyd's Syndicate 2010, managed by LSL

Syndicate 3010

Lloyd's Syndicate 3010, managed by LSL

TCFD

Task Force on Climate-related Financial Disclosures

The syndicates

Syndicates 2010 and 3010

TOBA

Terms of business agreement

Total investment return

Total investment return measures investment income and net realised and unrealised gains and losses produced from the Group's managed investment and cash and cash equivalents portfolio. This excludes interest income on non-managed cash and cash equivalents, and includes foreign exchange

Total shareholder return (TSR)

The increase/(decrease) in share price in the period, measured on a total return basis, which assumes the reinvestment of dividends (included at the ex-dividend date)

Treaty reinsurance

A reinsurance contract under which the reinsurer agrees to offer and to accept all risks of a certain size within a defined class

UK

United Kingdom

UNEP FI

The United Nations Environment Programme Finance Initiative

UNL

Ultimate net loss

UNPRI

UN-supported Principles for Responsible Investment

US

United States of America

uSCR

Ultimate Solvency Capital Requirement

US GAAP

Accounting principles generally accepted in the US

UTPR

Undertaxed Profits Rule

UURC

The Underwriting and Underwriting Risk Committee, a Committee of the Board

Value at Risk (VaR)

A measure of the risk of loss of a specific portfolio of financial assets

Alternative performance measures

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 is not subject to the external auditor's independent review report.

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	2026	2025
Insurance service expenses	**593.9**	792.1
Amounts recoverable from reinsurers	**(94.5)**	(221.3)
Net insurance expenses	**499.4**	570.8
Insurance revenue	**930.0**	930.1
Allocation of reinsurance premium	**(231.8)**	(203.6)
Net insurance revenue	**698.2**	726.5
Net insurance ratio	**71.5%**	78.6%

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	2026	2025
Other operating expenses	**64.4**	64.2
Net insurance revenue	**698.2**	726.5
Operating expense ratio	**9.2%**	8.8%

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	2026	2025
Net insurance ratio	**71.5%**	78.6%
Operating expense ratio	**9.2%**	8.8%
Combined ratio (discounted)	**80.7%**	87.4%

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	2026	2025
Combined ratio (discounted)	**80.7%**	87.4%
Discount included in net insurance expenses	**70.4**	75.7
Net insurance revenue	**698.2**	726.5
Discounting impact on combined ratio	**10.1%**	10.4%
Combined ratio (undiscounted)	**90.8%**	97.8%

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 stock method), assuming all are exercised.

As at	30 June 2026	31 December 2025
Shareholders' equity attributable to the Group	**1,490.0**	1,509.3
Common voting shares outstanding*	**243,222,429**	242,559,721
Shares relating to dilutive restricted stock	**8,533,468**	8,555,268
Fully converted book value denominator	**251,755,897**	251,114,989
Diluted book value per share	**$5.92**	$6.01

*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 2026	31 December 2025
Opening DBVS	**$6.01**	$6.03
Q1 dividend per share	**$0.50**	$0.25
Q2 dividend per share	**$0.15**	$0.15
Q3 dividend per share	**—**	$0.075
Q4 dividend per share	**—**	$0.75
Closing DBVS	**$5.92**	$6.01
Change in DBVS	**9.7%**	20.9%

Alternative performance measures *continued*

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	2026	2025
Net investment return	**51.3**	108.2
Less interest income on non-managed cash and cash equivalents	**(5.8)**	(7.6)
Net foreign exchange (losses)/ gains related to investments and managed cash and cash equivalents	**(4.9)**	15.7
Net investment return adjusted for interest and foreign exchange	**40.6**	116.3
Average invested assets including managed cash and cash equivalents*	**3,279.7**	3,211.4
Approximate total investment return	**1.2%**	3.6%
Reported total investment return	**1.2%**	3.7%

*Calculated as the average between the opening and closing investments and 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 2026	31 December 2025
Opening share price	**$8.62**	$8.25
Q1 dividend per share	**$0.50**	$0.25
Q2 dividend per share	**$0.15**	$0.15
Q2 closing share price	**$8.55**	—
Q3 dividend per share	**—**	$0.075
Q4 dividend per share	**—**	$0.75
Q4 closing share price	**—**	$8.62
Total shareholder return	**6.7 %**	19.4 %

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	2026	2025
Gross premiums written	**1,315.0**	1,356.2
Change in unearned premiums	**(223.5)**	(246.0)
Gross premiums earned	**1,091.5**	1,110.2
Adjust for reinstatement premiums	**(15.4)**	(41.2)
Less commission and non-distinct investment components	**(146.1)**	(138.9)
Total insurance revenue	**930.0**	930.1

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	2026	2025
Gross premiums written by the Group	**1,315.0**	1,356.2
LSL Syndicate 2010 - external Names portion of gross premiums written (unconsolidated)	**3.4**	53.5
Total gross premiums written under management	**1,318.4**	1,409.7

Note regarding forward-looking statements

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 2025. IN ADDITION TO THOSE FACTORS CONTAINED IN THE GROUP'S 2025 ANNUAL REPORT AND ACCOUNTS, ANY FORWARD-LOOKING STATEMENTS CONTAINED IN THIS RELEASE MAY BE AFFECTED BY: A CONTINUATION OR ESCALATION OF GLOBAL OR REGIONAL TRADE DISRUPTION ARISING FROM THE CONFLICT IN THE MIDDLE EAST 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.