

BRIT GROUP HOLDINGS LIMITED

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS

31 DECEMBER 2024

Registered Number: 15884169

BRIT GROUP HOLDINGS LIMITED

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BRIT GROUP HOLDINGS LIMITED

Company Information

Directors

G Campbell	(Appointed on 21 January 2025)
S Lee	(Appointed on 21 January 2025)
J Marinelli	(Appointed on 07 August 2024 and resigned on 02 October 2024)
M Thompson	(Appointed on 21 January 2025)
A E Usher	(Appointed on 02 October 2024 and resigned on 24 January 2025)
M Wallace	(Appointed on 21 January 2025)
A Welsch	(Appointed on 21 January 2025)
G Wilkinson	(Appointed on 02 October 2024)

Secretary

J Marinelli	(Appointed on 10 December 2024)
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Registered Office

The Leadenhall Building
122 Leadenhall Street
London
England
EC3V 4AB

Registered Number

15884169

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

BRIT GROUP HOLDINGS LIMITED

Strategic Report

The Directors present their Strategic Report on Brit Group Holdings Limited (the Company) for the period ended 31 December 2024.

About Brit Group Holdings Limited

Background to the Company

On 7 August 2024, Brit Group Holdings Limited (the Company) was incorporated as a subsidiary of Fairfax UK Holdings Limited (formerly Brit Limited). At that time, Fairfax UK Holdings Limited was the holding company of the Brit Insurance Holdings Limited group of companies, and of the Ki Financial Holdings Limited group of companies.

During 2024, Fairfax UK Holdings Limited (formerly Brit Limited) was the holding company of the Brit group of companies, which included the Ki business. To enact separation of the Ki business from the Brit group of companies, the former Brit Limited group was restructured under two subsidiaries of Fairfax UK Holdings Limited – the Company (which became the new holding company for the Brit group) and Ki Financial Limited (which is the holding company for the Ki group).

On 12 December 2024, to facilitate this restructure, Fairfax UK Holdings Limited's investment in Brit Insurance Holdings Limited was transferred to the Company in exchange for the issuance of shares in the Company. Following this transfer, the Company is the principal holding company of the Brit group of companies. On 28 February 2025 following this transaction, the Company adopted the governance arrangements of Fairfax UK Holdings Limited.

From 22 January 2025, the Company was substituted in place of Fairfax UK Holdings Limited as issuer and principal debtor under the subordinated debt notes due 2030 (the Notes). The carrying value of the Notes on the date of transfer was \$159.0m. The Notes continue to be guaranteed by Brit Insurance Holdings Limited.

Following these changes, the Company adopted the governance arrangements previously operated by Fairfax UK Holdings Limited to manage the Brit group on 28 February 2025.

Under section 400 of the Companies Act 2006, the Company is exempt from preparing consolidated financial statements at 31 December 2024. Accordingly, the information presented in this report is for the Company only. Fairfax UK Holdings Limited (formerly Brit Limited), which is registered in the UK and is the immediate parent of the Company, has prepared a Group Annual Report, which includes a Strategic Report, Governance Report and Consolidated Financial Statements for year end 31 December 2024. This report is available at www.britinsurance.com.

Principal activities, review of the business and future developments

Brit Group Holdings Limited is the holding company of the Brit Group Holdings Limited Group (Brit or the Group). The Group is a market-leading global specialty (re)insurer and one of the largest businesses that trades primarily on the Lloyd's of London platform, the world's leading specialist commercial insurance market. It provides highly specialised insurance products to support our clients across a broad range of complex risks, underpinned by our strong underwriting and claims expertise.

Brit cares deeply about its clients' needs, ensuring that we not only surround them with the best talent in the industry, but also combine the depth of our experience with technology to deliver innovation. Acting in open, honest partnership, clients can be sure that with Brit by their side, the future is not something to be feared, it is something to be seized.

The Fairfax group

Brit is a member of the Fairfax Financial Holdings Limited group (Fairfax), a Canadian company whose shares are listed on the Toronto Stock Exchange (www.fairfax.ca). At 31 December 2024, Fairfax indirectly owned 100% of the Company.

We believe that Fairfax is an excellent parent for Brit, enabling us to enhance our global product offering. It provides us with a strong and stable base for long-term growth and affords us with opportunities to expand our underwriting and distribution channels, combined with the freedom to pursue our own identity, philosophy and ambitions.

BRIT GROUP HOLDINGS LIMITED

Strategic Report (continued)

Financial strength

Brit's capabilities and ambition are underpinned by a strong financial position. Our subsidiaries' business is underwritten primarily through our wholly-aligned Lloyd's Syndicate 2987 and the partly-aligned Lloyd's Syndicate 2988, which benefit from Lloyd's ratings of A+ (Superior) from A.M. Best, AA- (Very Strong) from Fitch Ratings, AA- (Very Strong) from S&P Global, and AA- (Very Strong) from Kroll Bond Rating Agency.

Brit also underwrites through the Company's Bermudian subsidiary, Brit Reinsurance Bermuda Limited (Brit Re). In December 2024, A.M. Best reaffirmed Brit Re's Financial Strength Rating of 'A' (Excellent) and its Long-Term Issuer Credit Rating of 'a' (Excellent). These ratings reflect Brit Re's financial strength.

As part of the Fairfax group we also benefit from the group's financial strength. We believe that our efficient, flexible and scalable operating model provides a stable foundation that enables us to pursue our strategy of focusing on maximising profitability of the underwriting business and extending our global reach.

Our strategic objectives

In delivering our strategy, we focus on the four 'hows': Focus; Capability; Simplification; and Culture. We believe these are core to achieving outstanding cycle management, best in class underwriting, leadership at Lloyd's, and targeted returns, as well as helping us fulfil our social and environmental responsibilities.

Underwriting and claims excellence

Underscored by comprehensive underwriting, claims and risk services, Brit operates as a market lead across our primary underwriting classes. At Brit we pride ourselves on Underwriting and Claims excellence, deploying the latest tools and a disciplined approach, and we have a long record of strong performance. We are proud of our extensive distribution network and are focused on tailoring our distribution strategy across four key areas: open market, coverholders, reinsurance and digital. We source our business through established trading relationships with Lloyd's brokers, wholesale brokers, retail agents and global reinsurance intermediaries.

Investment management

A number of the Company's subsidiaries have significant investment portfolios comprising financial investments, investment-related derivatives and cash. The investment portfolios are managed for the most part by Hamblin Watsa Investment Counsel Limited, a Fairfax subsidiary with an excellent long-term track record, whose sole business is managing investment portfolios of Fairfax companies.

Our culture

Culture is the fabric that differentiates us from our competition, and we have very many great aspects to our culture at Brit. We are low politics, we are very collaborative and we have a belief in doing absolutely the right thing for Brit.

We believe the magic is going to come from collaboration and how well we work together across functions, how we get the insights from claims, how we work with underwriting technology and how we pull all of that together to make sure that we are all moving in the right direction.

The keyword is alignment. If we add alignment to focus and all work together, trying to achieve the same thing, then we can achieve all of the objectives we have set for the business.

Our social responsibility

Brit has a longstanding ethos of social responsibility and we have a strong culture of 'doing the right thing'; from volunteering in our local communities to supporting good causes further afield. The projects we choose align with our strategic priorities and each year ten charities are chosen by our employees for significant support.

BRIT GROUP HOLDINGS LIMITED

Strategic Report (continued)

Our environmental responsibility

The Group's vision centres on 'Writing the future', responsibly – leveraging our culture and products to help deliver positive outcomes for people, the planet and our business. We actively consider the potential implications of climate change and sustainability, and reflect these in our underwriting and investment strategies. We are committed to responsible business practices and aim to act in unison with our regulator and the rest of our industry.

Financial performance and position

The Company did not trade during the period, nor did the Company receive any dividend income from its subsidiaries. At the balance sheet date the Company has net assets of \$1,055.2m, representing investments in subsidiary undertakings.

In the opinion of the Directors, the state of affairs of the Company and its subsidiaries at the end of the period was satisfactory.

Following the acquisition of Brit Insurance Holdings Limited on 12 December 2024, the Directors do not envisage any further changes to the business model in 2025.

Risk Management

Risk Management Framework

Brit delivers shareholder value by actively seeking and accepting risk within agreed limits. Risk management at Brit is a continuous process that links directly to the organisation's business and risk management strategies and the associated Board risk tolerances.

Brit's Risk Management Framework (RMF) applies a consistent methodology and structure to how risks are identified, measured, managed and monitored. This process enables us to protect policyholders and maximise shareholder value by ensuring the risk and capital implications of business strategy are well understood.

The RMF has the following key elements:

- **Identification:** Risk events, risks and relevant controls are identified and classified. This is a continuous process which considers any emerging and existing risks. The risk register sets out the significant risks faced by the business and identifies the potential impact and likelihood of each risk.
- **Measurement:** Risks are assessed and quantified and controls are evaluated. This is done through a combination of stochastic modelling techniques, stress and scenario analysis, reverse stress testing and qualitative assessment using relevant internal and external data.
- **Management:** The information resulting from risk identification and measurement is used to improve how the business is managed.

A key part of the RMF is the setting of risk tolerances and risk appetite. Risk tolerances are set by the relevant Board and represent the maximum amount of risk Brit is willing to accept to meet its strategic objectives. Risk appetites are set by management and reflect the maximum amount of risk that Brit wishes to take in the current market environment. The actual amount of risk taken is monitored against the tolerances and appetites on an ongoing basis.

The RMF, including the risk tolerances and appetite, reflects Brit's strategy and seeks to ensure that risk is accepted in the areas which are expected to maximise shareholder value whilst continuing to protect policyholders against extreme events. The process applies to both the Brit Group and to the individual underwriting entities.

BRIT GROUP HOLDINGS LIMITED

Strategic Report (continued)

Risk Governance

The Board is responsible for overseeing risk management and internal control systems, which management is responsible for implementing.

Brit maintains a strong risk governance framework using Risk Oversight Committees and Audit Committees whose membership consists of independent non-executive Directors. Board, Risk and Audit Committee agendas are designed to ensure all significant areas of risk are reported on and discussed. The Risk Oversight Committees monitor and review the risk profile and the effectiveness of all risk management activities and, in particular, monitor adherence to agreed risk limits.

Brit operates a three lines of defence model for governing risk. Within the first line of defence individual risk committees monitor day-to-day risk control activities. The Risk Management function, as a second line of defence, provides oversight over business processes and sets out policies and procedures. Internal Audit, as a third line of defence, provides independent assurance and monitors the effectiveness of the risk management processes.

Key and principal risks

The principal risk confronting the Company is the risk of impairment of its subsidiary investments. The key and principal risks and uncertainties faced by those subsidiaries include:

Risk category	Risk	Description	Principal risks
Overarching	Strategic	Risk that Brit's strategy is not appropriate or is not implemented effectively.	
	Earnings	Unexpected earnings volatility leads to unexpected losses.	
	Solvency	Capital ratio falls below the level targeted by management.	
Insurance	Underwriting – pricing	Emerging experience is inconsistent with the assumptions (e.g. inflation) and pricing models used.	✓
	Underwriting – natural catastrophe	Natural catastrophe events, including the impact of climate risk, impacting Brit's (re)insureds, leading to large volumes of claims.	✓
	Underwriting – man made catastrophe	Extreme man-made events, such as terrorist attacks or cyber-attacks, impacting Brit's (re)insureds, leading to large volumes of claims.	✓
	Underwriting – reinsurance	Failure to obtain reinsurance on attractive terms, or failure to recover under reinsurance arrangements.	
	Reserving	Prior year reserves are insufficient to cover claims (net of reinsurance) e.g. due to higher than anticipated inflation.	✓
Market	Investment market risk	Invested assets adversely affected by changes in economic variables, such as interest rates, inflation, bond yields, equity returns, credit spreads and credit ratings.	✓
	Currency	Exchange rate fluctuations materially impact our financial performance.	
Liquidity	Liquidity	Insufficient financial resources available to meet liabilities as they fall due.	
Credit	Counterparty risk	Deterioration in the creditworthiness of, defaults by, or reputational issues related to, premium debtors, reinsurers or other third parties with whom we transact business.	
Operational and group	People	Failure to attract, motivate and retain key Directors, senior underwriters, senior management, and other key personnel, on whom our future success is substantially dependent.	✓
	Systems and processes	Failure of our systems or processes, impacting our ability to conduct business and our ability to provide continuity of service to our clients.	
	Information security	Failure to properly protect information could compromise the confidentiality, integrity or availability of our information and data, potentially resulting in financial loss and legal, regulatory, and reputational consequences.	

BRIT GROUP HOLDINGS LIMITED

Strategic Report (continued)

Risk category	Risk	Description	Principal risks
	Outsourcing arrangements	Failure on the part of any third-party to perform agreed outsourced services, on which we are heavily reliant.	
	Reputational	Damage to reputation due to actions taken by Brit or related parties and the impact this has on Brit's business and operations.	
	Regulatory and legal	Legislation or regulation adversely affects Brit's operations.	
	Conduct	Failure to ensure the Group's products and services deliver the right outcomes for consumers.	
	Change management	Major projects or other key changes are not implemented effectively.	

Climate change, emerging, and other risks

Emerging risks

Brit undertakes a formal emerging risk review annually. The review is an important part of the risk identification aspect of the RMF and includes horizon scanning of the internal and external risk environment to identify potential new or developing risks to Brit.

Climate Change

Climate change has been recognised as an emerging risk since 2014 and has been an area of focus since having been identified as a high priority by Brit's 2018 emerging risks analysis. Its potential impact on the insurance industry is an area of focus for the wider insurance market and its regulators.

The financial risks to insurers may include the potential for increased frequency and severity of weather-related natural catastrophes, for example, hurricanes and wildfires. The three main areas of risk identified for Brit are natural catastrophes, liability claims and investment losses.

Geopolitics

Geopolitical events, such as the ongoing wars in Ukraine and the Middle East, have the potential to cause insurance losses and disruption to financial markets. Insurance losses could arise either as a result of direct damage from the conflicts or from second order impacts such as supply chain disruptions and economic instability.

The potential impact of events and political decisions, such as the imposition of tariffs, could have impact on the world economy, capital markets and the insurance industry.

The Group continues to monitor the geopolitical environment.

Cyber risk

The cyber threat landscape continues to develop with increasingly sophisticated attack techniques such as ransomware as a service, increasing interconnectivity (such as networked critical infrastructure and cloud data storage), and the advancement of generative artificial intelligence (AI).

Brit has invested significantly in developing its understanding of cyber underwriting risk, including the potential drivers of aggregate loss events. Similarly, Brit has invested significantly in its own cybersecurity. An annual risk-based evaluation is conducted to ensure Brit retains the capability to detect security vulnerabilities and safeguard our systems.

BRIT GROUP HOLDINGS LIMITED

Strategic Report (continued)

Section 172(1) Statement

Introduction

The Directors' key responsibility is to promote the success of the Company, and the broader Brit Group. This principle is embodied in the Board's terms of reference and is the cornerstone of their discussions and decision making.

The Directors of the Company consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act).

The Board's approach to section 172(1) and decision making

The Board's terms of reference, which will be reviewed annually, clearly articulate the Board's responsibilities, the role of the Chair and matters reserved for the Board. They also set out which of the Board's powers and responsibilities may be delegated to other committees and the governance mechanisms by which the Board monitors those committees' activities and performance. The Chair ensures that these terms of reference are adhered to and, by doing so, ensures that Directors have due regard for all appropriate factors during the decision-making process.

Our strategy

Following the acquisition of Brit Insurance Holdings Limited, the Board is responsible for a number of key strategic decisions, including approving the business plans, objectives and strategy of the Group. It is also responsible for managing Group capital, including the setting of Group Capital Policy and the recommendation of dividends to shareholders.

The Group's strategy and business plans will be approved annually by the Board. The Board also assesses how the strategy underpins long-term value creation, and on-going performance is discussed and monitored at Board meetings.

The Directors' assessment of long-term value creation also considers the Group's resilience. Directors monitor relevant underwriting, reserving, business, operational, credit, market and liquidity risk appetites and tolerances, and ensure the Group has an effective Risk Management Framework in place.

Board information

The Board receives information on a range of relevant topics, and receives information on other areas as requested by the Directors from time to time. The Board receives regular formal reports on the operations and performance of the Company from the Group Chief Executive Officer and the Group Chief Financial Officer. The Board also receives regular reports from the chairs of the committees of the Board such as the Audit Committee, Remuneration Committee and Nomination Committee, and from the managers of its principal subsidiaries' boards.

Our policies and practices

All relevant factors are appropriately addressed by the Board when considering matters reserved for it, as set out in its terms of reference.

The Board also ensures that appropriate consideration is given to relevant factors by the committees to which it delegates responsibilities. The Board reviews the terms of reference of such committees on an annual basis, and receives regular updates and reports from those committees' chairs.

The Board also reviews the Company's key policies on an annual basis, ensuring that all relevant considerations to assist it discharge its responsibilities are embedded in the key operations of the business. These policies help to promote the long-term success of the Company by focusing on areas such as the key operations of the Company.

BRIT GROUP HOLDINGS LIMITED

Strategic Report (continued)

Section 172(1) Statement (continued)

The Board reviews its key stakeholder map on an annual basis. New key stakeholder relationships are identified through information received and considered by the Board on a regular basis, or through the Board's consideration and approval of substantial contracts and commitments.

Training

To assist the Directors in discharging their responsibilities, they are provided with on-going training and development opportunities. They have received a number of in-depth briefings on specific relevant issues.

For the wider workforce, there is a comprehensive staff development programme tailored to meet individual needs. Elements of this training are mandatory, with all staff required to successfully complete e-learning modules on key areas such as money laundering, bribery and corruption, data protection, fraud and cyber risk.

Our culture

Building and maintaining the Company's reputation and its high standards of business conduct are essential to the future success of the Company. This is embedded in our culture.

Our brand purpose informs everything we do, from how we communicate, to how we develop and deliver our services, to how we work together.

The Company also maintains a 'Code of Conduct' setting out the standard we expect from all of our staff. This is regularly reviewed and updated, and compliance is attested to by each employee on an annual basis.

Our stakeholders

The Board recognises the importance of engaging with its broader stakeholder base. The Company's key stakeholders, as identified by the Board, include our immediate shareholder (Fairfax UK Holdings Limited), our ultimate shareholder (Fairfax Financial Holdings Limited), holders of the 2030 subordinated debt, lenders under our revolving credit facility, our people, business partners, customers and regulators. The Company engages with its stakeholders and considers its stakeholders interests in its decision making.

Community matters

The Board recognises the importance of not only generating value for our stakeholders but also to contribute to wider society. We seek to make both a positive contribution to society and to be aware of the long-term consequences of our actions.

Key decisions made by the Directors

Amendment and restatement of the Brit group revolving credit facility

On 10 December 2024, the Board considered a proposal to amend and restate the Brit group revolving credit facility. The proposal was to replace the Fairfax UK Holdings Limited (formerly Brit Limited) as a borrower and guarantor of the Brit group's revolving credit facility (RCF) with the Company, conditional on the Company's acquisition of Brit Insurance Holdings Limited. The primary purpose of the RCF is to provide contingency capital to the Brit group and letters of credit to support Lloyd's requirements, if required. At this date the RCF was undrawn, with total committed funding under the RCF being US\$550million.

In approving the amendment and restatement of the Brit group revolving credit facility, the Board considered the business needs of its intermediate holding company and its subsidiary companies. It also considered the position of its ultimate shareholder, and of other stakeholders such as the holders and trustee of the subordinated notes, its employees and its customers.

BRIT GROUP HOLDINGS LIMITED

Strategic Report (continued)

Section 172(1) Statement (continued)

Acquisition of Brit Insurance Holdings Limited

On 10 December 2024, the Board considered a proposal to acquire 100% of the share capital of Brit Insurance Holdings Limited from Fairfax UK Holdings Limited, in return for the issuance of shares in the Company. The intended (and actual) effective date of this transaction was 12 December 2024. This proposal would establish the Company as the new holding company of the Brit group businesses. The Board approved the proposal.

In approving the acquisition of Brit Insurance Holdings Limited, the Board considered the business needs of its intermediate holding company and its subsidiary companies. It also considered the position of its ultimate shareholder, and of other stakeholders such as the holders and trustee of the subordinated notes, its employees and its customers.

Subordinated Notes due 2030 (the subordinated notes): Substitution of issuer

On 13 January 2025, the Board discussed and considered the substitution of the Company as the issuer of the subordinated notes in place of Fairfax UK Limited (formerly Brit Limited), in return for the assignment of the benefit of a loan to the Company. The terms and the fair market value of the loan were the same as those for the subordinated debt. The Board approved the substitution, with Brit Group Holdings Limited being substituted. It also approved the associated supplemental trust deed and ancillary documents.

In approving the change of issuer and the assignment of the loan, the Board considered the business needs of its intermediate holding company and its subsidiary companies. It also considered the position of its ultimate shareholder, and of other stakeholders such as the holders and trustee of the subordinated notes, its employees and its customers.

On behalf of the Board



G Wilkinson

Director

29 April 2025

BRIT GROUP HOLDINGS LIMITED

Report of the Directors

Registered number: 15884169

The Directors present their report and audited financial statements for the period ended 31 December 2024.

Principal activities

The Company is an intermediate holding company.

The Directors do not envisage any changes to the current business model in 2025.

Result and dividend

The profit for the financial period is \$nil.

The Directors do not recommend the payment of a final dividend for the financial period from 7 August 2024 to 31 December 2024.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors

The names of the Directors of the Company who held office during the financial period and up to the date of signing the financial statements are listed on page 2. At the time the Directors' report was approved, and during the financial period to which it relates, a qualifying third party indemnity provision, made by a group company, was in force for the benefit of all Directors holding office during that period.

Employee and environmental matters

All staff in the United Kingdom are employed by a services company within the Brit Group, Brit Group Services Limited. Further information on the Brit Group's employment policies can be found in the most recent Annual Report produced by Fairfax UK Holdings Limited (formerly Brit Limited).

The Brit Group is committed to managing and reducing its environmental impact in a cost effective and responsible way. The Company is exempt from disclosures related to streamlined energy and carbon reporting framework ('SECR') as they are included in the Brit Group disclosures. The Brit Group disclosures can be found in the most recent Annual Report produced by Fairfax UK Holdings Limited (formerly Brit Limited).

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102), and applicable company law (UK Generally Accepted Accounting Practice).

BRIT GROUP HOLDINGS LIMITED

Statement of Directors' responsibilities (continued)

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Statement of disclosure of information to the auditors

In accordance with the provisions of section 418 of the Companies Act 2006, each of the persons who are Directors of the Company at the date of approval of this report confirms that:

- So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- Each Director has taken all the steps that ought to have been taken in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Political donations

Neither the Company nor any of its subsidiaries made any political donations during the period.

Independent Auditors

Pursuant to section 487 of the Companies Act 2006, the Directors have appointed PricewaterhouseCoopers LLP as the Company's first auditor, effective from 10 December 2024. The auditors shall hold office until the conclusion of the Company's first general meeting at which financial statements are laid.

The review of the business including future developments, principal risks and uncertainties, stakeholder engagement information and subsequent events is not shown in the Report of the Directors because it is shown in the strategic report instead under s414C(11) and Note 10.

On behalf of the Board



G Wilkinson

Director

29 April 2025

BRIT GROUP HOLDINGS LIMITED

Corporate Governance Report

Philosophy

The Company has chosen to adopt an entirely bespoke corporate governance framework, rather than any recognised corporate governance code. Whilst the Company recognises the value of those codes and gives due consideration to the principles and provisions contained within, it believes that the adoption of a bespoke framework promotes a culture of challenge and continuous improvement – ensuring directors and management actively consider the impact and value of arrangements against the Company's unique circumstances and strategic objectives. Further, the Company welcomes the flexibility of a bespoke framework, which allows it to consider the appropriateness of governance principles and provisions across various codes and jurisdictions; and the exploration of new arrangements as the Company's strategy and operating environment develop.

Recent Developments

Until 13 December 2024, the Brit Group (and therefore the Company) was ultimately owned in majority by Fairfax Financial Holdings Limited and in minority by OMERS Administration Corporation. Thereafter, the Brit Group has been wholly owned (ultimately) by Fairfax Financial Holdings Limited.

During 2024, Fairfax UK Holdings Limited (formerly Brit Limited) was the holding company of the Brit group of companies, which included the Ki business. To enact separation of the Ki business from the Brit group of companies, the Brit group was restructured under two subsidiaries of Fairfax UK Holdings Limited – the Company (which became the new holding company for the Brit group) and Ki Financial Limited (which is the holding company for the Ki group). As a result of that transaction, the Company adopted the governance arrangements previously operated by Fairfax UK Holdings Limited to manage the Brit group on 28 February 2025. As such, the governance arrangements presented within this Corporate Governance Report relate to the group.

The governance arrangements outlined in this Corporate Governance Report reflect both the change in beneficial ownership and the Company's new role as the holding company of the Brit group.

Strategic Oversight

The Board of the Company is primarily responsible for the review and oversight of group strategy. In doing so, it ensures that material risks to achieving that strategy are appropriately managed, and that the Brit Group is appropriately capitalised to achieve its objectives.

The Board of directors at the date of this report comprises six members, as follows –

- Gordon Campbell (*independent non-executive Chairman*)
- Simon Lee (*independent non-executive director*)
- Michael Wallace (*non-executive director*)
- Andrea Welsch (*independent non-executive director*)
- Martin Thompson (*Chief Executive Officer*)
- Gavin Wilkinson (*Chief Financial Officer*)

The composition of the Board balances representation from the sole shareholder (Michael Wallace), the executive (Martin Thompson and Gavin Wilkinson) and core operating subsidiaries (Simon Lee and Andrea Welsch), whilst ensuring discussions remain subject to independent challenge (Gordon Campbell, Simon Lee and Andrea Welsch).

In managing the business of the Company, the directors may (generally) exercise all of the powers of the Company as permitted by law, with the exception of the appointment of directors, the appointment and removal of the Chair of the Board and the issuance of a different classes of shares, which are reserved to Fairfax Financial Holdings Limited (or a related company) in its capacity as the ultimate sole shareholder.

Board meetings are held quarterly and at such other times as required.

Risk Management

As outlined above, the Board takes an active role in overseeing and managing risks which are material to achieving group strategy.

BRIT GROUP HOLDINGS LIMITED

Corporate Governance Report (continued)

Risks which are relevant to the group's core operating subsidiaries (including Brit Syndicates Limited and Brit Reinsurance (Bermuda) Limited) are managed by Risk Committees operating at the level of those entities. To support the Board in overseeing aggregated risks which may threaten group strategy, it receives regular risk reporting from those entities.

Financial Reporting & Internal Control

To support the group financial reporting process, management deploy (and continually review) a population of robust, evidence-based controls, supported by an appropriate risk culture within the business. The ongoing effectiveness of those financial controls is further reviewed by the Internal Audit function on an ongoing basis.

The group financial reporting process is ultimately overseen by the Audit Committee, which is responsible for the integrity of group financial statements, the effectiveness of the group Internal Control framework (spanning financial, operational and compliance control), the group Internal Audit framework and the relationship with the external auditor.

The Audit Committee comprises three members –

- Gordon Campbell (*Chair, independent non-executive Chairman*)
- Caroline Ramsay (*member*)
- Andrea Welsch (*member, independent non-executive director*)

In line with the Disclosure Guidance and Transparency rules, the majority of the Audit Committee is independent; at least one member has competence in accounting or auditing, and the members as a whole have competence relevant to the sector in which the Company operates. Further, the membership of the committee provides representation from the Audit Committee of the group's core operating subsidiary, Brit Syndicates Limited (Caroline Ramsay). This ensures that the committee remains apprised of subsidiary financial reporting matters which are relevant to the group.

The Audit Committee meets quarterly and at such other times as required. The committee reports into the Board after each meeting.

Remuneration

The Remuneration Committee is responsible for setting the group's remuneration policy and awarding executive director remuneration. Remuneration is designed to be fair and to promote the achievement of group strategy.

The Remuneration Committee comprises four members –

- Gordon Campbell (*Chair, independent non-executive Chairman*)
- Michael Wallace (*member, non-executive director*)
- Simon Lee (*member, independent non-executive director*)
- Martin Thompson (*member, Chief Executive Officer*)

The composition of the Remuneration Committee balances shareholder representation (Michael Wallace) and executive representation (Martin Thompson), whilst ensuring discussions remains subject to independent challenge (Gordon Campbell and Simon Lee). No director is involved in setting their own remuneration.

The Remuneration Committee meets biannually and at such other times as required. The committee reports into the Board after each meeting.

Composition and Succession

The Nominations Committee periodically assesses the composition and succession arrangements for the Board and Board committees of the Company and material subsidiaries within the group, having regard to the skills, knowledge and experience required to achieve group strategy. The committee also leads any subsequent search process for a new director and makes recommendations for their appointment to the appropriate Board or committee.

BRIT GROUP HOLDINGS LIMITED

Corporate Governance Report (continued)

The composition of the Nominations Committee is aligned to the Remuneration Committee as follows -

- Gordon Campbell (*Chair, independent non-executive Chairman*)
- Michael Wallace (*member, non-executive director*)
- Simon Lee (*member, independent non-executive director*)
- Martin Thompson (*member, Chief Executive Officer*)

The composition of the Nominations Committee balances shareholder representation (Michael Wallace) and executive representation (Martin Thompson), whilst ensuring discussions remains subject to independent challenge (Gordon Campbell and Simon Lee). Both the Chairman of the Company and the group's core subsidiary, Brit Syndicates Limited, are members of the committee to assist in their role of managing the effectiveness of their individual Boards.

The Nomination Committee meets biannually and at such other times as required. The committee reports into the Board after each meeting.

Effectiveness Reviews

Group governance arrangements are periodically reviewed through a mixture of internal and external independent assessments. The last review was conducted in the fourth quarter of 2024 when the group governance arrangements were operated by Fairfax UK Holdings Limited (formerly Brit Limited). That review confirmed that the arrangements were effective and made a number of recommendations to deliver further enhancements. Those recommendations were implemented in full before the group governance arrangements were adopted by the Company.

Diversity

The Company's diversity and inclusion initiative spans four pillars, aiming to create an organisation that (1) Brit colleagues consider to be progressive and committed to diversity and inclusion goals; (2) adopts equitable recruitment processes that attract talent from a diverse pool, and gives Brit people opportunities to grow and develop; (3) accepts, recognises and encourages diversity in all its forms and adopts a zero-tolerance approach to all forms of discrimination and (4) champions positive diversity and inclusion behaviours through the actions of its leadership and management.

Deliverance against those pillars is considered to be core to the Company's long-term strategy. As such, they are embodied by management and directors in all aspects of decision making – including the Nomination Committees assessments of composition and succession. With that common approach being embedded and championed across the organisation, the Company does not believe it is necessary to adopt specific diversity policies applying to directors and senior management.

Executive Management

Besides the functions reserved to the Board or otherwise delegated to committees of the Board, all management functions are delegated to the Group Chief Executive Officer. In turn, the Group Chief Executive Officer delegates authority to the executive team and operates the Executive Committee to manage that arrangement.

The Executive Committee comprises eight members, as follows –

- Martin Thompson (*Chief Executive Officer*)
- Bilge Mert (*Chief Technology Officer*)
- Gavin Wilkinson (*Chief Financial Officer*)
- Jon Sullivan (*Group Chief Underwriting Officer*)
- Shane Kingston (*Chief Risk Officer and Chief Actuary*)
- Joy Ferneyhough (*Chief Experience Officer*)
- Lorraine Denny (*Chief Engagement Officer*)

On behalf of the Board



G Wilkinson
Director
29 April 2025

Brit Group Holdings Limited

Independent auditors' report to the members of Brit Group Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Brit Group Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its result for the period from 7 August 2024 to 31 December 2024;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Brit Group Holdings Limited Strategic Report, Report of the Directors and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2024; the Income Statement, and the Statement of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

As explained in the Strategic Report, Brit Group Holdings Limited was incorporated on 7 August 2024 and later became the new holding company for the Brit Group during 2024 in order to facilitate the separation of the Ki business from the Brit group of companies.

Overview

Audit scope

- Our audit scope has been determined to provide coverage of all material financial statement line items.

Key audit matters

- Valuation of shares in Group Undertakings

Brit Group Holdings Limited

Independent auditors' report to the members of Brit Group Holdings Limited (continued)

Materiality

- Overall materiality: \$10.5m based on 1% of total assets.
- Performance materiality: \$7.9m.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of shares in Group Undertakings</i></p> <p>See notes 1(c) and 1(i) of the financial statements for disclosures of related accounting policies, judgements and estimates.</p> <p>In the company's statement of financial position, the shares in Group Undertakings are reported at cost less impairment. Management carry out an impairment assessment on an annual basis which requires judgement and as such this was a focus for our audit.</p>	<p>We performed the following audit procedures to assess the valuation of the shares in Group Undertakings:</p> <ul style="list-style-type: none">• We evaluated management's assessment of impairment indicators and their judgement that no impairment indicators existed; and• We challenged management's assessment of impairment indicators by performing our own independent assessment of whether impairment indicators existed. <p>Based on these procedures, the valuation of the shares in Group Undertakings was found to be consistent with the evidence obtained.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Brit Group Holdings Limited is a newly incorporated intermediate holding company for the Brit group of companies and has had limited transactions during the year. A full scope audit has been performed over all material financial statement line items.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the company's financial statements.

Brit Group Holdings Limited

Independent auditors' report to the members of Brit Group Holdings Limited (continued)

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall company materiality</i>	\$10.5m
<i>How we determined it</i>	1% of total assets
<i>Rationale for benchmark applied</i>	In determining our materiality, we have considered financial metrics which we believe to be relevant to the users of the financial statements. Due to the nature of the company's operations (an intermediate holding company) total assets is an appropriate and generally accepted benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to \$7.9m for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above \$0.5m as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Brit Group Holdings Limited

Independent auditors' report to the members of Brit Group Holdings Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the period ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal

Brit Group Holdings Limited

Independent auditors' report to the members of Brit Group Holdings Limited (continued)

risks were related to posting of inappropriate journals and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with the Board, management, internal audit and the compliance function, including consideration of known or suspected instances of non-compliance with laws and regulations, and fraud;
- Assessment of matters reported on the whistleblowing helpline and management's investigations of such matters;
- Reviewing relevant meeting minutes;
- Testing and challenging, where appropriate, the assumptions and judgements made by management in their significant accounting estimates; and
- Identifying and testing, where appropriate, journal entries identified as potential indicators of fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Paul Pannell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 April 2025

BRIT GROUP HOLDINGS LIMITED

Income Statement for the period ended 31 December 2024

The Company did not trade during the current or prior year.



G Wilkinson

Director

29 April 2025

Registered No. 15884169

BRIT GROUP HOLDINGS LIMITED

Statement of Financial Position

As at 31 December 2024

	Note	31 December 2024 \$m
Fixed assets		
Shares in Group undertakings	4	1,055.2
Net assets		1,055.2
Capital and reserves		
Called up share capital	5	-
Share premium account		1,055.2
Total equity		1,055.2

The notes on pages 24 to 28 form part of these financial statements. The financial statements on pages 21 to 23 were approved by the Board of Directors on 29 April 2025 and signed on their behalf by:



G Wilkinson

Director

29 April 2025

Registered No. 15884169

BRIT GROUP HOLDINGS LIMITED

Statement of Changes in Equity

For the financial period from 7 August 2024 to 31 December 2024

	Note	Called up share capital \$m	Share premium account \$m	Total equity \$m
At 7 August 2024 (date of incorporation)		-	-	-
Issue of share capital	5	-	1,055.2	1,055.2
At 31 December 2024		-	1,055.2	1,055.2

At the date of incorporation, 7 August 2024, the Company issued one ordinary share at a nominal value of £1. Subsequently on 12 December 2024 a further 999 ordinary shares were issued, also with a nominal value of £1.

The notes on pages 24 to 28 form part of these financial statements.

BRIT GROUP HOLDINGS LIMITED

Notes to the Financial Statements

For the financial period from 7 August 2024 to 31 December 2024

1. Accounting policies

(a) Basis of preparation and statement of compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and the Companies Act 2006. This is the first set of financial statements prepared in accordance with FRS 102. The financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements are presented in US Dollar, which is the Company's functional currency, and all values are rounded to the nearest \$0.1m except where otherwise indicated. Items included in the financial statements are measured using the functional currency which is the primary economic environment in which the Company operates. The Company is a private company, limited by shares and is incorporated in the United Kingdom. The address of its registered office is The Leadenhall Building, 122 Leadenhall Street, London, England, EC3V 4AB.

The financial statements for the financial period from 7 August 2024 to 31 December 2024 were approved for issue by the Board of Directors on 29 April 2025.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

(b) Consolidated financial statements

The financial statements present information relating to the Company, not to the group of which it is the parent company. The Company is exempt from preparing consolidated financial statements of the group, under section 400 of the Companies Act 2006. Fairfax UK Holdings Limited (formerly Brit Limited), which is registered in the UK and is the immediate holding company, has prepared Group financial statements as at 31 December 2024. The registered address of Fairfax UK Holdings Limited is The Leadenhall Building, 122 Leadenhall Street, London, England, EC3V 4AB.

(c) Shares in Group undertakings

Investments in subsidiary undertakings are held at cost less accumulated impairment losses.

(d) Expenses

All expenses are accounted for on an accruals basis. Expenses which are incidental to the acquisition or disposal of an investment are treated as part of the cost or proceeds of the investment.

BRIT GROUP HOLDINGS LIMITED

Notes to the Financial Statements (continued)

For the financial period from 7 August 2024 to 31 December 2024

1. Accounting policies (continued)

(g) Foreign currency translation

Transactions in foreign currencies other than Sterling, United States dollars, Canadian dollars and Euros are translated at the rate of exchange ruling at the date the transaction is processed. Unless otherwise stated, transactions in Sterling, Canadian dollars and Euros are translated at the average rates of exchange for the period. Amounts written off investments are translated at the historic rate of exchange that was initially used to record the shares in Group undertakings (investments in subsidiaries). Assets and liabilities in currencies other than United States dollars are translated at the rate of exchange ruling at 31 December of each year. Exchange differences arising on translation are dealt with in the income statement.

(h) Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds. Called up share capital represents the nominal value of the shares issued. The share premium account represents the premium on issue of equity shares, net of any directly attributable issue costs.

(i) Critical accounting estimate and judgement

The amounts recognised in the financial statements in respect of the shares in Group undertakings are assessed for any indicators of impairment on an annual basis. This may include an assessment of the recoverable amount of those shares, which in turn may require estimates of the subsidiary's future profits (in order to estimate its value in use). Where this is the case the estimates are based on forecasts approved by management. An impairment is recognised where the recoverable amount of the shares in Group undertakings (being the higher of fair value less costs to sell and value in use) is below the carrying value. For further information, refer to Note 4.

2. Auditors' remuneration

The auditor did not receive any remuneration in the current period in respect of the Company. A fee of \$60k for the statutory audit of the Company for the period ended 31 December 2024 will be paid in 2025.

Audit-related assurance services and non-audit services provided by the auditor to subsidiaries of the Company are disclosed included in the Fairfax UK Holdings Limited (formerly Brit Limited) consolidated financial statements (refer to Note 7).

3. Directors' remuneration

The Directors did not receive any remuneration for their services to the Company during the period ended 31 December 2024.

BRIT GROUP HOLDINGS LIMITED

Notes to the Financial Statements (continued)

For the financial period from 7 August 2024 to 31 December 2024

4. Shares in Group undertakings

	2024 \$m
Investment in Brit Insurance Holdings Limited	<u>1,055.2</u>

On 12 December 2024, Fairfax UK Holdings Limited's investment in Brit Insurance Holdings Limited was transferred to the Company in exchange for the issuance of share capital by the Company to Fairfax UK Holdings Limited. The Company recognised an investment in Brit Insurance Holdings Limited at \$1,055.2m, with a corresponding increase in share premium of \$1,055.2m. At the reporting date there were no indicators that the Company's investment in Brit Insurance Holdings Limited was impaired.

All subsidiaries of the Company are held indirectly except for the investment in Brit Insurance Holdings Limited, which is held directly by the Company. All subsidiaries of the Company are 100% owned.

The subsidiaries of the Company at 31 December 2024, together with their main function, are listed below by country of incorporation. The registered address of each entity is The Leadenhall Building, 122 Leadenhall Street, London, England, EC3V 4AB unless otherwise stated.

Subsidiary	Principal activity	Registered address
United Kingdom		
Brit Insurance Holdings Limited	Intermediate holding company	The Leadenhall Building
Brit Syndicates Limited	Lloyd's managing agent	The Leadenhall Building
Brit UW Limited	Lloyd's corporate member	The Leadenhall Building
Brit Insurance Services Limited	Service company	The Leadenhall Building
Brit Investment Holdings Limited (in liquidation)	Service company (Dormant)	The Leadenhall Building
Brit Group Services Limited	Group services company	The Leadenhall Building
Brit Group Finance Limited	Group services company	The Leadenhall Building
BGS Services (Bermuda) Limited	Service company	The Leadenhall Building
Brit Pension Trustee Limited	Service company (Dormant)	The Leadenhall Building
Brit Corporate Services Limited	Service company (Dormant)	The Leadenhall Building
Brit Corporate Secretaries Limited	Service company (Dormant)	The Leadenhall Building
Sussex Capital UK PCC Limited	Special purpose vehicle	The Leadenhall Building
Nameco (No. 1341) Limited	Lloyd's corporate member	5th Floor 40 Gracechurch Street, London, England, EC3V 0BT
Ki Capital Solutions Limited	Inactive (Dormant)	The Leadenhall Building
Ki Technology Limited	Inactive (Dormant)	The Leadenhall Building
Ki Risk Services Limited	Inactive (Dormant)	The Leadenhall Building
Ki Shelf Company Limited	Inactive (Dormant)	The Leadenhall Building
Brit Syndicates Trustee Limited	Lloyd's trustee (Dormant)	The Leadenhall Building
RSML Pension Trustee Limited (incorporated on 21 February 2024)	Corporate trustee (Dormant)	The Leadenhall Building

BRIT GROUP HOLDINGS LIMITED

Notes to the Financial Statements (continued)

For the financial period from 7 August 2024 to 31 December 2024

4. Shares in Group undertakings (continued)

Bermuda		
Sussex Capital Management Limited	Service company	Ground Floor Chesney House, The Waterfront, 96 Pitts Bay Road, Pembroke, HM 08, Bermuda
Sussex Capital Limited (dissolved on 10 March 2025)	Special purpose vehicle	Wessex House, 3rd Floor, 45 Reid Street, Hamilton HM 12, Bermuda
Sussex Re Limited	Special purpose vehicle	Wessex House, 3rd Floor, 45 Reid Street, Hamilton HM 12, Bermuda
Brit Reinsurance (Bermuda) Limited	Insurance company	Ground Floor Chesney House, The Waterfront, 96 Pitts Bay Road, Pembroke, HM 08, Bermuda
South Africa		
Camargue Underwriting Managers (Proprietary) Limited	Insurance intermediary	Camargue House, 33 Glenhove Road, Melrose Estate, 2196
Synergy XOL (Pty) Ltd.	Service company	Camargue House, 33 Glenhove Road, Melrose Estate, 2196
Phoenix Underwriting Managers (Pty) Ltd.	Service company (Dormant)	Camargue House, 33 Glenhove Road, Melrose Estate, 2196

5. Called up share capital

	Share capital \$m	Share premium \$m	Number
At 31 December 2024			
Allotted, called up and fully paid:			
Ordinary shares of £1 each	-	1,055.2	1,000

All shares rank *pari passu*. There are no restrictions on the distribution of dividends and the repayment of capital. The total called up share capital as at 31 December 2024 was £1,000.

6. Guarantees and contingent liabilities

The Company is the borrower under a \$550.0m revolving credit facility which expires on 31 December 2027. Two subsidiaries of the Company are also borrowers under the facility and guarantors to the lenders. The Company guarantees amounts utilised through cash drawings or issued letters of credit by the other named borrowers.

Under this revolving credit facility, at 31 December 2024 no letters of credit had been utilised or cash drawings made by either the Company or its subsidiaries.

7. Disclosure exemptions

The Company has taken advantage of the disclosure exemptions provided by paragraph 1.12 of FRS 102. Accordingly, these financial statements do not include the following:

- Statement of cash flows;
- A reconciliation of shares outstanding at the beginning and end of the period;
- Specific information relating to financial instruments that is included within equivalent disclosures for the Brit Limited Group;
- Specific information relating to share-based payments that is included within equivalent disclosures for the Brit Limited Group;
- Disclosure of key management personnel compensation; and
- Specific information relating to deferred tax arising from Pillar Two legislation.

BRIT GROUP HOLDINGS LIMITED

Notes to the Financial Statements (continued)

For the financial period from 7 August 2024 to 31 December 2024

7. Disclosure exemptions (continued)

The Company has been consolidated into the Group financial statements of Fairfax UK Holdings Limited (formerly Brit Limited), a company registered in the United Kingdom. The Fairfax UK Holdings Limited consolidated Financial Statements and accompanying notes provide further detail in respect of these areas, copies of whose financial statements can be obtained from The Leadenhall Building, 122 Leadenhall Street, London, England, EC3V 4AB.

8. Related party transactions

The Company has taken advantage of the exemption afforded by FRS 102, paragraph 33.1A, in not disclosing transactions with other wholly owned subsidiaries of Fairfax UK Holdings Limited.

9. Controlling party

The Company is a wholly owned subsidiary of Fairfax UK Holdings Limited, a company registered in the United Kingdom, details for which are provided in Note 1(b) above.

As at 31 December 2024, the ultimate parent company was Fairfax Financial Holdings Limited a company registered in Canada. Copies of Fairfax Financial Holdings Limited consolidated financial statements can be obtained by writing to 95 Wellington Street West, Suite 800, Toronto, Ontario, Canada, M5J 2N7, or from the website at www.fairfax.ca.

10. Events occurring after the reporting date

As at 31 December 2024, Fairfax UK Holdings Limited had issued £127.0m of 3.7% subordinated debt notes ("the Notes") with carrying value of \$159.0m. This instrument, which is listed on the London Stock Exchange, was issued in 2005, matures on 9 December 2030. The fair value of the Notes as at year-end was \$135.9m, determined by reference to trading market values on recognised exchanges and was therefore categorised as a level one measurement in the fair value hierarchy.

With effect on and from 22 January 2025, the Company was substituted in place of Fairfax UK Holdings Limited as issuer and principal debtor under the Notes due 2030. The Notes continue to be guaranteed by Brit Insurance Holdings Limited. The substitution reflects changes to the Brit Group structure.

As consideration for this change, on 22 January Fairfax UK Holdings Limited assigned the benefit of its loan to Brit Insurance Holdings Limited (a subsidiary of the Company) to the Company. This loan has the same principal, interest rate and maturity date as the subordinated debt.

The Company is now the issuer of the Notes and therefore is required to produce consolidated financial statements for year ending 31 December 2025 and onwards.