

# Dear Shareholders,

In 2023, Fidelis Insurance Group achieved several significant milestones, marking a pivotal year for our Company, and I couldn't be more pleased with our performance. We completed our IPO, successfully listing on the New York Stock Exchange on July 3. We executed against all aspects of our strategy. And we delivered excellent financial performance and compelling returns. I am incredibly proud of everything our teams accomplished in 2023.

In our first year as a public company, we delivered strong results, including 18.6% growth in gross premiums written, an 82.1% combined ratio, and operating return on average common equity ("Operating ROAE")<sup>(1)</sup> of 18.8%. Our results demonstrate the benefits of our scale, capital strength, and lead positioning across a high-quality, mature, and diversified portfolio focused on three segments – Specialty, Bespoke, and Reinsurance. They also demonstrate our ability to make nimble, thoughtful, and efficient underwriting decisions which is a key driver of profitability alongside active capital management and seizing market opportunities positioning us to deliver consistent returns and sustained value to our shareholders.

Our underwriting strategy and structure is working exactly as intended, and we enter 2024 well positioned for continued growth, profitability, and efficiency as a global specialty insurance platform, leveraging strategic partnerships to offer innovative and tailored solutions to clients. We have the strategy, the financial strength, and the expertise to execute our vision and seize upon the opportunities we see in what remains the best market environment in twenty years.



## 2023: A Year of Strong Performance

The benefits of our structure and strategy are evidenced by our strong financial results in 2023 – including broad-based underwriting gains, increased net investment income, and an industry leading combined ratio.

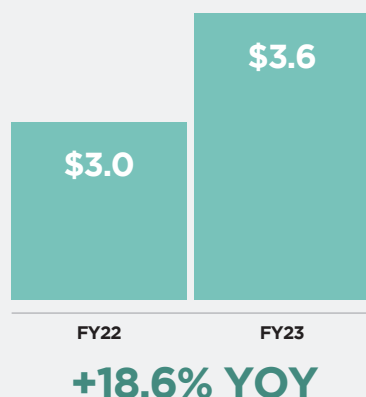
Highlights from the year include:

- \$3.6 billion in gross premiums written, a year-over-year increase of 18.6%;
- 82.1% combined ratio;
- 18.8% operating ROAE;
- \$10.0 billion in total assets at year-end;
- \$4.3 billion in cash and invested assets at year-end; and
- \$398.9 million in operating net income, or \$3.49 per diluted common share.

(1) Operating ROAE is a non-US GAAP financial measure and is calculated as operating net income divided by adjusted average common shareholders' equity. This Letter also includes forward-looking statements. See our Form 20-F for reconciliation and risk factors which would cause actual results to differ materially.

## Financial Highlights

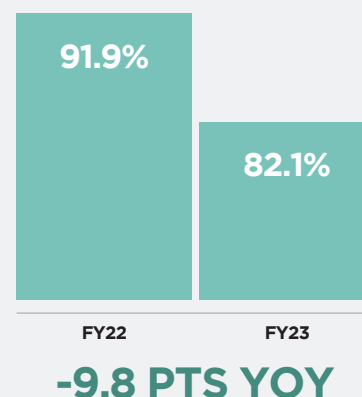
### Gross Premium Written (in billions of dollars)



### Book Value Per Diluted Common Share (in dollars per common share)



### Combined Ratio (in percentage points)



(2) As of January 3, 2023, on which date a number of separation and reorganization transactions occurred to create two distinct holding companies and businesses: FIHL and The Fidelis Partnership (the "Separation Transactions").

Our increase in gross premiums written was largely driven by our Specialty segment, which grew by 38.7% to \$2.2 billion, driven by strong renewals, improved pricing across multiple lines, and new business wins. In our Bespoke segment, gross premiums written were \$720.4 million, and in our Reinsurance segment, gross premiums written were \$617.3 million.

Our net investment income increased to \$119.5 million, compared with \$40.7 million in 2022, as the short duration nature of our portfolio enabled us to reinvest at higher yields. Our diluted book value per share at year end 2023 was \$20.69, which represents growth of 27.4% from January 3, 2023, the date of the Separation Transactions.

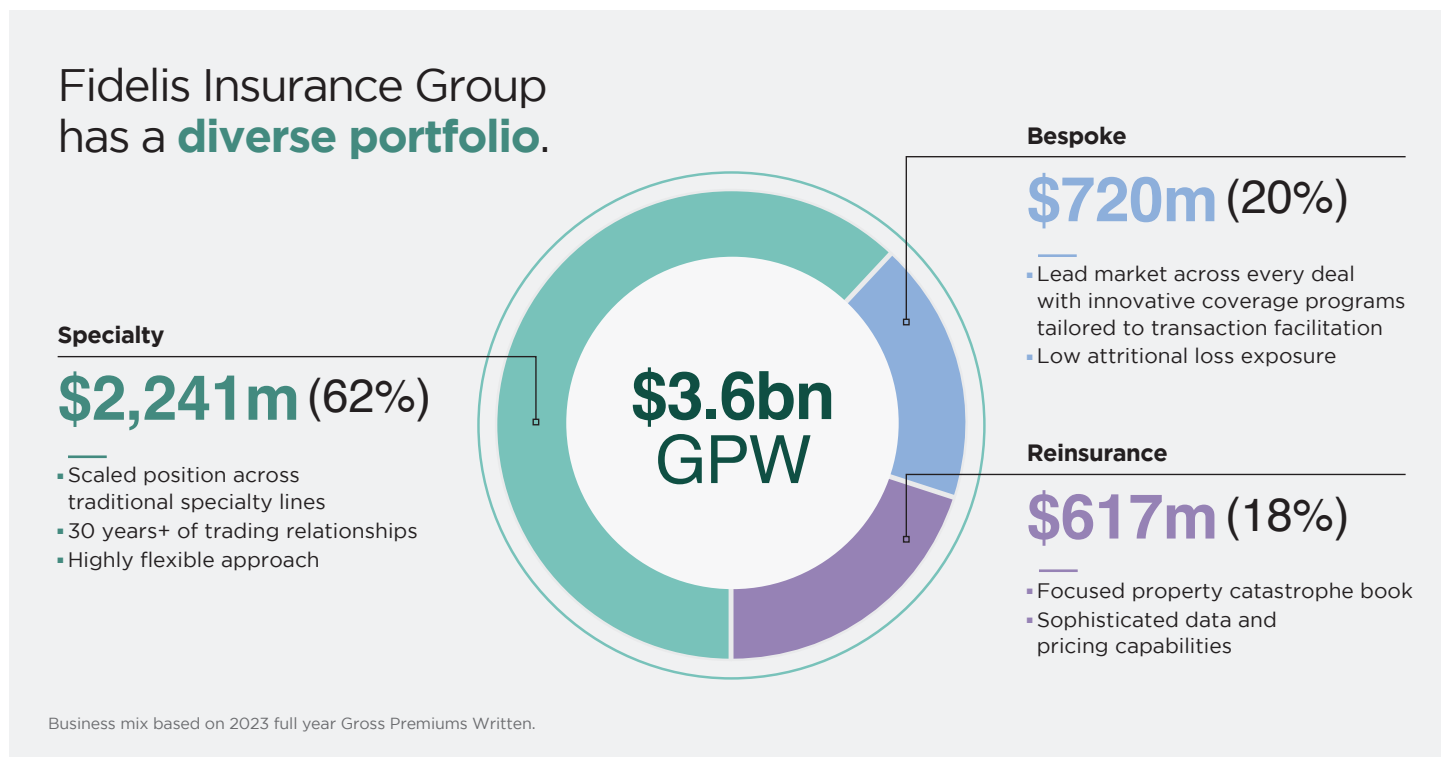
Our goal remains to further strengthen Fidelis' position as a leading global specialty insurer, leveraging strategic partnerships to deliver consistently compelling returns through the cycle to create value for our shareholders and all other stakeholders. We believe we are set up for success as we balance profitable underwriting with a thoughtful approach to capital management and investment.

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## A Focus on Delivering Profitable Underwriting

We continue to play to our strengths. Our Specialty segment comprises a portfolio of tailored risks across traditional specialty business lines including Property Direct & Facultative, Marine, and Aviation and Aerospace, where we take significant positions and lead approximately 90% of the deals we participate in across the portfolio. Our Bespoke segment is one of the key differentiators of our business, focusing on highly tailored, innovative, and specialized products, where the buying motivation is often driven by regulatory capital relief, capital efficiency, or transaction facilitation versus more traditional drivers of insurance needs. Finally, our Reinsurance segment comprises an actively managed portfolio, focusing primarily on residential property catastrophe risks where we take a leading position on approximately 80% of the deals we participate on, leveraging our differentiated property and catastrophe modeling and risk selection to manage exposures.

Across all segments, our in-house underwriting team collaborates closely with our strategic partner The Fidelis Partnership to actively shape our portfolio. This long-term partnership has significant benefits, including a level of rigor and discipline around risk selection that is unprecedented in our industry. Because we lead on many of the deals we participate in, we are positioned to secure differential rates, terms, and conditions. We believe this underwriting strategy allows us to deliver attractive risk-adjusted returns over the long term by managing through cycles and strategically deploying capital to the most favorable market across our three segments.



## A Disciplined Approach to Capital Management

To support our underwriting strategy, we are focused on maintaining a strong financial foundation, which we believe positions us to be a provider of choice for policyholders and take advantage of large or sudden market pricing dislocations. We ended the year with a strong, highly rated balance sheet and total capital of \$3.0 billion, and we remain committed to maintaining a strong balance sheet and attractive financial profile.

We are disciplined managers of capital, with a goal of generating strong returns for investors. Our top priority is to invest back in the business and deploy capital into attractive underwriting opportunities as we believe this will deliver the best returns over the long term. Beyond this, we use outwards reinsurance as a flexible and aligned source of capital and are therefore constantly reassessing our outwards reinsurance purchasing program. Finally, we are committed to proactively sharing our success with our shareholders. To that end, in the fourth quarter of 2023 we authorized a \$50.0 million share buyback, and in the first quarter of 2024 we adopted a new dividend program, pursuant to which our Board has declared our first dividend of \$0.10 per share.

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## Supporting our People, Communities, and the Environment

As an organization that serves an essential social purpose – and one that sees our communities grapple with the effects of climate change every day – corporate responsibility is embedded in our culture and values. We are committed to taking actions with the best interests of our colleagues, shareholders, customers, and the environment in mind, and to pursue a strategy that reflects the markets in which we operate.

We are also committed to supporting our people – and our wider communities – as we seek to attract and retain the very best talent and to be an employer of choice. In 2023, we continued to invest in initiatives to support our colleagues and help them live out their values at work. During the year we established an Enterprise Resource Group (Fidelis ERG) to coordinate and execute our strategy for internal Diversity, Equity, and Inclusion (DEI), environmental, social, charitable, and volunteering activities. The Fidelis ERG oversees these activities in order to foster a culture of inclusion and drive increased collaboration on these issues.

## Looking Ahead

We are entering 2024 with positive momentum. Across core lines, this remains the best market environment we have seen in the last twenty years, with strong pricing trends, clear supply-demand imbalances, and no signs of meaningful new capital coming into the market. As a result, we believe these favorable market conditions will continue to persist across our portfolio, and we remain well positioned to respond to capacity dislocations in our nimble manner.

“Market dynamics continue to present opportunities for Fidelis to accelerate growth by leveraging our scale, agility, and deep relationships with brokers and clients.”

These market dynamics continue to present opportunities for Fidelis to accelerate growth by leveraging our scale, agility, and deep relationships with brokers and clients, and we are expanding our premium volume and capital base accordingly. Coupled with our diversified book of business, we believe we are well positioned for continued success.

I want to end our first shareholder letter as a public company with a thank you to my colleagues for your dedication and unwavering commitment to delivering best-in-class services, to our customers and partners for choosing to do business with Fidelis Insurance Group, and to my fellow shareholders for your continued belief and support. We are pleased with the progress we made in 2023 and begin 2024 with the team, portfolio, and balance sheet which we believe will create meaningful value for our shareholders and all our stakeholders as we begin the next chapter of our growth.

Sincerely,



**Dan Burrows**

Group Chief Executive Officer & Director

