Fidelis: Investor Update

April 2020

Ready for the future

We’re set up to be nimble. We operate across multiple platforms drawing from a broad pool of underwriting experience to provide creative solutions to our business partners. So we guarantee innovative insurance and reinsurance solutions. Rapid decision-making. And the ability to respond fast to an ever-changing world.
Fidelis is a leading specialty, bespoke and (re)insurance business built on a 30 year track record of outperformance that continues to beat the market in terms of its underwriting and returns.

**Diversified business mix across both line of business and geography, built on the four pillar strategy**

**Business Mix**

<table>
<thead>
<tr>
<th>GPW (outer circle) &amp; NPW (inner circle)</th>
<th>Underwriting Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Medium term</strong></td>
</tr>
<tr>
<td>Reinsurance</td>
<td>Bespoke</td>
</tr>
<tr>
<td>42%</td>
<td>31%</td>
</tr>
</tbody>
</table>

**Key Events**

- **2014**
  - Founded by Richard Brindle and incorporated in Bermuda
- **2015**
  - Capital raised through 2 private placements for a total of $1.5bn via CVC, Pinebrook, Crestview and GS HNW
- **2016**
  - Fidelis generates an underwriting profit in its first full year of operation
- **2017**
  - Fidelis implements its MGA strategy (Radius, Pine Walk)
- **2018**
  - Fidelis expands to Dublin, launches an ILS sidecar
- **2019**
  - Fidelis receives S&P rating of A-
- **2020**
  - Fidelis raises $300m equity to take advantage of favourable market conditions

*This slide contains forward-looking information. See “Important Notice” slide at the end of this presentation.*

*Source: Company information*
Fidelis operates a diversified business model based on 4 pillars (bespoke, reinsurance, specialty and partnership / fee income), with high degrees of complementarity.

### The Four Pillar Strategy

**Bespoke**
- Transactional Liabilities
  - Cyber
- Credit & political Risk
- Political Violence
- Other Bespoke

**Reinsurance**
- Natural Catastrophe
  - Reinsurance
- Property Retrocession
- Composite/Multiclass

**Specialty**
- Aviation
- Energy
- Marine
- Property and D&F

**Socium (Partnership / Fee Income)**
- Catastrophe Quota Shares
- Bespoke & Specialty
- Third Party Vehicle Capital
- MGA Platform

### 2019 Gross Premiums Written: $811m

- Little / no correlation to peak catastrophe perils so highly capital efficient
- Unique products driving better loss ratios and high barriers to entry
- Fidelis is 98% lead on its Bespoke business

- Homogeneous book of cat reinsurance with no volatile single risk business
- Market-leading analytics capabilities
- Protected by QS, Aggregate & XOL retro cover

- 30+ years of trading relationships and experience in all lines allows Fidelis to upsize with market opportunities
- Prequel underwriting system data capture customised to all Specialty lines requirements

- Fidelis’s market leading position enables it to access business in excess of its own risk appetite
- Partnership model enables Fidelis to share such risk with its Partners

Source: Company information
Fidelis has developed a thoughtful and profitable business model through a combination of underwriting excellence, flexible capital allocation and efficiency, driven by an outstanding management team and is well positioned to take advantage of favourable conditions across its core markets.
Fidelis has a disciplined and creative underwriting culture with a focus on delivering superior solutions for clients.

### Disciplined Underwriting Approach
- Real time peer review and management of portfolios
- Active management of risk resulting in unique portfolios
- Daily underwriting call attended by CEO and senior executive team

### Creativity in Bringing New Products to Market
- In-house expertise to innovate client-led solutions
- Rate Maker rather than Rate Taker
- Finding growth through first mover advantage

### Superior Solutions for Clients
- Ability to move quickly to deliver bespoke products without cumbersome Lloyd’s restrictions
- Long-term relationships with quality clients and brokers working together to innovate

### Allocating Risk & Capital between own & third party balance sheets for optimised risk/return
- Real time portfolio analysis
- Active management of risk increases capital efficiency
1. Underwriting Excellence Throughout the Business (Cont’d)

Fidelis generates the majority of its profit via underwriting income, with significantly less reliance on investment income than peers to support performance.

**2020E Underwriting Result Contribution to Profit**

- **Dowling Peer Group Average**: 29%
- **Dowling Peer Group Median**: 32%
- **Fidelis**: 82%


This slide contains forward-looking information. See “Important Notice” slide at the end of this presentation.

### Unique and Rigorous Risk Selection Process

Fidelis employs a suite of robust underwriting controls, including a Daily Underwriting and Marketing Conference Call (UMCC) to ensure superior underwriting, provide live market insights and help the business to react quickly to emerging opportunities.

#### Stringent Risk Selection Practices

1. **Daily Underwriting and Marketing Conference Call (UMCC) to approve all new risks and renewals**

2. **Weekly four pillar meetings to drive & identify opportunities and deliver follow through**

3. **Monthly risk return committee meetings to review current underwriting market and developments, impact on risk tolerances and appetite, and any capital implications**

4. **Real time peer review and management of portfolios supported by state of the art analytics and aggregation tools**

5. **Active management of risk resulting in unique portfolios**

#### UMCC is Unique to Fidelis and Central to Ensuring Rigorous Underwriting

<table>
<thead>
<tr>
<th>Key Process Features</th>
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<tbody>
<tr>
<td>Every underwriting opportunity is discussed and decided via a global daily underwriting and marketing call attended by Fidelis's CEO and senior executive team</td>
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</table>

<table>
<thead>
<tr>
<th>Key Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process ensures uniform and disciplined underwriting decisions and consistency of capital allocation across different business lines, while avoiding siloed underwriting</td>
</tr>
</tbody>
</table>

| ✓ |
| Provides executive team with direct visibility over the execution of the underwriting strategy |

| ✓ |
| Allows underwriters and management to see the market live and react to opportunities without cumbersome referral process |

| ✓ |
| Allows management to leverage Fidelis's position on deals using portfolios and cross class perspectives |

*Source: Company information*
State-of-the-Art underwriting, aggregation and risk management platforms provide Fidelis with a strong competitive advantage in data manipulation and real-time processing.

**Prequel**
All submissions logged in a single custom-developed underwriting system

**Tyche**
Model platform for capital analysis, industry leading performance

**Jarvis**
Integrated group-wide data store with data definition & data quality checks

**FireAnt**
Innovative insurance pricing, analytics, and portfolio optimisation tool

### Key Differentiators

- **Full control of data and no legacy systems**
- **No “black box” third party assumptions given proprietary operational and analytics technology**
- **Fit for purpose tools developed by in-house data scientists**

**Change in Reinsurance Portfolio Characteristics Supported by FireAnt 2016-2020 Growth**

- PML: 100%
- Premium: 170%
- Expected profit: 250%

FireAnt enabled premium growth of 170% since 2016 with an associated increase in PML of just 100% over the same period, supporting 250% growth in expected profit.
Leveraging Fidelis’s technological advantage creates operational efficiency and allows management to focus on high value add tasks.

**Goal:** Run a lean tech-enabled company with human resources focused on value-adding tasks, using technology and cost-efficient outsourcing for low-value or routine tasks.

**KPI:** GPW per head, top decile of peer group

### Headcount Philosophy

- **Permanent staff:** aim to find high quality, hard-working permanent staff to perform critical tasks.

- **Contractors:** use contractors to alleviate peak period strain on permanent staff, and to backfill permanent staff when they are working on development projects etc.

- **Outsource:** use outsource and co-source where there is short term need for specialist resource to supplement internal resource (e.g. Internal Audit co-source) or a low value add process.

### Development Philosophy

- **In-house:** Develop systems in-house where the IP will add to enterprise value (e.g. Internal Model), enhance efficiency above commercially available solutions (e.g. Prequel) or provide competitive advantage (e.g. FireAnt live cat).

- **Outsource:** Suitable, tested off the shelf solutions can be bought, updated and maintained for a reasonable price and no competitive advantage is lost. Subject matter experts still need to be maintained in-house to critique output.
Fidelis successfully raised $300m of new capital to avail itself of opportunities across its core markets in 2020, while delivering continued progress across the group.

### 2019 Summary

- **Strong operating and financial performance**
- **Successfully raised $300m of new equity capital**
- **Negligible casualty exposure**
- **83% Combined Ratio – significantly lower than peer group average**
- **De-risked investment portfolio**
- **Significant expansion of Socium partnerships**
- **Outstanding top-line growth in Specialty**
- **Significant further improvement in expense ratio and RoE to come as Fidelis reaches steady state**

### Fidelis in Numbers (FY19)

<table>
<thead>
<tr>
<th>Scale</th>
<th>Performance</th>
<th>Quality</th>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>$811m Gross Premiums Written</td>
<td>$69m Total Comprehensive Income</td>
<td>40.1% Loss Ratio</td>
<td>101 Employees</td>
</tr>
<tr>
<td>$324m Net Premiums Earned</td>
<td>8.3% ROE&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>43.1% Expense Ratio&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>98% Fidelis Lead on Bespoke Business</td>
</tr>
<tr>
<td>$1.1bn Common Stockholders' Equity</td>
<td>13.5% Steady State ROE&lt;sup&gt;(1)(2)&lt;/sup&gt;</td>
<td>83.2% Combined Ratio&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>Top 5% Analytics capabilities according to BMA survey&lt;sup&gt;(5)&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

**Notes:**

- (1) ROE is calculated as the change in diluted book value per share over the opening diluted book value per share adjusted for common dividends and any extraordinary capital actions. ROE includes the impact of dividends paid in 2018 and 2019 of $0.94 per share and $0.54 per share respectively and excludes the impact of capital raised in December 2019. (2) See Important Notice; (3) Expense ratio excludes stock compensation and certain corporate one off costs; (4) Calculated as the total loss, acquisition and admin expenses incurred, excluding stock compensation and certain corporate one off costs, over total net earned premiums earned; (5) Real-time exposure capability puts Fidelis in top 5% of companies according to the latest BMA survey. Source: Company information.
Fidelis’s 2019 results were supported by a low volatility investment portfolio reflecting the group’s successful transition to a lower risk strategy with no direct exposure to equity markets.

**Investment Objectives**

- Target a low to mid-single digit annual return, with low volatility, in-line with approved risk appetite
- Focus on high quality, short-duration and liquid fixed income assets
- Diversify across asset types, sectors and issuers with a limited amount of risk assets
- Seek to outperform the selected benchmark(s) over a full investment cycle

**Fixed Income Investment Portfolio**

- **1.9 yrs** Duration
- **AA-** Avg. Credit Quality
- **2.5%** Book Yield
- **2.0%** Yield to Maturity
- **2.0 yrs** Weighted Avg. Life
- **~85%** Rated A- or Better

**Portfolio at a Glance (31-Dec-19)**

- **Asset Allocation**
  - AAA: 28%
  - AA: 33%
  - A: 29%
  - BBB: 7%
  - EM (IG): 3%
  - Govt: 29%
  - Cash: 7%

- **Total Cash and Investments**: $1.7bn
- **Cash and government securities**: ~60%
- **Fixed Income Portfolio**: $1.2bn
- **Rated AAA**: 56%

**Fixed Income Portfolio Quality**

- **15%** AAA
- **24%** AA
- **56%** A
- **6%** BBB

Source: Company Information
With Strong Divisional Performance

Each of Fidelis's four pillars performed strongly during 2019, leveraging market leading relationships, intellectual capital and analytics to support sustained profitability.

Performance by Pillar\(^{(1)}\)

**Bespoke**

- **Gross Premiums Written (Sm)**
  - 2016: 188
  - 2017: 210
  - 2018: 319
  - 2019: 340

- **Profit Margin**
  - 2016: 41%
  - 2017: 54%
  - 2018: 45%
  - 2019: 50%

- Increased margin reflected continued ability to set terms with counterparties given technical expertise
- S&P rating obtained in Q4’19 will allow increased line sizes and underwriting of more/larger clients

**Reinsurance**

- **Gross Premiums Written (Sm)**
  - 2016: 181
  - 2017: 265
  - 2018: 328
  - 2019: 373

- **Profit Margin**
  - 2016: (3%)
  - 2017: 19%
  - 2018: 34%
  - 2019: 27%

- Strong client relationships (c.85% of target/in-force clients visited in 2019) supported material ‘19 GPW growth
- Rate hardening at 1/1 allowed Fidelis to continue portfolio optimisation

**Specialty**

- **Gross Premiums Written (Sm)**
  - 2016: 35
  - 2017: 71
  - 2018: 44
  - 2019: 99

- **Profit Margin**
  - 2016: 45%
  - 2017: 65%
  - 2018: 65%
  - 2019: 50\(^{(2)}\)

- Rapid growth in 2019, driven by both core clients and niche opportunities with attractive pricing
- Market tailwinds remain supportive, with specialty rates increasing across all classes at 1/1

**Socium (Partnership / Fee Income)**

- **Capital Under Management (Sm)**
  - 2016: 246
  - 2017: 504
  - 2018: 888
  - 2019: 2,560

- **Partnership / Fee Income (Sm)**
  - 2016: 2
  - 2017: 11
  - 2018: 8
  - 2019: 27

- Increased QS cession lead to a significant increase in ‘19 partnership/fee income
- 45 QS partners and 20 business lines as at 31/12/19

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\(^{(1)}\) Profit margin is calculated as net earned premium less net losses and acquisition costs divided by net earned premium; \(^{(2)}\) Normalised for Boeing loss. Source: Company information
Fidelis has significantly outperformed peers both in terms of COR (at group level) and net loss ratio achieved in its reinsurance pillar.

### Combined Ratio versus Peers\(^{(1)}\) (%)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fidelis</td>
<td>85%</td>
<td>74%</td>
<td>97%</td>
</tr>
<tr>
<td>Peer Average(^{(2)})</td>
<td>112%</td>
<td>Expected to improve further as operating leverage increases</td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Calculated as the total loss, acquisition and admin expenses incurred, excluding stock compensation and certain corporate one-off costs, over total net earned premiums earned. The 2018 loss ratio includes the impact of a derivative based upon the total industry losses incurred from Typhoon Jebi which has been included in investment income rather than net premiums earned and net losses. Expense ratio includes an adjustment for the impact of the Jebi derivative. 2019 variance vs. 2018 ratios due to adverse impact from deterioration in Jebi loss and Boeing loss in H1 2019; 

\(^{(2)}\) Peer group includes Axis, Argo, Beazley, Everest, Hiscox, Lancashire and Renaissance Re. Peer combined ratios were calculated as the average of the reported combined ratios of each company.

### Reinsurance Net Loss Ratio versus Bermuda Peers\(^{(1)}\) (%)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fidelis</td>
<td>61%</td>
<td>83%</td>
<td>98%</td>
</tr>
<tr>
<td>Peer Average(^{(3)})</td>
<td>83%</td>
<td>Peer Average(^{(3)}) (2017-2019): 72%</td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Calculated as the total loss, acquisition and admin expenses incurred, excluding stock compensation and certain corporate one-off costs, over total net earned premiums earned. The 2018 loss ratio includes the impact of a derivative based upon the total industry losses incurred from Typhoon Jebi which has been included in investment income rather than net premiums earned and net losses. Expense ratio includes an adjustment for the impact of the Jebi derivative. 2019 variance vs. 2018 ratios due to adverse impact from deterioration in Jebi loss and Boeing loss in H1 2019; 

\(^{(2)}\) Peer group includes Axis, Argo, Everest, Hiscox, Lancashire and Renaissance Re. Peer combined ratios were calculated as the average of the reported combined ratios of each company.

\(^{(3)}\) Peer group includes Axis, Argo, Everest, and Renaissance Re. Peer combined ratios were calculated as the average of the reported combined ratios of each company.

Source: Company information
Fidelis’s custom built, lean operating platform allows employees to focus on high value add tasks, reflected in significantly greater GPW per head vs. peers. Management expects to continue to benefit from economies of scale over time, further increasing the ratio of underwriting profit to G&A expense in the future.

**2019 GPW per head ($m)**

- Peer average: 3.9
- Peer median: 3.2
- **Fidelis** (own data): 8.0

**Note:** Peer group includes Avis, Argo, Beazley, Everest, Hiscox, Lancashire and Renaissance Re.

**Source:** Company information.
The Fidelis Executive management team brings together 200+ years of cumulative experience in broking, underwriting, corporate and actuarial roles, as well as long-term client and broker relationships.

Richard Brindle
Chairman, Group CEO & Group CUO
Lead Lloyd’s Underwriter over two decades and founded Lancashire Insurance (2005) and Fidelis Insurance (2015)

Richard Holden
CUO Bermuda & Head of Reinsurance
R/I Underwriting – Amlin

Hinal Patel
CFO & CEO Bermuda
Chief Actuary – XLC Bermuda

Philip Vandoninck
Head of Partnerships & International Reinsurance
R/I Underwriting, Third Party Capital – Hiscox

Jonny Creagh-Coen
Head of Strategic Relationships
Specialty Broking, Equity, Corporate & IR – Lancashire, Execution

Richard Coulson
CUO UK, Head of Bespoke & Specialty
Bespoke & Specialty Broking, Underwriting – Hiscox, JLT, MMC Capital, Marsh

Daniel Burrows
Group Managing Director & Socium Chairman
Co-CEO Global Reinsurance
Specialty – Aon Benfield

Richard Mathias
CRO, Group Executive Director
Specialty Broking, MGA, Specialty Underwriting – Lancashire

Hinal Patel
CFO & CEO Bermuda
Chief Actuary – XLC Bermuda

Patricia Roufca
COO & General Counsel
Head of Group Legal – Aspen

Philip Vandoninck
Head of Partnerships & International Reinsurance
R/I Underwriting, Third Party Capital – Hiscox

Ian Burford
UK CEO
Underwriting Performance Director – Novae

Richard Holden
CUO Bermuda & Head of Reinsurance
R/I Underwriting – Amlin

Robert Kelly
CFO of PartnerRe’s insurance entity

Richard Brindle is acknowledged to be one of the most successful underwriters in the worldwide insurance market and has a track record of outperformance over the past 30 years.

AM Best Aug 2018

(1) Four of the executives have worked together for over 25 years
Source: Company information
The Fidelis team has an unrivalled historical track-record of over performance over the long term.

1. **Track Record in Lloyd’s**
   - **Return on Capacity**
   - **Profit Before Personnel Expenses as % of Capacity**
   - **Outperformance of Lloyd’s in every year in this period**

2. **Track Record at Lancashire**
   - **Lancashire Total Return Under Brindle Leadership**
   - **vs. Peer Group**

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(1) Richard Brindle served as Lancashire’s CEO from its formation in 2005 until April 2014; Lancashire’s IPO was completed on 16 December 2005; (2) Peer Group for Lancashire comparison includes Ace, XL, Arch, Everest, PartnerRe, Axis, Allied World, Renaissance Re, Validus and Montpelier, Greenlight Re and Third Point Re, Hiscox, Amlin, Catlin, Beazley, and Novae. Market performance from December 2005 until December 2013.

Source: Company information
Fidelis is uniquely positioned to take advantage of favourable market conditions

### Supportive Market Conditions...

| Rates Movements | • Significant positive rate momentum at 1/1 (+10-30% in selected segments)  
| | • Further improvement expected for 1/4 and 1/6 |
| Casualty Market | • Peer casualty reserving challenges will be a key driver of rate rises  
| | • On-going remedial actions being taken by carriers |
| Equity and Bond Market Volatility | • Challenging market return environment favours businesses focused on underwriting result as a primary performance driver |
| Major Capacity Removed | • Large global carriers have exited certain lines: AIG, Swiss Re, Chubb, Lloyds, etc. |
| Increased Demand | • Demand for more cover from cedants as exposures grow |
| ILS Headwinds | • ILS suffered a challenging 18 months  
| | • Market has yet to return to “normal” conditions |

### ...With Fidelis Well Positioned

- Strong balance sheet to support growth
- Unrivalled management track record
- Best-in-class underwriting expertise
- Negligible casualty exposure
- Not reliant on investment returns for growth
- State-of-the-art platform
- Complementary business model
- Growing Specialty franchise
Fidelis has a clear strategy to deploy the newly raised equity capital, focusing on all segments showing signs of dislocation, with underwriters hired to support aviation, terror and D&F business.

### Specialty

<table>
<thead>
<tr>
<th>Aviation</th>
<th>Marine</th>
<th>Property and D&amp;F</th>
<th>Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Aviation Hull &amp; Liabilities</td>
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<tr>
<td>- Aerospace</td>
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<tr>
<td>- Space</td>
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<td></td>
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<tr>
<td>- AV52 increased signing</td>
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<tr>
<td>- Marine high value Hulls</td>
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<tr>
<td>- Marine War</td>
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<tr>
<td>- Superyachts</td>
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<tr>
<td>- Builders Risk</td>
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<tr>
<td>- Cargo</td>
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<tr>
<td>- D&amp;F and Terror markets entered</td>
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<tr>
<td>- Property &amp; Terror Construction</td>
<td></td>
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<tr>
<td>- Reinsurance signings increased from 67% as at 1/1 2019 to 77% as at 1/1 2020</td>
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<tr>
<td>- Retro</td>
<td></td>
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<tr>
<td>- Onshore Energy market entered</td>
<td></td>
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<tr>
<td>- Fidelis &amp; Kersey growth in Offshore</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- Energy Construction</td>
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</tbody>
</table>

### Socium (Partnership / Fee Income)

- Increase Q/S partners across Reinsurance, Bespoke & Specialty
- Pinewalk new cell Perigon (Product Recall)
RoE is expected to build materially as Fidelis ramps up to a steady state, rate increases in the hard market, Socium income grows and operating leverage increases.

**RoE Progression**

<table>
<thead>
<tr>
<th>Year</th>
<th>RoE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Actual ROE</td>
<td>8.3%</td>
</tr>
<tr>
<td>Steady state earnings &amp; normalised investment returns</td>
<td></td>
</tr>
<tr>
<td>Increase in RPIs</td>
<td></td>
</tr>
<tr>
<td>Increase in Fee income</td>
<td></td>
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<tr>
<td>Economies of scale</td>
<td></td>
</tr>
<tr>
<td>Future year ROE</td>
<td></td>
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</tbody>
</table>

**Commentary**

1. NEP / NWP ratio evolves from 66% currently to 94% “steady state” by 2022
   - Driven by earn through on business currently on Fidelis’s balance sheet
   - $197m of unrecognized additional value embedded in Bespoke contracts written through 31 Dec 2019 which is not reflected in the GAAP book value

2. Increase in RPIs driven by hard market conditions

3. Capital light fee income from Socium pillar to grow due to:
   - Increase in quota shares
   - Profits from Pinewalk MGAs

4. Growth in GPW to outpace growth in expenses

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(1) RoE is calculated as the change in diluted book value per share over the opening diluted book value per share adjusted for common dividends and extraordinary capital actions. RoE includes the impact of dividends paid in 2018 and 2019 of $0.94 per share and $0.54 per share respectively and excludes the impact of preferred share repurchases in 2018 and the impact of any extraordinary capital management transactions, including the premium paid associated with preference share repurchases and payments to minority shareholders. RoE for 2019 excludes the impact of capital raised in December 2019. This slide contains forward-looking information. See “Important Notice” slide at the end of this presentation.
(2) Renewal Price Index – Measures the index of rate increases. The base is 100%. For example, 200% RPI indicates a doubling of rate from the 2019 rate. RPIs are not limited to price but also include exposure, retention levels and terms & conditions. The calculation involves a degree of judgement in relation to comparability of contracts and the relative impact of changes in price, exposure, retention levels and any changing terms and conditions on the RPI calculation. Source: Company Information.
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This Presentation contains “forward-looking statements”, which include all statements that do not relate solely to historical or current facts. These statements are subject to certain assumptions which reflect the Company’s current views with respect to future events. These assumptions include significant expected growth across the Company’s portfolio, hardening rates in the reinsurance and specialty pillars, and the availability of outwards reinsurance via quota shares as required. This presentation does not contemplate the impact of COVID-19 on the Company, the insurance industry as a whole or the global economy. The Company’s business is subject to numerous risks, uncertainties, and other factors, many of which are outside of the control of the Company. In particular, although the Company’s management’s expectations are based on its expertise as well as evidence given by prominent (re)insurance industry commentators as to the emerging trend of rate hardening and factors likely to drive rate hardening, there can be no certainty that the market will indeed continue to harden as forecast, and lead to increased gross written premiums for the Company, or that such written business would be profitable. Accordingly, the Company’s actual results in the future could differ materially from those anticipated in any forward-looking statements. The Company’s past performance should not be construed as a guarantee of future performance.

This Presentation includes reference to the Company’s “steady state”. “Steady state” means when the ratio of net earned premium to net written premium equals approximately 94%, which management currently expects will be achieved in 2022. There can be no assurance that the “steady state” as described herein will be achieved in 2022.

The statements and estimates in relation to the Company’s “adjusted book value” and “additional value” are based on a number of key assumptions. In particular, the earn-out of unearned premium reserve is based on the projected earning patterns of the Company’s Bespoke business written as at December 31, 2019 and is on a net of reinsurance basis; future estimated Bespoke profit is based on the future earned premium less expected claims and acquisition costs, and is net of reinsurance, expenses and tax; estimated future claims are based on the initial expected ultimate loss ratios applied to the net earned premium for each underwriting year; acquisition expenses are already paid but the release of the deferred acquisition expenses asset reduces future Bespoke profit; expenses are calculated based on an estimate of management expenses required to run off the in-force policies in a manner consistent with the Bermuda Monetary Authority regulatory model; future profits are not discounted to be consistent with how the claims liabilities are presented under US GAAP, the impact of future lapses is not included; and the estimated future Bespoke profit is on an after-tax basis and is based on the average effective tax rate over the forecast period for the Group. There can be no assurance that the expected losses and expenses for the Company’s Bespoke business will ultimately result in line with current expectations.

The Company’s reserves and management’s best estimate reflected in historical loss ratios and other financial information is based on the management’s then current state of knowledge and explicit and implicit assumptions relating to the incurred pattern of claims, the expected ultimate settlement amount, inflation and dependencies between lines of business. The Company’s reserves are prepared on the basis of US GAAP accounting and for the Company’s own purposes and for no other purpose. Such financial information is subject to important assumptions which are likely to be the subject of future change, amendment, update, completion and review, as necessary. The Company’s estimate of natural catastrophe losses involves the exercise of considerable judgement and is based, amongst other factors, on a review of individual treaties and policies to be impacted, information available as at the relevant date from clients and brokers, initial loss reports, modelled loss projections and exposure analysis. The Company’s actual losses from any loss events may differ materially from estimates provided and reserves currently held.

Financials presented in this Presentation include rounding adjustments where appropriate. Accordingly, totals in some exhibits may not be an arithmetic aggregation of the figures that preceded them and percentage calculations using these adjusted figures may not result in precisely the same percentage values as are shown elsewhere in this Presentation.