

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
**For the quarterly period ended June 30, 2025**  
or  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from to



**ACCELERANT HOLDINGS**

(Exact Name of Registrant as Specified in Its Charter)

**Cayman Islands**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**001-42765**  
(Commission File Number)

**98-1753044**  
(I.R.S. Employer  
Identification Number)

Accelerant Holdings  
c/o Accelerant Re (Cayman) Ltd.  
Unit 106, Windward 3, Regatta Office Park,  
West Bay Road, Grand Cayman, KY1-1108  
1 (345) 743-4611

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Securities registered pursuant to Section 12(b) of the Act:

<b>Title of Each Class</b>	<b>Trading Symbol</b>	<b>Name of Each Exchange on Which Registered</b>
Class A common shares, \$0.0000011951862 par value per share	ARX	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).  Yes  No

As of August 25, 2025, there were 219,986,563 of the registrant's common shares outstanding, comprised of 112,745,135 Class A common shares, \$0.0000011951862 par value per share and 107,241,428 Class B common shares, \$0.0000011951862 par value per share.

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**Accelerant Holdings**

**Quarterly Report on Form 10-Q**  
**For the Period Ended June 30, 2025**

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## **Cautionary Note Regarding Forward-Looking Statements**

This Quarterly Report on Form 10-Q contains forward-looking statements. You can generally identify forward-looking statements by our use of forward-looking terminology such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “projection,” “seek,” “should,” “will” or “would,” or the negative thereof or other variations thereon or comparable terminology. In particular, statements about the markets in which we operate, including growth of our various markets, and our expectations, beliefs, plans, strategies, objectives, prospects, assumptions, or future events or performance contained in this Quarterly Report on Form 10-Q under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” are forward-looking statements.

We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important factors, including those discussed in this Quarterly Report on Form 10-Q under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements, or could affect our share price. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our Risk Exchange’s prospects, its potential for expansion to new Members, Risk Capital Partners (including third-party insurers and reinsurers) and offerings beyond the specialty insurance market, as well as the future prospects of our overall business;
- our ability to grow our business profitably;
- our financial strength;
- the number of Members and Risk Capital Partners that we expect to retain and our membership growth prospects;
- our ability to continue enhancing our technology-based solutions and gain internal efficiencies and effective controls that promote the utility of the analytics we provide to Members and Risk Capital Partners;
- our ability to leverage our information systems to enhance the benefits available to our Members through our Risk Exchange;
- our ability to continue to attract Risk Capital Partners;
- the performance of our Members and Risk Capital Partners;
- our ability to accurately assess and manage the underwriting risk we retain and the impacts of sliding scale commissions on the underwriting risk we do not retain;
- the competitive environment in the specialty insurance industry;
- changes in government laws and regulations, including insurance regulatory laws, and how the enforcement thereof may affect our business;
- our expectations regarding our projected growth;
- the increased expenses associated with being a public company;
- whether we will be considered a passive foreign investment company for US tax purposes;
- the additional regulatory, legal and operational risks that may arise in connection with our expansion into new geographies and how such risks might materially affect our business, results of operations, financial condition, and prospects; and
- other factors detailed under heading “Risk Factors” in the Prospectus.

Given the risks and uncertainties set forth in this Quarterly Report on Form 10-Q, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements contained in this Quarterly Report on Form 10-Q are not guarantees of future performance and our actual results of operations, financial condition, and liquidity, and the development of the industry in which we operate, may differ materially from the forward-looking statements contained in this Quarterly Report on Form 10-Q. In addition, even if our results of operations, financial condition and liquidity, and events in the industry in which we operate, are consistent with the forward-looking statements contained in this Quarterly Report on Form 10-Q, they may not be predictive of results or developments in future periods.

Any forward-looking statement that we make in this Quarterly Report on Form 10-Q speaks only as of the date of such statement. Except as required by law, we do not undertake any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Quarterly Report on Form 10-Q.

## Glossary

As used in this Quarterly Report on Form 10-Q, unless the context indicates or otherwise requires, the following terms have the following meanings:

- **Accelerant Direct Written Premium:** Expressed as a percentage of Exchange Written Premium, the GWP written directly by Accelerant Underwriting companies, the majority of which we cede to Risk Capital Partners through our reinsurance arrangements.
- **Accelerant GWP:** The total GWP written by Accelerant Underwriting companies (both written by our insurance company and assumed as a reinsurer), the majority of which we cede to Risk Capital Partners through our reinsurance arrangements.
- **Accelerant Holdings LP Distribution:** The distribution of our existing common shares to holders of existing limited partnership interests of Accelerant Holdings LP in proportion to the economic interests represented by those limited partnership interests that occurred immediately prior to the consummation of our initial public offering in July 2025. These were subsequently redesignated as 75,988,500 Class A common shares and 90,196,595 Class B common shares.
- **Accelerant-Retained Exchange Premium:** Expressed as a percentage, as Accelerant GWP net of ceded written premium for the trailing twelve month period, divided by total Exchange Written Premium for the trailing twelve month period.
- **Accelerant Underwriting:** Accelerant's owned insurance companies and reinsurance companies, and all revenue and expenses associated with them.
- **DAC:** Deferred acquisition costs.
- **Exchange Written Premium:** The total gross written premium written through the Risk Exchange, including both gross written premiums written on behalf of Accelerant Underwriting companies and written on behalf of Risk Exchange Insurers.
- **Exchange Written Premium Growth Rate:** The increase in Exchange Written Premium in the current period compared to Exchange Written Premium from the comparable period in the prior year period.
- **Flywheel Re:** Collectively, Flywheel Re Ltd. SPC and Flywheel Holdings Ltd. SPC, a Cayman Islands holding company that indirectly owns Flywheel Re Ltd. SPC, are unconsolidated reinsurance sidecar entities, sponsored by Accelerant and through which institutional investors are offered specialty insurance risk and returns that are relatively uncorrelated with broader financial markets.
- **GAAP:** Accounting Principles Generally Accepted in the US.
- **Gross Loss Ratio:** Expressed as a percentage, gross incurred losses and loss adjustment expense divided by gross earned premium. Gross loss ratio excludes the impact of premium and loss and loss adjustment expense ceded to reinsurers. Gross loss ratio represents the percentage of gross premium earned during the period that will be required to pay current and future claims, based on management's best estimates.
- **GWP:** Gross written premium, representing the total amount of premium contracted for all policies issued in a given period.
- **Independent Members:** Members in which Accelerant does not own an interest.
- **Independent Premium:** The gross premium written by Independent Members and placed through our Risk Exchange.
- **LAE:** Loss adjustment expense.
- **Members:** Specialized underwriters, including MGAs, MGUs, and program managers (terms we use interchangeably) that underwrite insurance premiums on behalf of Risk Capital Partners through our Risk Exchange.
- **MGA:** Managing general agent; a third-party agent that receives delegated underwriting authority from a Primary Insurance Company to write insurance risk on its behalf. The term "MGA" refers generically to agents receiving this delegation of underwriting authority, including MGUs, MGAs, and/or program managers and any Member or other entity in relation to which the term "MGA" is used not fall within the regulatory definition of a "managing general agent" in the jurisdictions in which it operates.
- **MGU:** Managing general underwriter; a third-party agent that receives delegated underwriting authority from a Primary Insurance Company to write insurance risk on its behalf.
- **Mission Europe:** Mission Holdings Europe Ltd., one of our subsidiaries.

- **Mission Members:** Specialty underwriters that we incubate through Mission Underwriters and in which we have an equity ownership interest.
- **Mission Underwriters:** Mission Underwriters provides specialty underwriters with the working capital, operational support, and balance sheet capacity necessary to operate their own MGAs, in which the specialty underwriters have a majority ownership interest. These MGAs are Members of the Risk Exchange. Mission Underwriters operates in the US, UK and EU through Mission US and Mission Europe.
- **Mission US:** Mission Underwriting Holdings, LLC.
- **Net Revenue Retention:** Expressed as a percentage, the current period's Exchange Written Premium of Members that were actively writing Exchange Written Premium in the prior period divided by these same Members' prior-period Exchange Written Premium. This measure demonstrates an aggregate measure of the net growth of Exchange Written Premium from previously onboarded Members.
- **Owned Members:** Members in which Accelerant either has a minority equity ownership interest or controlling equity interest.
- **Owned Premium:** The premium produced by Mission Members and Owned Members, who receive commissions for sourcing and underwriting business.
- **Primary Insurance Company:** Carriers who write business on their license and thus are responsible for insurance policy forms, rate filings, etc. Primary Insurance Companies will often then reinsurance the risk they have written to third-party reinsurers.
- **Reinsurer:** An insurance company that insures risk written by another insurance company. Reinsurers generally are not required to be licensed directly in a given jurisdiction to provide such reinsurance coverage; however, absent any such license, reinsurers are limited only to writing such risk in a (secondary) reinsurance capacity and not in a (primary) direct capacity.
- **Risk Capital Partners:** Third-party insurance companies, reinsurers or institutional investors that provide capacity through the Risk Exchange, directly or indirectly.
- **Risk Exchange:** The Accelerant technology, data ingestion, and agency operations that serve the needs of our Members and Risk Capital Partners.
- **Risk Exchange Insurer:** Third-party Primary Insurance Company deploying underwriting capacity directly through our Risk Exchange.
- **Third-Party Direct Written Premium:** GWP written directly with Risk Exchange Insurers.
- **TPA:** Third-party administrator, providing claims handling and other operational functions related to administration of insurance policies.
- **US-UK Tax Treaty:** The Convention between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital Gains, signed July 24, 2001.

**PART I. FINANCIAL INFORMATION**

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**Accelerant Holdings**

**Condensed Consolidated Balance Sheets (unaudited)**

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<i>(expressed in millions of US dollars, except share data)</i>		
<b>Assets</b>		
Investments		
Short-term investments available for sale, at fair value (amortized cost 2025: \$77.3 and 2024: \$65.0)	\$ 77.7	\$ 64.8
Fixed maturity securities available for sale, at fair value (amortized cost 2025: \$667.9 and 2024: \$485.6)	673.7	479.5
Equity method investments	10.2	18.2
Other investments	46.6	45.3
<b>Total investments</b>	<b>808.2</b>	<b>607.8</b>
Cash, cash equivalents and restricted cash	1,458.5	1,273.0
Premiums receivable (net of allowance 2025: \$3.9 and 2024: \$2.4)	937.6	791.9
Ceded unearned premiums	1,922.4	1,558.4
Reinsurance recoverables on unpaid losses and LAE	1,424.6	1,069.5
Other reinsurance recoverables	491.1	364.3
Deferred acquisition costs	51.2	60.7
Goodwill and other intangible assets, net	119.7	64.0
Capitalized technology development costs	93.5	83.6
Other assets	189.4	221.7
<b>Total assets</b>	<b>\$ 7,496.2</b>	<b>\$ 6,094.9</b>
<b>Liabilities and shareholders' equity</b>		
Unpaid losses and loss adjustment expenses	\$ 1,692.0	\$ 1,294.4
Unearned premiums	2,173.0	1,803.2
Payables to reinsurers	1,398.6	1,109.0
Deferred ceding commissions	235.0	193.0
Funds held under reinsurance	978.1	746.9
Insurance balances payable	130.6	148.0
Debt	126.7	121.4
Accounts payable and other liabilities	280.0	252.0
<b>Total liabilities</b>	<b>7,014.0</b>	<b>5,667.9</b>
Commitments and contingencies (Note 17)		
<b>Equity</b>		
<b>Redeemable preference shares</b>		
Class C convertible preference shares (issued and outstanding 2025 and 2024: 5,556,546)	<b>104.4</b>	<b>104.4</b>
<b>Shareholders' equity</b>		
Convertible preference shares:		
Class A (issued and outstanding 2025 and 2024: 20,955,497)	236.7	236.7
Class B (issued and outstanding 2025 and 2024: 12,569,691)	145.1	145.1
Common shares (par value \$0.000001 per share, issued and outstanding 2025 and 2024: 166,185,094)	—	—
Additional paid-in capital	130.2	124.8
Accumulated other comprehensive income (loss)	1.7	(19.5)
Accumulated deficit	(167.5)	(182.8)
<b>Total Accelerant shareholders' equity</b>	<b>346.2</b>	<b>304.3</b>
<b>Non-controlling interests</b>	<b>31.6</b>	<b>18.3</b>
<b>Total equity</b>	<b>482.2</b>	<b>427.0</b>
<b>Total liabilities and equity</b>	<b>\$ 7,496.2</b>	<b>\$ 6,094.9</b>

See accompanying notes to the unaudited condensed consolidated financial statements.



**Accelerant Holdings**

**Condensed Consolidated Statements of Operations (unaudited)**

<i>(expressed in millions of US dollars)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Revenues</b>				
Ceding commission income	\$ 101.6	\$ 59.1	\$ 172.3	\$ 124.1
Direct commission income	34.2	10.1	62.3	21.7
Net earned premiums	70.6	52.2	133.6	96.2
Net investment income	12.8	8.7	25.0	16.6
Net realized gains on investments	0.4	—	2.7	0.4
Net unrealized (losses) gains on investments	(0.5)	—	1.2	(0.8)
<b>Total revenues</b>	<b>219.1</b>	<b>130.1</b>	<b>397.1</b>	<b>258.2</b>
<b>Expenses</b>				
Losses and loss adjustment expenses	51.3	43.2	96.5	71.9
Amortization of deferred acquisition costs	18.2	16.1	35.3	38.9
General and administrative expenses	86.1	57.8	159.0	106.9
Interest expenses	2.5	3.0	5.1	6.0
Depreciation and amortization	8.3	5.5	15.7	10.4
Other expenses	16.2	9.6	30.4	18.2
Net foreign exchange losses (gains)	14.2	(0.8)	17.3	(1.8)
<b>Total expenses</b>	<b>196.8</b>	<b>134.4</b>	<b>359.3</b>	<b>250.5</b>
<b>Income (loss) before income taxes</b>	<b>22.3</b>	<b>(4.3)</b>	<b>37.8</b>	<b>7.7</b>
Income tax expense	(9.2)	(4.9)	(16.9)	(14.8)
<b>Net income (loss)</b>	<b>13.1</b>	<b>(9.2)</b>	<b>20.9</b>	<b>(7.1)</b>
Adjustment for net (income) loss attributable to non-controlling interests	(4.3)	0.2	(5.6)	5.2
<b>Net income (loss) attributable to Accelerant</b>	<b>\$ 8.8</b>	<b>\$ (9.0)</b>	<b>\$ 15.3</b>	<b>\$ (1.9)</b>
<b>Net income (loss) attributable to Accelerant per common share:</b>				
Basic	\$ 0.05	\$ (0.05)	\$ 0.09	\$ (0.01)
Diluted	\$ 0.04	\$ (0.05)	\$ 0.07	\$ (0.01)
<b>Weighted-average common shares outstanding:</b>				
Basic	166,185,094	165,949,086	166,185,094	165,776,863
Diluted	205,948,671	165,949,086	205,913,393	165,776,863

*See accompanying notes to the unaudited condensed consolidated financial statements.*

**Accelerant Holdings****Condensed Consolidated Statements of Comprehensive Income (Loss) (unaudited)**

<i>(expressed in millions of US dollars)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 13.1	\$ (9.2)	\$ 20.9	\$ (7.1)
<b>Other comprehensive income, net of tax:</b>				
Foreign currency translation adjustments	7.8	2.3	10.3	3.4
Unrealized gains (losses) on fixed maturity securities:				
Unrealized gains (losses) on fixed maturity securities	4.6	(1.0)	9.4	(2.1)
Reclassification adjustments for losses recognized in net income	1.1	—	2.3	—
<b>Other comprehensive income, net of tax</b>	<b>13.5</b>	<b>1.3</b>	<b>22.0</b>	<b>1.3</b>
<b>Total comprehensive income (loss)</b>	<b>26.6</b>	<b>(7.9)</b>	<b>42.9</b>	<b>(5.8)</b>
Adjustment for comprehensive (income) loss attributable to non-controlling interests	(4.9)	0.2	(6.4)	5.2
<b>Comprehensive income (loss) attributable to Accelerant</b>	<b>\$ 21.7</b>	<b>\$ (7.7)</b>	<b>\$ 36.5</b>	<b>\$ (0.6)</b>

*See accompanying notes to the unaudited condensed consolidated financial statements.*

## Accelerant Holdings

### Condensed Consolidated Statements of Equity (unaudited)

(expressed in millions of US dollars)		Class C convertible preference shares	Class A convertible preference shares	Class B convertible preference shares	Additional paid-in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total Accelerant shareholders' equity	Non- controlling interests	Total equity
<b>Three Months Ended June 30, 2025</b>										
Balance, April 1, 2025	\$ 104.4	\$ 236.7	\$ 145.1	\$ 127.2	\$ (11.2)	\$ (176.3)	\$ 321.5	\$ 28.5	\$ 454.4	
Net income	—	—	—	—	—	8.8	8.8	4.3	13.1	
Other comprehensive income	—	—	—	—	12.9	—	12.9	0.6	13.5	
Share-based compensation	—	—	—	3.0	—	—	3.0	—	3.0	
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(1.8)	(1.8)	
<b>Balance, June 30, 2025</b>	<b>\$ 104.4</b>	<b>\$ 236.7</b>	<b>\$ 145.1</b>	<b>\$ 130.2</b>	<b>\$ 1.7</b>	<b>\$ (167.5)</b>	<b>\$ 346.2</b>	<b>\$ 31.6</b>	<b>\$ 482.2</b>	
 <b>Three Months Ended June 30, 2024</b>										
Balance, April 1, 2024	\$ 236.7	\$ 145.1	\$ 148.4	\$ (7.5)	\$ (202.9)	\$ 319.8	\$ (30.4)	\$ 289.4		
Net loss	—	—	—	—	(9.0)	(9.0)	(0.2)	(9.2)		
Other comprehensive income	—	—	—	1.3	—	1.3	—	1.3		
Share-based compensation	—	—	1.6	—	—	1.6	—	1.6		
Acquisition of non-controlling interests in previously consolidated variable interest entities	—	—	(39.3)	—	—	(39.3)	39.3	—		
Dividends paid to non-controlling interests	—	—	—	—	—	—	(0.4)	(0.4)		
<b>Balance, June 30, 2024</b>	<b>\$ 236.7</b>	<b>\$ 145.1</b>	<b>\$ 110.7</b>	<b>\$ (6.2)</b>	<b>\$ (211.9)</b>	<b>\$ 274.4</b>	<b>\$ 8.3</b>	<b>\$ 282.7</b>		

See accompanying notes to the unaudited condensed consolidated financial statements.

**Accelerant Holdings**

**Condensed Consolidated Statements of Equity (unaudited) (continued)**

<i>(expressed in millions of US dollars)</i>	Class C convertible preference shares	Class A convertible preference shares	Class B convertible preference shares	Additional paid-in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total Accelerant shareholders' equity	Non- controlling interests	Total equity
<b>Six Months Ended June 30, 2025</b>									
Balance, January 1, 2025	\$ 104.4	\$ 236.7	\$ 145.1	\$ 124.8	\$ (19.5)	\$ (182.8)	\$ 304.3	\$ 18.3	\$427.0
Net income	—	—	—	—	—	15.3	15.3	5.6	20.9
Other comprehensive income	—	—	—	—	21.2	—	21.2	0.8	22.0
Share-based compensation	—	—	—	5.4	—	—	5.4	—	5.4
Dividends paid to non- controlling interests	—	—	—	—	—	—	—	(4.1)	(4.1)
Issuance of non-controlling interests <sup>(1)</sup>	—	—	—	—	—	—	—	11.0	11.0
Balance, June 30, 2025	<u>\$ 104.4</u>	<u>\$ 236.7</u>	<u>\$ 145.1</u>	<u>\$ 130.2</u>	<u>\$ 1.7</u>	<u>\$ (167.5)</u>	<u>\$ 346.2</u>	<u>\$ 31.6</u>	<u>\$482.2</u>

<sup>(1)</sup> Refer to Note 10 for information related to the acquisition of a controlling interest in a subsidiary which gave rise to recognition of a non-controlling interest in consolidation.

<i>(expressed in millions of US dollars)</i>	Class A convertible preference shares	Class B convertible preference shares	Additional paid-in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total Accelerant shareholders' equity	Non- controlling interests	Total equity
<b>Six Months Ended June 30, 2024</b>								
Balance, January 1, 2024	\$ 236.7	\$ 145.1	\$ 146.2	\$ (7.5)	\$ (210.0)	\$ 310.5	\$ (23.8)	\$286.7
Net loss	—	—	—	—	(1.9)	(1.9)	(5.2)	(7.1)
Other comprehensive income	—	—	—	1.3	—	1.3	—	1.3
Share-based compensation	—	—	3.8	—	—	3.8	—	3.8
Acquisition of non-controlling interests in previously consolidated variable interest entities	—	—	(39.3)	—	—	(39.3)	39.3	—
Dividends paid to non-controlling interests	—	—	—	—	—	—	(2.0)	(2.0)
Balance, June 30, 2024	<u>\$ 236.7</u>	<u>\$ 145.1</u>	<u>\$ 110.7</u>	<u>\$ (6.2)</u>	<u>\$ (211.9)</u>	<u>\$ 274.4</u>	<u>\$ 8.3</u>	<u>\$282.7</u>

*See accompanying notes to the unaudited condensed consolidated financial statements.*

**Accelerant Holdings**

**Condensed Consolidated Statements of Cash Flows (unaudited)**

<i>(expressed in millions of US dollars)</i>	Six Months Ended June 30,	
	2025	2024
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ 20.9	\$ (7.1)
<b>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</b>		
<b>Non-cash revenues, expenses, gains and losses included in net income:</b>		
Realized gains on investments	(2.7)	(0.4)
Unrealized (gains) losses on investments	(1.2)	0.8
Earnings from equity method investments	(1.2)	(0.9)
Share-based compensation expense	5.4	3.8
Depreciation and amortization	15.7	10.4
Deferred income tax benefits	(10.7)	(13.2)
Net foreign exchange losses (gains)	17.3	(1.8)
Net accretion of discount on fixed maturity securities and short-term investments	(3.9)	(2.5)
Other, net	0.4	0.6
<b>Changes in operating assets and liabilities:</b>		
Premiums receivable	(112.7)	(128.8)
Ceded unearned premiums	(325.1)	(310.5)
Reinsurance recoverables on unpaid losses and LAE	(327.1)	(173.0)
Other reinsurance recoverables	(112.7)	(49.4)
Deferred acquisition costs	9.8	(14.8)
Unpaid losses and loss adjustment expenses	321.2	197.8
Unearned premiums	282.9	313.3
Payables to reinsurers	253.1	329.5
Deferred ceding commissions	59.5	36.7
Funds held under reinsurance	230.9	118.6
Insurance balances payable	(19.2)	(44.0)
Other assets, accounts payable and other liabilities	8.7	2.4
<b>Net cash provided by operating activities</b>	<b>309.3</b>	<b>267.5</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales of:		
Equity securities	—	114.4
Fixed maturity securities	80.8	9.4
Maturities of fixed maturity securities	28.9	10.4
Payments for purchases of:		
Fixed maturity securities	(262.9)	(238.8)
Equity method investments	(0.4)	(2.8)
Net change in short-term investments	(10.2)	(40.7)
Purchases of subsidiaries, net of cash acquired	(1.4)	—
Capitalized technology development expenditures	(17.3)	(14.1)
Other, net	(0.3)	(0.8)
<b>Net cash used in investing activities</b>	<b>(182.8)</b>	<b>(163.0)</b>
<b>Cash flows from financing activities</b>		
Credit facility borrowings	5.0	—
Payment of debt	—	(1.0)
Dividends paid to non-controlling interest	(4.1)	(2.0)
<b>Net cash provided by (used in) financing activities</b>	<b>0.9</b>	<b>(3.0)</b>
<b>Net increase in cash, cash equivalents and restricted cash</b>	<b>127.4</b>	<b>101.5</b>
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	58.1	(5.8)
Cash, cash equivalents and restricted cash at beginning of period	1,273.0	775.4
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 1,458.5</b>	<b>\$ 871.1</b>

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*See accompanying notes to the unaudited condensed consolidated financial statements.*

**Accelerant Holdings****Condensed Consolidated Statements of Cash Flows (unaudited ) (continued)**

<i>(expressed in millions of US dollars)</i>	<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Supplemental cash flows information</b>		
Interest on debt paid	\$ 5.1	\$ 5.5
Income taxes paid	26.2	18.1
<b>Reconciliation to Consolidated Balance Sheets:</b>		
Cash and cash equivalents	1,387.7	870.9
Restricted cash and cash equivalents	70.8	0.2
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 1,458.5</b>	<b>\$ 871.1</b>

*See accompanying notes to the unaudited condensed consolidated financial statements.*

## **Accelerant Holdings**

### **Notes to Condensed Consolidated Financial Statements (unaudited)**

#### **1. Nature of business and basis of presentation**

Accelerant Holdings, together with its subsidiary companies ("Accelerant", "we", "us", "our" or the "Company"), connects selected specialty insurance underwriters ("Members") with Risk Capital Partners through its data-driven risk exchange (the "Risk Exchange"). The Company, together with its Risk Capital Partners, provides property and casualty insurance to policyholders via its network of Members, which are typically MGAs. The Company focuses on small-to-medium sized commercial clients primarily in the United States ("US"), Europe ("EU"), Canada and the United Kingdom ("UK").

These unaudited condensed consolidated interim financial statements and related notes have been prepared in accordance with US GAAP for interim financial information. Accordingly, they do not include all of the financial information and note disclosures required by US GAAP for complete consolidated financial statements. The condensed consolidated interim financial statements are presented in US Dollars and all amounts are in millions, except for the number of shares, per share amounts and the number of securities. Certain prior year comparative information has been reclassified to conform to the current presentation.

In our opinion, these unaudited condensed consolidated financial statements reflect all adjustments that are normal and recurring in nature necessary to fairly state our financial position as of June 30, 2025, our results of operations for the three and six months ended June 30, 2025 and 2024 and cash flows for the six months ended June 30, 2025 and 2024. The results of operations for any interim period are not necessarily indicative of results for the full year.

These unaudited condensed consolidated financial statements and related notes should be read in conjunction with our audited consolidated financial statements and related notes included in our prospectus filed with the Securities and Exchange Commission (the "SEC") pursuant to Rule 424(b)(4) under the Securities Act of 1933 (the "Prospectus"). The condensed consolidated financial information as of December 31, 2024 was derived from the audited consolidated financial statements in the Prospectus, but does not include all disclosures required by US GAAP.

#### **Common and preference share subdivision**

In connection with preparing for its initial public offering ("IPO"), the Company's Board of Directors approved amendments to the authorized share capital of the Company, which were subsequently approved by the Company's shareholders and became effective on July 14, 2025. Pursuant to these amendments:

- an 83.6690-for-1 share subdivision of the Company's common and preference shares was approved; and
- the authorized number of common shares and preference shares were increased to 252,652,430 and 39,089,474, respectively.

All share and per share amounts in the unaudited condensed consolidated financial statements and notes thereto have been retroactively adjusted for all periods presented to give effect to such share subdivision.

#### **Initial Public Offering**

The following description of the IPO and related transactions have been included herein given their significance, however, given they occurred subsequent to June 30, 2025, their effects are not reflected in these condensed consolidated financial statements. The following transactions will be reflected in our third quarter 2025 condensed consolidated financial statements.

On July 25, 2025, the Company completed its IPO and issued and sold 20,276,280 Class A common shares at a public offering price of \$21.00 per share, resulting in net proceeds of \$393.4 million after deducting the underwriting discounts and commissions and estimated offering costs of \$9.0 million. Certain of the Company's pre-existing investors participated in the offering as selling shareholders and sold 19,354,044 Class A common shares at the IPO price for which the Company received no proceeds.

The Company used a portion of the net proceeds from the IPO to fund the redemption of the Class C convertible preference shares for \$175.3 million in cash (as all holders of the Class C convertible preference shares elected to redeem their shares at the date of its IPO) and to fund a one-time \$25.0 million termination fee to an affiliate of Altamont Capital Partners.

As of the closing of the IPO:

- All of our outstanding Class A convertible preference shares and Class B convertible preference shares automatically converted into Class A common shares and Class B common shares (as applicable).
- The Company has two classes of authorized common shares. The holders of our Class A common shares are entitled to one vote per share, and the holders of our Class B common shares are entitled to ten votes per share.
- Investment funds controlled by Altamont Capital Partners, our equity sponsor, own 90,916,841 Class B common shares, representing 76.7% of the combined voting power of our common shares outstanding (given that each Class B common share is entitled to 10 votes per share as compared to one vote per share for Class A common shares).

Prior to the IPO, deferred offering costs, which consisted of accounting, legal and other fees directly related to the IPO, were capitalized within Other assets on the condensed consolidated balance sheets. In connection with the IPO, \$18.9 million of deferred offering costs were reduced and reflected as a reduction of the net proceeds received from the IPO within additional paid in capital, such that in total, the increase in additional paid in capital from the IPO was \$374.5 million.

### ***Stock-Based Compensation***

In connection with the IPO, stock-based compensation expense associated with certain equity award plans were impacted as follows:

#### *Accelerant Holdings LP distribution*

As discussed in Note 20 to our audited consolidated financial statements, the Company previously issued profits interest awards to certain officers and employees in the form of Accelerant Holdings LP partnership shares and incentive units (the "profit interest awards"). The profit interest awards required achievement of certain return thresholds and continuous service for the officers and employees to receive distributions (such as a significant increase in the valuation of the Company as realized through a market event, like an IPO). Compensation cost associated with these profit interest awards could only be recorded to the extent payment was reasonably estimable and probable, as well as giving consideration to service requirements. Prior to the IPO, no related compensation cost was recognized because, for accounting purposes, an IPO cannot be assessed as probable until it occurs. However, at the time of the IPO, the Company recognized \$1.38 billion of non-cash stock-based compensation expenses related to the settlement of all outstanding profits interest awards through the distribution of 65,270,453 Class A common shares of the Company held by Accelerant Holdings LP to certain officers and employees of the Company that fully vested upon the IPO. The ultimate settlement of the profit interest awards was equity neutral as the contribution of the shares to officers and employees was reflected as a capital contribution to the Company by Accelerant Holdings LP in an equal and offsetting amount to the associated non-cash compensation expense.

#### *Restricted Stock Units*

In connection with the IPO, to align the long-term interests of certain officers and employees with those of the Company, 2,381,858 restricted stock units ("RSUs") were granted, with 538,295 RSUs fully vested at issuance. The remaining 1,843,563 RSUs are backed by Class A common shares issuable based on the IPO price of \$21.00 per share, vesting with respect to 25% of the Class A common shares subject to the awards on the one-year anniversary of the grant date and in 6.25% quarterly installments through the four-year anniversary of the grant date. The total value of compensation for the RSU grants was \$50.0 million, with \$38.7 million associated with the unvested portion to be recognized as expense ratably over the four-year vesting period.

#### *Common Share Options*

Similar to the RSUs, to align the long-term interests of certain officers and employees with those of the Company, as well as to settle a pre-existing bonus program (as discussed in Note 20 to the annual consolidated financial statements of the Company), 26,205,555 Class A common share options were also granted. The options are backed by Class A common shares issuable upon the exercise of common share option awards in connection with the consummation of the IPO under our Share Incentive Plan, based on the IPO price of \$21.00 per share and consisting of (i) common share options with respect to 9,236,398 Class A common shares with an exercise price equal to \$22.49; and (ii) common share options with respect to 16,969,157 Class A common shares with an exercise price equal to the IPO price, in each case, vesting with respect to 25% of the Class A common shares subject to the awards on the one-year anniversary of the grant date and in 6.25% quarterly installments through the four-year anniversary of the grant date. The total value of compensation for the option grants was \$242.6 million (based upon a Black-Scholes model valuation) to be recognized ratably over the four-year vesting period of the options.

### 2025 Employee Stock Purchase Plan

Our Board of Directors adopted, and our shareholders approved, the 2025 Employee Stock Purchase Plan (“ESPP”) that became effective upon completion of the IPO. Generally, all of our employees are eligible to participate in the ESPP. Subject to any limitations contained therein, the ESPP allows eligible employees to contribute (in the form of payroll deductions or otherwise) to purchase Class A common shares at a discounted price per share. There are currently 1,000,000 of our Class A common shares reserved for issuance under the ESPP, which will automatically increase on the first trading day in January of each calendar year, commencing in 2026 and continuing until (and including) 2035, by an amount equal to the lesser of (i) 1% of the Class A common shares issued and outstanding on December 31 of the immediately preceding calendar year; (ii) 1,000,000 Class A common shares; or (iii) such lesser amount as is determined by our Board of Directors.

## **2. Summary of significant accounting policies**

There were no material changes to the Company’s significant accounting policies from those that were disclosed in our audited consolidated financial statements included in the Prospectus.

### ***Future application of accounting standards***

#### Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03 Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40) — Disaggregation of Income Statement Expenses, requiring new interim and annual disclosures that provide transparency about the components of expenses included in the income statement and enhance an investor’s ability to forecast future performance. The standard requires disclosure of:

- The amounts of employee compensation, depreciation, intangible asset amortization, and certain other costs included in each relevant expense caption as well as the inclusion of certain amounts already required to be disclosed under existing US GAAP in the same disclosure;
- A qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively; and
- The total amount of selling expenses and, in annual reporting periods, an entity’s definition of selling expenses.

The standard is effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The standard will be applied on a prospective basis with the option to apply the standard retrospectively. This standard will not have any impact to the amounts recorded within our consolidated financial statements, but will result in expanded disclosures. We are assessing the impact of this standard.

### Income Tax

In December 2023, the FASB issued ASU 2023-09 Income Taxes (Topic 740) — Improvements to Income Tax Disclosures, to address improvements to income tax disclosures. The standard requires disaggregated information about a company's effective tax rate reconciliation as well as information on income taxes paid, which includes the following:

- Disclosure, on an annual basis, of specific categories in the rate reconciliation;
- Disclosure, on an annual basis, of additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5% of the amount computed by multiplying pretax income (or loss) by the applicable statutory income tax rate);
- Disclosure, on an annual basis, of the amount of income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign taxes;
- Disclosure, on an annual basis, of the amount of income taxes paid (net of refunds received) disaggregated by individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than 5% of total income taxes paid (net of refunds received);
- Disclosure of income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign;
- Disclosure of income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign;
- Elimination of the requirement to disclose the nature and estimate of the range of the reasonably possible change in the unrecognized tax benefits balance in the next 12 months or make a statement that an estimate of the range cannot be made; and
- Elimination of the requirement to disclose the cumulative amount of each type of temporary difference when a deferred tax liability is not recognized because of the exceptions to comprehensive recognition of deferred taxes related to subsidiaries and corporate joint ventures.

The standard is effective for public companies for annual periods beginning after December 15, 2024 (and December 15, 2025 for nonpublic companies), with early adoption permitted. The standard will be applied on a prospective basis with the option to apply the standard retrospectively. This standard will not have any impact to the amounts recorded within our consolidated financial statements, but will result in expanded disclosures. We are assessing the impact of this standard on our disclosures as well as the period in which we will adopt.

### **3. Segment information**

We have three reportable segments (Exchange Services, MGA Operations, and Underwriting). Each of our reportable segments serves the specific needs of our customers based on the products and services provided and reflects the way our Chief Operating Decision Maker (CODM) assesses performance of the business and makes decisions on the allocation of resources. Our CODM is our Chief Executive Officer.

#### **Exchange Services**

Exchange Services, which is the core of Accelerant, captures the revenue and expenses associated with the Risk Exchange. The Risk Exchange is the platform that houses Accelerant technology, data ingestion, and operations that serve the needs of Members and Risk Capital Partners. Insurance companies that join the Risk Exchange pay Accelerant a fixed-percentage volume-based fee for sourcing, managing, and monitoring the business they write. The Risk Exchange pays fees to Members for the distribution services provided to both consolidated affiliates and third parties. We eliminate net fees and other income earned by the Exchange Services segment in consolidation to the extent such income is received from consolidated insurance companies within the Underwriting segment. Only income earned from third-party companies is not eliminated in consolidation.

#### **MGA Operations**

MGA Operations consists of our Mission Underwriters ("Mission") and Owned Members reporting units. Mission is a licensed insurance agency that functions as an MGA incubator in the US, UK and EU and represents the largest component of the segment. Mission was previously a consolidated variable interest entity ("VIE") until we acquired all the outstanding common equity interests in Mission on May 1, 2024, at which point it became a wholly-owned subsidiary (and a voting interest entity, or "VOE").

The Owned Members reporting unit comprises MGAs in which the Company has made non-controlling or controlling equity investments. Our investments in existing Members typically take the form of an initial minority stake and contractual call option for a majority stake over time. We eliminate commission income earned by MGA Operations in consolidation to the extent it is received from consolidated insurance companies within the Underwriting segment. Only commission income earned from third-party companies is not eliminated in consolidation.

#### ***Underwriting***

Underwriting contains all revenue and expenses associated with the underwriting of insurance policies and assumption of reinsurance policies issued or accepted by Accelerant's consolidated insurance companies and Accelerant Re (Cayman) Ltd. ("Accelerant Re"). Our Underwriting segment is a strategic asset that enables access to Accelerant's portfolio for current and prospective Risk Capital Partners. The activities of these (re)insurance companies include property and casualty insurance, policy issuance, reinsurance arrangements and the payment of commission and other acquisition costs to the Exchange Services segment.

Premium revenue is earned in exchange for the property and casualty insurance policies issued and reinsurance coverage provided. For segment presentation purposes, the commission expense paid to the wholly-owned agencies is subject to deferral as DAC for the portion of insurance policies not subject to reinsurance. DAC associated with business ceded is offset by ceding commissions received from reinsurers, which is typically more than the DAC. The DAC associated with business retained, as well as the excess ceding commissions from reinsurers, are both amortized over the related policy term. Accelerant Re also cedes premium and losses to, and receives ceding commissions from, several third-party reinsurers, including Flywheel Re. Similar to the Exchange Services and MGA Operations segments, transaction activity with our consolidated affiliates is subject to elimination (and therefore the amount of DAC, deferred ceding commissions, DAC amortization and amortization of ceding commission income in consolidation will differ from that presented within the segment results). Specifically, only commission payments and other acquisition expenses paid to third parties are subject to deferral and amortization in consolidation.

We consider the segment presentations of Exchange Services, MGA Operations and Underwriting segments prior to elimination to be the best way to evaluate Accelerant's business and how these business components would be presented if they were stand-alone operations. As we generate additional third-party insurance relationships through our Risk Exchange, the standalone segment results will more closely align with the consolidated results (as such third party transactions would not be subject to elimination).

The following includes the financial results of our three reportable segments for the three and six months ended June 30, 2025 and 2024. Corporate functions and certain other businesses and operations are included in Corporate and Other.

**Financial information by segment:**

<i>(in millions)</i>	Three Months Ended June 30, 2025						<i>Total</i>
	Exchange Services	MGA Operations	Underwriting	Total Segments	Corporate and Other <sup>(1)</sup>	Consolidation and elimination adjustments	
<b>Revenues</b>							
Ceding commission income <sup>(2)</sup>	\$ —	\$ —	\$ 29.6	\$ 29.6	\$ —	\$ 72.0	\$ 101.6
Direct commission income							
Affiliated entities	69.0	39.0	—	108.0	—	(108.0)	—
Unaffiliated entities	15.6	18.6	—	34.2	—	—	34.2
Net earned premiums	—	—	70.6	70.6	—	—	70.6
Net investment income	1.1	0.9	9.7	11.7	1.1	—	12.8
Net realized gains on investments	—	0.1	0.3	0.4	—	—	0.4
Net unrealized losses on investments	—	(0.5)	—	(0.5)	—	—	(0.5)
<b>Segment revenues</b>	<b>85.7</b>	<b>58.1</b>	<b>110.2</b>	<b>254.0</b>	<b>1.1</b>	<b>(36.0)</b>	<b>219.1</b>
Losses and loss adjustment expenses	—	—	51.3	51.3	—	—	51.3
Amortization of deferred acquisition costs	—	—	27.9	27.9	—	(9.7)	18.2
General and administrative expenses <sup>(3)</sup> <sup>(4)</sup>	30.0	33.8	14.8	78.6	16.4	(8.9)	86.1
<b>Adjusted EBITDA</b>	<b>\$ 55.7</b>	<b>\$ 24.3</b>	<b>\$ 16.2</b>	<b>\$ 96.2</b>	<b>\$ (15.3)</b>	<b>\$ (17.4)</b>	<b>\$ 63.5</b>
Interest expenses							(2.5)
Depreciation and amortization							(8.3)
Other expenses <sup>(5)</sup>							(16.2)
Net foreign exchange losses							(14.2)
<b>Income before income taxes</b>							<b>\$ 22.3</b>

<sup>(1)</sup> Corporate and Other includes shared services and other activities, which represent business activities that do not meet the definition of a reportable segment.

<sup>(2)</sup> Ceding commission income of our Underwriting segment includes the effect of sliding scale adjustments based on actual loss experience. For further information on sliding scale commission adjustments, refer to Note 8.

<sup>(3)</sup> General and administrative expenses is comprised of employee compensation and benefits, consulting and professional fees and all other administrative expenses. The composition of such amounts by each reportable segment was as follows:

<i>(in millions)</i>	Exchange Services	MGA Operations	Underwriting	Total
Employee compensation and benefits	\$ 19.6	\$ 23.9	\$ 6.9	\$ 50.4
Consulting and professional fees	5.5	5.1	3.1	13.7
Other administrative expenses	4.9	4.8	4.8	14.5
<b>Total general and administrative expenses</b>	<b>\$ 30.0</b>	<b>\$ 33.8</b>	<b>\$ 14.8</b>	<b>\$ 78.6</b>

<sup>(4)</sup> The consolidation and elimination adjustments for general and administrative expenses consist of expenses attributable to Exchange Services and MGA Operations that form components of acquisition costs of insurance policies that would be capitalized in consolidation, which are offset by adjustments as components of the other consolidation and elimination adjustments.

<sup>(5)</sup> Other expenses for the three months ended June 30, 2025 consist of \$6.1 million of professional costs related to corporate development activities, \$3.6 million of system development non-operating costs, \$3.0 million of share-based compensation, \$4.4 million of Mission profits sharing expense, as offset by a net reduction of \$0.9 million of other individually insignificant items.

Three Months Ended June 30, 2024

(in millions)	Exchange Services	MGA Operations	Underwriting	Total Segments	Corporate and Other <sup>(1)</sup>	Consolidation and elimination adjustments	Total
<b>Revenues</b>							
Ceding commission income <sup>(2)</sup>	\$ —	\$ —	\$ 19.8	\$ 19.8	\$ —	\$ 39.3	\$ 59.1
Direct commission income							
Affiliated entities	51.4	23.8	—	75.2	—	(75.2)	—
Unaffiliated entities	2.1	8.0	—	10.1	—	—	10.1
Net earned premiums	—	—	52.2	52.2	—	—	52.2
Net investment income	0.2	1.1	7.3	8.6	0.1	—	8.7
Net realized gains on investments	—	—	—	—	—	—	—
Net unrealized gains on investments	—	—	—	—	—	—	—
<b>Segment revenues</b>	<b>53.7</b>	<b>32.9</b>	<b>79.3</b>	<b>165.9</b>	<b>0.1</b>	<b>(35.9)</b>	<b>130.1</b>
Losses and loss adjustment expenses	—	—	43.2	43.2	—	—	43.2
Amortization of deferred acquisition costs	—	—	18.1	18.1	—	(2.0)	16.1
General and administrative expenses <sup>(3)(4)</sup>	13.4	26.7	23.2	63.3	10.4	(15.9)	57.8
<b>Adjusted EBITDA</b>	<b>\$ 40.3</b>	<b>\$ 6.2</b>	<b>\$ (5.2)</b>	<b>\$ 41.3</b>	<b>\$ (10.3)</b>	<b>\$ (18.0)</b>	<b>\$ 13.0</b>
Interest expenses							(3.0)
Depreciation and amortization							(5.5)
Other expenses <sup>(5)</sup>							(9.6)
Net foreign exchange gains							0.8
<b>Loss before income taxes</b>							<b>\$ (4.3)</b>

<sup>(1)</sup> Corporate and Other includes shared services and other activities, which represent business activities that do not meet the definition of a reportable segment.

<sup>(2)</sup> Ceding commission income of our Underwriting segment includes the effect of sliding scale adjustments based on actual loss experience. For further information on sliding scale commission adjustments, refer to Note 8.

<sup>(3)</sup> General and administrative expenses is comprised of employee compensation and benefits, consulting and professional fees and all other administrative expenses. The composition of such amounts by each reportable segment was as follows:

(in millions)	Exchange Services	MGA Operations	Underwriting	Total
Employee compensation and benefits	\$ 8.7	\$ 17.9	\$ 10.8	\$ 37.4
Consulting and professional fees	2.3	1.6	1.5	5.4
Other administrative expenses	2.4	7.2	10.9	20.5
<b>Total general and administrative expenses</b>	<b>\$ 13.4</b>	<b>\$ 26.7</b>	<b>\$ 23.2</b>	<b>\$ 63.3</b>

<sup>(4)</sup> The consolidation and elimination adjustments for general and administrative expenses consist of expenses attributable to Exchange Services and MGA Operations that form components of acquisition costs of insurance policies that would be capitalized in consolidation, which are offset by adjustments as components of the other consolidation and elimination adjustments.

<sup>(5)</sup> Other expenses for the three months ended June 30, 2024 consist of \$6.6 million of system development non-operating costs, \$1.6 million of professional costs related to corporate development activities, \$1.6 million of share-based compensation expense, as offset by a net reduction of \$0.2 million for expenses related to other individually insignificant costs.

**Six Months Ended June 30, 2025**

<i>(in millions)</i>	<b>Exchange Services</b>	<b>MGA Operations</b>	<b>Underwriting</b>	<b>Total Segments</b>	<b>Corporate and Other <sup>(1)</sup></b>	<b>Consolidation and elimination adjustments</b>	<b>Total</b>
<b>Revenues</b>							
Ceding commission income <sup>(2)</sup>	\$ —	\$ —	\$ 48.8	\$ 48.8	\$ —	\$ 123.5	\$ 172.3
Direct commission income							
Affiliated entities	128.0	70.5	—	198.5	—	(198.5)	—
Unaffiliated entities	26.8	35.5	—	62.3	—	—	62.3
Net earned premiums	—	—	133.6	133.6	—	—	133.6
Net investment income	1.7	1.8	19.7	23.2	1.8	—	25.0
Net realized gains on investments	—	2.1	0.6	2.7	—	—	2.7
Net unrealized (losses) gains on investments	—	(0.5)	—	(0.5)	1.7	—	1.2
<b>Segment revenues</b>	<b>156.5</b>	<b>109.4</b>	<b>202.7</b>	<b>468.6</b>	<b>3.5</b>	<b>(75.0)</b>	<b>397.1</b>
Losses and loss adjustment expenses	—	—	96.5	96.5	—	—	96.5
Amortization of deferred acquisition costs	—	—	52.7	52.7	—	(17.4)	35.3
General and administrative expenses <sup>(3)</sup> <sup>(4)</sup>	53.8	65.0	26.3	145.1	30.9	(17.0)	159.0
<b>Adjusted EBITDA</b>	<b>\$ 102.7</b>	<b>\$ 44.4</b>	<b>\$ 27.2</b>	<b>\$ 174.3</b>	<b>\$ (27.4)</b>	<b>\$ (40.6)</b>	<b>\$ 106.3</b>
Interest expenses							(5.1)
Depreciation and amortization							(15.7)
Other expenses <sup>(5)</sup>							(30.4)
Net foreign exchange losses							(17.3)
<b>Income before income taxes</b>							<b>\$ 37.8</b>

<sup>(1)</sup> Corporate and Other includes shared services and other activities, which represent business activities that do not meet the definition of a reportable segment.

<sup>(2)</sup> Ceding commission income of our Underwriting segment includes the effect of sliding scale adjustments based on actual loss experience. For further information on sliding scale commission adjustments, refer to Note 8.

<sup>(3)</sup> General and administrative expenses is comprised of employee compensation and benefits, consulting and professional fees and all other administrative expenses. The composition of such amounts by each reportable segment was as follows:

<i>(in millions)</i>	<b>Exchange Services</b>	<b>MGA Operations</b>	<b>Underwriting</b>	<b>Total</b>
Employee compensation and benefits	\$ 35.5	\$ 45.2	\$ 13.1	\$ 93.8
Consulting and professional fees	9.1	8.4	5.7	23.2
Other administrative expenses	9.2	11.4	7.5	28.1
<b>Total general and administrative expenses</b>	<b>\$ 53.8</b>	<b>\$ 65.0</b>	<b>\$ 26.3</b>	<b>\$ 145.1</b>

<sup>(4)</sup> The consolidation and elimination adjustments for general and administrative expenses consist of expenses attributable to Exchange Services and MGA Operations that form components of acquisition costs of insurance policies that would be capitalized in consolidation, which are offset by adjustments as components of the other consolidation and elimination adjustments.

<sup>(5)</sup> Other expenses for the six months ended June 30, 2025 consist of \$8.2 million of system development non-operating expenses, \$9.7 million of professional costs related to corporate development activities, \$5.4 million of share-based compensation, \$6.0 million of Mission profits sharing expense and \$1.1 million of individually insignificant costs.

Six Months Ended June 30, 2024

(in millions)	Exchange Services	MGA Operations	Underwriting	Total Segments	Corporate and Other <sup>(1)</sup>	Consolidation and elimination adjustments	Total
<b>Revenues</b>							
Ceding commission income <sup>(2)</sup>	\$ —	\$ —	\$ 49.6	\$ 49.6	\$ —	\$ 74.5	\$ 124.1
Direct commission income							
Affiliated entities	87.9	44.3	—	132.2	—	(132.2)	—
Unaffiliated entities	7.1	14.6		21.7			21.7
Net earned premiums	—	—	96.2	96.2	—	—	96.2
Net investment income	0.3	1.8	14.4	16.5	0.1	—	16.6
Net realized gains on investments	—	—	0.4	0.4	—	—	0.4
Net unrealized losses on investments	—	—	(0.8)	(0.8)	—	—	(0.8)
<b>Segment revenues</b>	<b>95.3</b>	<b>60.7</b>	<b>159.8</b>	<b>315.8</b>	<b>0.1</b>	<b>(57.7)</b>	<b>258.2</b>
Losses and loss adjustment expenses	—	—	71.9	71.9	—	—	71.9
Amortization of deferred acquisition costs	—	—	47.3	47.3	—	(8.4)	38.9
General and administrative expenses <sup>(3)</sup> <sup>(4)</sup>	27.7	51.4	38.7	117.8	13.9	(24.8)	106.9
<b>Adjusted EBITDA</b>	<b>\$ 67.6</b>	<b>\$ 9.3</b>	<b>\$ 1.9</b>	<b>\$ 78.8</b>	<b>\$ (13.8)</b>	<b>\$ (24.5)</b>	<b>\$ 40.5</b>
Interest expenses							(6.0)
Depreciation and amortization							(10.4)
Other expenses <sup>(5)</sup>							(18.2)
Net foreign exchange gains							1.8
<b>Income before income taxes</b>							<b>\$ 7.7</b>

<sup>(1)</sup> Corporate and Other includes shared services and other activities, which represent business activities that do not meet the definition of a reportable segment.

<sup>(2)</sup> Ceding commission income of our Underwriting segment includes the effect of sliding scale adjustments based on actual loss experience. For further information on sliding scale commission adjustments, refer to Note 8.

<sup>(3)</sup> General and administrative expenses is comprised of employee compensation and benefits, consulting and professional fees and all other administrative expenses. The composition of such amounts by each reportable segment was as follows:

(in millions)	Exchange Services	MGA Operations	Underwriting	Total
Employee compensation and benefits	\$ 19.2	\$ 35.9	\$ 20.0	\$ 75.1
Consulting and professional fees	4.3	3.3	7.5	15.1
Other administrative expenses	4.2	12.2	11.2	27.6
<b>Total general and administrative expenses</b>	<b>\$ 27.7</b>	<b>\$ 51.4</b>	<b>\$ 38.7</b>	<b>\$ 117.8</b>

<sup>(4)</sup> The consolidation and elimination adjustments for general and administrative expenses consist of expenses attributable to Exchange Services and MGA Operations that form components of acquisition costs of insurance policies that would be capitalized in consolidation, which are offset by adjustments as components of the other consolidation and elimination adjustments.

<sup>(5)</sup> Other expenses for the six months ended June 30, 2024 consists of \$9.3 million of system development non-operating costs, \$4.2 million of professional costs related to corporate development activities, \$3.8 million of share-based compensation and \$0.9 million of individually insignificant costs.

We review our assets on a consolidated basis for decision making purposes since they support business operations across all our reportable segments as well as our corporate and other activities. We do not allocate assets to reportable segments as we do not use such information, except for (re)insurance balances recoverable on paid and unpaid losses and goodwill that are directly attributable to our reportable segments.

All our revenues from external customers were attributable to various geographic locations outside of the Cayman Islands, based on where the insurance policies or services were sold. There were no reportable major customers that accounted for 10% or more of our consolidated revenue for the three and six months ended June 30, 2025 and 2024.

The following table presents our revenues by geography:

<i>(in millions)</i>	Three Months Ended June 30, 2025		
	North America	UK and EU	Total
Ceding commission income <sup>(1)</sup>	\$ 77.7	\$ 23.9	\$ 101.6
Direct commission income	18.3	15.9	34.2
Net earned premiums	26.8	43.8	70.6
Net investment income	7.8	5.0	12.8
Net realized gains on investments	0.2	0.2	0.4
Net unrealized losses on investments	(0.5)	—	(0.5)
<b>Total revenues</b>	<b>\$ 130.3</b>	<b>\$ 88.8</b>	<b>\$ 219.1</b>

  

<i>(in millions)</i>	Three Months Ended June 30, 2024		
	North America	UK and EU	Total
Ceding commission income <sup>(1)</sup>	\$ 34.2	\$ 24.9	\$ 59.1
Direct commission income	6.3	3.8	10.1
Net earned premiums	40.2	12.0	52.2
Net investment income	4.5	4.2	8.7
Net unrealized losses on investments	(0.1)	0.1	—
<b>Total revenues</b>	<b>\$ 85.1</b>	<b>\$ 45.0</b>	<b>\$ 130.1</b>

  

<i>(in millions)</i>	Six Months Ended June 30, 2025		
	North America	UK and EU	Total
Ceding commission income <sup>(1)</sup>	\$ 126.7	\$ 45.6	\$ 172.3
Direct commission income	32.3	30.0	62.3
Net earned premiums	41.9	91.7	133.6
Net investment income	15.2	9.8	25.0
Net realized gains on investments	0.4	2.3	2.7
Net unrealized gains on investments	1.2	—	1.2
<b>Total revenues</b>	<b>\$ 217.7</b>	<b>\$ 179.4</b>	<b>\$ 397.1</b>

<i>(in millions)</i>	Six Months Ended June 30, 2024		
	North America	UK and EU	Total
Ceding commission income <sup>(1)</sup>	\$ 64.4	\$ 59.7	\$ 124.1
Direct commission income	11.8	9.9	21.7
Net earned premiums	65.8	30.4	96.2
Net investment income	8.4	8.2	16.6
Net realized gains on investments	—	0.4	0.4
Net unrealized losses on investments	(0.1)	(0.7)	(0.8)
<b>Total revenues</b>	<b>\$ 150.3</b>	<b>\$ 107.9</b>	<b>\$ 258.2</b>

<sup>(1)</sup> For further information on the impacts of sliding scale commission adjustments on our ceding commission income for the three and six months ended June 30, 2025 and 2024 resulting from the loss experience of covered insurance contracts, refer to Note 8.

#### 4. Investments

##### ***Unrealized gains and losses on available for sale fixed maturity and short-term investments, at fair value***

The amortized cost, gross unrealized gains, gross unrealized losses and fair values of fixed maturity and short-term investments, were as follows:

<i>(in millions)</i>	June 30, 2025			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
				\$ 266.4
Corporate	\$ 263.3	\$ 3.2	\$ (0.1)	\$ 266.4
US government and agency	162.2	1.2	(0.2)	163.2
Non-US government and agency	208.0	2.4	(0.5)	209.9
Residential mortgage-backed	60.4	0.4	(0.7)	60.1
Commercial mortgage-backed	20.9	0.3	—	21.2
Other asset-backed securities	30.4	0.2	—	30.6
<b>Total fixed maturity and short-term investments</b>	<b>\$ 745.2</b>	<b>\$ 7.7</b>	<b>\$ (1.5)</b>	<b>\$ 751.4</b>

<i>(in millions)</i>	December 31, 2024			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
				\$ 174.0
Corporate	\$ 175.5	\$ 0.8	\$ (2.3)	\$ 174.0
US government and agency	128.9	0.1	(0.8)	128.2
Non-US government and agency	161.1	0.5	(3.0)	158.6
Residential mortgage-backed	44.4	0.1	(1.5)	43.0
Commercial mortgage-backed	18.6	—	(0.2)	18.4
Other asset-backed securities	22.1	0.1	(0.1)	22.1
<b>Total fixed maturity and short-term investments</b>	<b>\$ 550.6</b>	<b>\$ 1.6</b>	<b>\$ (7.9)</b>	<b>\$ 544.3</b>

The following table summarizes, for all our available for sale securities in an unrealized loss position, the fair value and gross unrealized loss by length of time the security has been in a continual unrealized loss position:

(in millions)	June 30, 2025					
	Less than 12 months		12 Months or more		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Corporate	\$ 24.9	\$ (0.1)	\$ 3.5	\$ —	\$ 28.4	\$ (0.1)
US government and agency	28.2	(0.1)	4.8	(0.1)	33.0	(0.2)
Non-US government and agency	51.1	(0.5)	—	—	51.1	(0.5)
Residential mortgage-backed	17.8	(0.1)	3.4	(0.6)	21.2	(0.7)
<b>Total fixed maturity and short-term investments</b>	<b>\$ 122.0</b>	<b>\$ (0.8)</b>	<b>\$ 11.7</b>	<b>\$ (0.7)</b>	<b>\$ 133.7</b>	<b>\$ (1.5)</b>

  

(in millions)	December 31, 2024					
	Less than 12 months		12 Months or more		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Corporate	\$ 85.4	\$ (2.2)	\$ 6.5	\$ (0.1)	\$ 91.9	\$ (2.3)
US government and agency	66.3	(0.6)	4.7	(0.2)	71.0	(0.8)
Non-US government and agency	93.5	(3.0)	—	—	93.5	(3.0)
Residential mortgage-backed	29.0	(0.8)	5.1	(0.7)	34.1	(1.5)
Commercial mortgage-backed	13.2	(0.2)	0.5	—	13.7	(0.2)
Other asset-backed securities	12.1	(0.1)	—	—	12.1	(0.1)
<b>Total fixed maturity and short-term investments</b>	<b>\$ 299.5</b>	<b>\$ (6.9)</b>	<b>\$ 16.8</b>	<b>\$ (1.0)</b>	<b>\$ 316.3</b>	<b>\$ (7.9)</b>

We did not recognize the unrealized losses in earnings on these fixed maturity and short-term investments at June 30, 2025 and December 31, 2024 because we determined that such losses were due to non-credit factors that are temporary in nature. Additionally, we neither intend to sell the securities nor do we believe that it is more likely than not that we will be required to sell these securities before recovery of their amortized cost basis.

#### **Contractual maturity**

The amortized cost and fair values of our fixed maturity and short-term investments by contractual maturity were as follows:

(in millions)	June 30, 2025	
	Amortized cost	Fair value
Due in one year or less	\$ 138.6	\$ 139.3
Due after one year through five years	398.4	403.1
Due after five years through ten years	89.1	89.9
Due after ten years	7.4	7.2
Residential mortgage-backed	60.4	60.1
Commercial mortgage-backed	20.9	21.2
Other asset-backed securities	30.4	30.6
<b>Total</b>	<b>\$ 745.2</b>	<b>\$ 751.4</b>

The expected maturities may differ from the contractual maturities because debtors may have the right to call or prepay obligations with or without call or prepayment penalties.

**Equity method and other investments**

We have made investments in private equity funds focused on insurance technology ventures, certain MGAs that form part of our distribution network and a technology-focused TPA that provides services to certain of our Members. Such strategic investments are generally accounted for using the equity method of accounting and are included as equity method investments in the financial statements or, in cases where we have elected the measurement alternative, accounted for at fair value based on observable price changes or impairment within Other investments.

Details regarding our equity method investments were as follows:

<i>(in millions)</i>	June 30, 2025		December 31, 2024	
	Ownership %	Carrying value	Ownership %	Carrying value
MGAs	19.0% - 20.0%	\$ 2.6	19.0% - 20.0%	\$ 11.0
Other	9.4% - 15.0%	7.6	9.4% - 15.0%	7.2
<b>Equity method investments</b>		<b>\$ 10.2</b>		<b>\$ 18.2</b>

In applying the equity method of accounting, we record investments initially at cost and subsequently adjust their carrying value based on our proportionate share of the net income or loss of the investment. As permitted by the applicable accounting guidance, we generally record such investments on a one-to-three-month lag. Our maximum exposure to loss with respect to these investments is limited to the investment carrying amounts reported in our consolidated balance sheet and any unfunded commitments. As of June 30, 2025, we had unfunded commitments of \$6.6 million to our equity method investees.

For the six months ended June 30, 2025 and 2024, we received dividends from equity method investees of \$0.9 million and \$0.2 million, respectively.

Details regarding the carrying value of our other investments portfolio were as follows:

<i>(in millions)</i>	June 30, 2025		December 31, 2024	
	Investment type:		Investment type:	
MGAs and TPAs	\$ 27.4		\$ 26.2	
Venture funds	19.2		19.1	
<b>Other investments</b>	<b>\$ 46.6</b>		<b>\$ 45.3</b>	

We have elected the measurement alternative to carry private equity investments in venture funds, ordinary stocks, warrants and stock options of MGAs and TPAs that qualify for the equity method basis of accounting and that do not have a readily determinable fair value, at cost, less any impairment. If observable prices in identical or similar investments from the same issuer are observed, we measure the equity investment at fair value as of the date that such observable transaction occurs.

For the three months ended June 30, 2025, we recognized a \$0.5 million impairment charge, and there were no observable prices related to our other investments. For the six months ended June 30, 2025, we recognized an \$0.5 million impairment charge, and we recognized \$1.7 million of income as a component of unrealized gains following observable prices related to our other investments. For the three and six months ended June 30, 2024, there were no impairments and no observable prices related to our other investments.

We have recognized cumulative income as a component of unrealized gains of \$36.6 million, net of cumulative impairments of \$0.7 million associated with investments accounted for under the measurement alternative from inception of the related investments.

As of June 30, 2025, we had unfunded commitments of \$2.2 million to venture funds.

**Net investment income**

Investment income and expenses were as follows:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Interest on cash and cash equivalents	\$ 6.4	\$ 4.7	\$ 13.0	\$ 9.7
Interest on fixed maturity investments	6.1	3.7	11.4	6.4
Income from equity method investments	0.7	0.6	1.2	0.9
<b>Gross investment income</b>	<b>13.2</b>	<b>9.0</b>	<b>25.6</b>	<b>17.0</b>
Investment expenses	(0.4)	(0.3)	(0.6)	(0.4)
<b>Net investment income</b>	<b>\$ 12.8</b>	<b>\$ 8.7</b>	<b>\$ 25.0</b>	<b>\$ 16.6</b>

**Net realized and unrealized gains (losses) on investments**

The following table presents net realized and unrealized gains (losses) on our investments:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Net realized gains (losses) on investments:</b>				
Net realized gains (losses) on fixed maturity and short-term investments	\$ 0.3	\$ —	\$ 0.6	\$ (0.1)
Net realized gains on equity securities sold during the period	—	—	—	0.5
Net realized gains on equity method investments	0.1	—	2.1	—
<b>Net realized gains on investments</b>	<b>0.4</b>	<b>—</b>	<b>2.7</b>	<b>0.4</b>
<b>Net unrealized (losses) gains on investments:</b>				
Net unrealized losses on equity securities held at the reporting date	—	—	—	(0.8)
Other investments <sup>(1)</sup> :				
MGAs and TPAs	(0.5)	—	1.2	—
<b>Net unrealized (losses) gains on other investments</b>	<b>(0.5)</b>	<b>—</b>	<b>1.2</b>	<b>—</b>
<b>Net unrealized (losses) gains on investments</b>	<b>(0.5)</b>	<b>—</b>	<b>1.2</b>	<b>(0.8)</b>
<b>Net realized and unrealized (losses) gains on investments</b>	<b>\$ (0.1)</b>	<b>\$ —</b>	<b>\$ 3.9</b>	<b>\$ (0.4)</b>

<sup>(1)</sup> Amounts correspond to income arising from our equity investments accounted for under the measurement alternative (as described above).

**Regulated deposits and restricted assets**

Certain subsidiaries of the Company are required to maintain assets on deposit with various regulatory authorities to support our insurance and reinsurance operations. Securities on deposit for regulatory and other purposes were \$5.0 million and \$4.9 million as of June 30, 2025 and December 31, 2024, respectively, which are included in the "Fixed maturity securities available for sale, at fair value" in our condensed consolidated balance sheets.

The following table represents the restricted assets we have pledged in favor of certain ceding companies to collateralized obligations:

<i>(in millions)</i>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Short-term investments	\$ 8.0	\$ 17.2
Fixed maturity securities	29.1	33.0
Cash and cash equivalents	70.8	47.3
<b>Total</b>	<b>\$ 107.9</b>	<b>\$ 97.5</b>

## 5. Fair value measurements

Assets recorded at fair value in our condensed consolidated balance sheets are measured and classified in accordance with a fair value hierarchy consisting of three “levels” based on the observability of valuation inputs:

- Level 1: Financial assets and liabilities for which inputs are observable and are obtained from reliable quoted prices in active markets for identical assets and liabilities;
- Level 2: Financial assets and liabilities for which values are based on quoted prices in markets that are not active or for which values are based on similar assets and liabilities that are actively traded. This also includes pricing models for which the inputs are corroborated by market data; and
- Level 3: Financial assets and liabilities for which values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. The valuation of Level 3 assets and liabilities requires the greatest degree of judgment. These measurements may be made when there is little, if any, market activity for the asset or liability. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment. In making the assessment, we consider factors specific to the asset. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

There were no material changes to valuation methodologies of assets measured at fair value from those that were disclosed in our audited consolidated financial statements included in the Prospectus.

### ***Fair value measurements on a recurring basis***

Our financial assets and liabilities measured at fair value on a recurring basis by level were as follows:

<i>(in millions)</i>	<b>June 30, 2025</b>			
	<b>Quoted prices in active markets for identical assets Level 1</b>	<b>Significant other observable Level 2</b>	<b>Significant unobservable inputs Level 3</b>	<b>Estimated fair value</b>
<b>Fixed maturity and short-term investments measured at fair value:</b>				
Corporate	\$ —	\$ 266.4	\$ —	\$ 266.4
US government and agency	—	163.2	—	163.2
Non-US government and agency	—	209.9	—	209.9
Residential mortgage-backed	—	60.1	—	60.1
Commercial mortgage-backed	—	21.2	—	21.2
Other asset-backed securities	—	30.6	—	30.6
<b>Total fixed maturity and short-term investments</b>	<b>\$ —</b>	<b>\$ 751.4</b>	<b>\$ —</b>	<b>\$ 751.4</b>

December 31, 2024

(in millions)	Quoted prices in active markets for identical assets Level 1	Significant other observable Level 2	Significant unobservable inputs Level 3	Estimated fair value
<b>Fixed maturity and short-term investments measured at fair value:</b>				
Corporate	\$ —	\$ 174.0	\$ —	\$ 174.0
US government and agency	—	128.2	—	128.2
Non-US government and agency	—	158.6	—	158.6
Residential mortgage-backed	—	43.0	—	43.0
Commercial mortgage-backed	—	18.4	—	18.4
Other asset-backed securities	—	22.1	—	22.1
<b>Total fixed maturity and short-term investments</b>	<b>\$ —</b>	<b>\$ 544.3</b>	<b>\$ —</b>	<b>\$ 544.3</b>

There were no transfers between Level 1, Level 2, or Level 3 for the six months ended June 30, 2025 and for the year ended December 31, 2024.

***Fair value measurements on a non-recurring basis***

We measure the fair value of certain assets on a non-recurring basis, or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. These assets include our investments in limited partnerships reported in "Other investments" in our condensed consolidated balance sheets.

The following table presents assets measured at fair value on a non-recurring basis:

June 30, 2025				
(in millions)	Quoted prices in active markets for identical assets Level 1	Significant other observable Level 2	Significant unobservable inputs Level 3	Estimated fair value
<b>Assets measured at fair value:</b>				
Other investments:				
MGAs and TPAs	\$ —	\$ —	\$ 27.4	\$ 27.4
Venture funds	—	—	19.2	19.2
<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 46.6</b>	<b>\$ 46.6</b>
December 31, 2024				
(in millions)	Quoted prices in active markets for identical assets Level 1	Significant other observable Level 2	Significant unobservable inputs Level 3	Estimated fair value
<b>Assets measured at fair value:</b>				
Other investments:				
MGAs	\$ —	\$ —	\$ 26.2	\$ 26.2
Venture funds	—	—	19.1	19.1
<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 45.3</b>	<b>\$ 45.3</b>

**Fair value information about financial instruments not measured at fair value**

Our estimation of fair value for financial instruments not carried at fair value (excluding insurance contracts) is discussed below:

**Debt:** As further described in Note 9, given the frequency with which the variable interest rates on our senior unsecured debt reset, the carrying value of our debt measured at amortized cost approximates its fair value as of June 30, 2025 and December 31, 2024. The debt is classified as Level 2.

**Remaining financial assets and liabilities:** Our remaining financial assets and liabilities were generally carried at cost or amortized cost, which due to their short-term nature, approximates their fair value as of June 30, 2025 and December 31, 2024.

**6. Unpaid losses and loss adjustment expenses**

Activity in unpaid losses and LAE reserve is summarized as follows:

<i>(in millions)</i>	Six Months Ended June 30,	
	2025	2024
Gross reserve for unpaid losses and LAE, beginning of year	\$ 1,294.4	\$ 772.5
Less: Reinsurance recoverables, beginning of year	1,069.5	605.5
<b>Net reserve for unpaid losses and LAE, beginning of year</b>	224.9	167.0
Incurred losses and LAE related to:		
Current accident year	96.5	63.6
Prior accident years	—	8.3
<b>Total incurred losses and LAE</b>	96.5	71.9
Paid losses and LAE:		
Current accident year	(16.1)	(6.5)
Prior accident years	(53.6)	(42.9)
<b>Total paid losses and LAE</b>	(69.7)	(49.4)
Foreign exchange adjustments	15.7	(5.6)
<b>Net reserve for unpaid losses and LAE, end of period</b>	267.4	183.9
Reinsurance recoverables on unpaid losses and LAE, end of period	1,424.6	771.1
<b>Gross reserve for unpaid losses and LAE, end of period</b>	\$ 1,692.0	\$ 955.0

Reserves for losses and LAE represent our estimated indemnity cost and related adjustment expenses necessary to administer and settle claims. Our estimates are based upon individual case estimates for reported claims set by our claims specialists, adjusted with actuarial estimates for any further expected development on reported claims and for losses that have been incurred, but not yet reported.

The increase in incurred losses and LAE attributable to prior accident years of \$8.3 million for the six months ended June 30, 2024 primarily related to the EU and UK general liability portfolio for members that have either been discontinued or are now subject to significant responsive underwriting actions.

**7. Reinsurance**

We enter into reinsurance agreements to limit our exposure to large losses and to enable us to underwrite policies with sufficient limits to meet policyholder needs. In a reinsurance transaction, an insurance company transfers, or cedes, part or all of its exposure to the reinsurer in exchange for all or a portion of the premiums.

We use extensive reinsurance arrangements, including quota share and excess of loss contracts, to manage our exposure under issued insurance contracts. Such reinsurance provides loss coverage subject to certain limits and may include sliding scale ceding commissions, premium caps, loss ratio limits and other features, which align our interests with those of our reinsurers. We consider these features when evaluating risk transfer and whether such contracts qualify as reinsurance or must be treated as deposits.

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Flywheel Re is an unconsolidated reinsurance sidecar that provides multi-year collateralized quota share capacity backed by institutional investors. We formed Flywheel Re to facilitate the participation of institutional investors in the Risk Exchange portfolio. During the second quarter of 2025, Flywheel Re completed a capital raise from new and existing institutional investors to extend and upsize its capacity to support business assumed.

The impacts of reinsurance on earned premiums and loss and loss adjustment expenses were as follows:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Written premiums:</b>				
Direct	\$ 781.2	\$ 676.3	\$ 1,582.0	\$ 1,208.9
Assumed	130.1	50.7	203.3	69.2
Ceded	(892.5)	(682.1)	(1,694.1)	(1,177.6)
<b>Net written premiums</b>	<b>\$ 18.8</b>	<b>\$ 44.9</b>	<b>\$ 91.2</b>	<b>\$ 100.5</b>
<b>Earned premiums:</b>				
Direct	\$ 701.2	\$ 491.7	\$ 1,343.3	\$ 927.7
Assumed	82.1	22.4	158.8	37.1
Ceded	(712.7)	(461.9)	(1,368.5)	(868.6)
<b>Net earned premiums</b>	<b>\$ 70.6</b>	<b>\$ 52.2</b>	<b>\$ 133.6</b>	<b>\$ 96.2</b>
<b>Loss and LAE:</b>				
Direct	\$ 366.3	\$ 271.2	\$ 731.8	\$ 498.5
Assumed	29.1	10.0	46.4	17.4
Ceded	(344.1)	(238.0)	(681.7)	(444.0)
<b>Net loss and LAE</b>	<b>\$ 51.3</b>	<b>\$ 43.2</b>	<b>\$ 96.5</b>	<b>\$ 71.9</b>

**Reinsurance recoverables**

Amounts recoverable from reinsurers on paid and unpaid losses and LAE are recognized in a manner consistent with the unpaid losses and LAE associated with the reinsurance and presented as reinsurance recoverables. The balances were as follows:

<i>(in millions)</i>	June 30, 2025		December 31, 2024	
	\$ 1,424.6	\$ 1,069.5	\$ 1,915.7	\$ 1,433.8
<b>Reinsurance recoverables on unpaid losses and LAE</b>				
Other reinsurance recoverables:				
Reinsurance recoverables on paid losses and LAE	416.8	281.4		
Deposit assets	74.3	82.9		
<b>Total other reinsurance recoverables</b>	<b>491.1</b>	<b>364.3</b>		
<b>Reinsurance recoverables</b>	<b>\$ 1,915.7</b>	<b>\$ 1,433.8</b>		

For the six months ended June 30, 2025, we reduced the deposit assets by \$8.6 million attributed to actual recoveries. The deposit assets reported as of June 30, 2025, are comprised of expected recoveries, net of accretion, calculated using the interest method.

Credit risk exists with reinsurance ceded to the extent that any reinsurer is unable to meet the obligation assumed under the reinsurance agreements. An allowance is established for amounts deemed uncollectible. We evaluate the financial condition of our reinsurers and monitor concentration of credit risk arising from our exposure to individual reinsurers. To further reduce credit exposure to reinsurance recoverables balances, we have received letters of credit from certain reinsurers that are not authorized as reinsurers under US state insurance regulations.

Of the total reinsurance recoverables on paid and unpaid losses and LAE outstanding as of June 30, 2025, 59% were with reinsurers having an A.M. Best rating of "A-" (excellent) or better, and we require reinsurance recoverables with reinsurers that are not rated by A.M. Best to be subject to collateral arrangements through a combination of letters of credit, funds withheld arrangements or trust agreements. We consider such collateral arrangements, credit ratings assigned to reinsurers by A.M. Best and other historical default rate information in estimating the credit valuation allowance for reinsurance recoverables. The credit valuation allowance was \$0.6 million and \$0.4 million as of June 30, 2025 and December 31, 2024, respectively.

## 8. Deferred acquisition costs and deferred ceding commissions

The following table presents the amounts of policy acquisition costs deferred and amortized for insurance business retained by Accelerant:

<i>(in millions)</i>	Three Months Ended June 30,	
	2025	2024
Balance as of April 1,	\$ 56.3	\$ 52.8
Direct commissions and other acquisition costs on retained business	12.8	23.8
Amortization of deferred acquisition costs	(18.2)	(16.1)
Foreign currency translation	0.3	0.2
<b>Balance as of June 30,</b>	<b>\$ 51.2</b>	<b>\$ 60.7</b>

<i>(in millions)</i>	Six Months Ended June 30,	
	2025	2024
Balance as of January 1,	\$ 60.7	\$ 53.0
Direct commissions and other acquisition costs on retained business	25.5	47.1
Amortization of deferred acquisition costs	(35.3)	(38.9)
Foreign currency translation	0.3	(0.5)
<b>Balance as of June 30,</b>	<b>\$ 51.2</b>	<b>\$ 60.7</b>

The following table presents the amounts of ceding commissions deferred and amortized:

<i>(in millions)</i>	Three Months Ended June 30,	
	2025	2024
Balance as of April 1,	\$ 194.6	\$ 128.0
Deferral of excess ceding commission income over deferred acquisition costs	142.5	86.8
Amortization of deferred excess ceding commission to income	(101.6)	(59.1)
Foreign currency translation	(0.5)	(0.1)
<b>Balance as of June 30,</b>	<b>\$ 235.0</b>	<b>\$ 155.6</b>

<i>(in millions)</i>	Six Months Ended June 30,	
	2025	2024
Balance as of January 1,	\$ 193.0	\$ 120.4
Deferral of excess ceding commission income over deferred acquisition costs	215.7	156.0
Amortization of deferred excess ceding commission to income	(172.3)	(124.1)
Foreign currency translation	(1.4)	3.3
<b>Balance as of June 30,</b>	<b>\$ 235.0</b>	<b>\$ 155.6</b>

We cede a significant portion of our premiums written to reinsurance companies. The ceding commissions are offset against DAC related to the insurance contracts that are subject to such reinsurance. Any excess ceding commissions over the related DAC are subject to deferral over the insurance premiums earning period.

Our contractual acquisition costs are expressed as a percentage of the underlying premiums by type of insurance policy. Certain agreements with our Members include sliding scale adjustments to acquisition cost based on the actual loss experience of the insurance contracts they write, such that our ultimate acquisition cost inversely changes relative to the loss ratio (i.e., adverse experience in the loss ratio will result in a reduction in the related acquisition cost and, conversely, any favorable experience in the loss ratio will result in an increase in the acquisition cost).

Certain of our reinsurance arrangements are subject to sliding scale adjustments pursuant to the agreements with various reinsurers based on the actual loss experience of covered insurance contracts. The contractual ceding commission amounts are expressed as a percentage of the underlying premiums by type of insurance policy. Further, the amount of ceding commissions will vary based on the volume of ceded premium and may be adjusted for changes in the loss ratio. As that loss ratio changes from the original expected contractual amount, the amount of ceding commission inversely changes (such that adverse experience in the subject loss ratio will result in a reduction in ceding commissions and, conversely, any favorable experience in the subject loss ratio will result in an increase in ceding commissions). Such changes in ceding commission will result in a change to the deferred ceding commissions liability to the extent that the underlying premiums are unearned and, conversely, will result in a direct change to income to the extent that the underlying premium has been earned. As such, the sliding scale commissions act as our substantive participation in the underlying loss experience of the underlying insurance contracts.

Ceding commission income recognized for the three and six months ended June 30, 2025 included increases of \$12.5 million due to net sliding scale commission adjustments resulting from the favorable loss experience of covered insurance contracts. For the three and six months ended June 30, 2024, ceding commission income recognized included reductions of \$4.8 million and \$7.3 million, respectively due to net sliding scale commission adjustments resulting from the loss experience of covered insurance contracts.

## 9. Debt

We had the following debt outstanding as of June 30, 2025 and December 31, 2024:

<i>(in millions)</i>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Senior unsecured debt	\$ 125.0	\$ 125.0
Less: unamortized debt issuance costs	(3.3)	(3.6)
Senior unsecured debt	121.7	121.4
Revolving credit facility	5.0	—
<b>Total debt</b>	<b>\$ 126.7</b>	<b>\$ 121.4</b>

We have a senior unsecured syndicated US dollar denominated loan facility with a September 2029 maturity date with an aggregate outstanding principal balance of \$125 million. The credit agreement includes a \$50 million revolving credit facility. As of June 30, 2025, we had \$5 million outstanding under our revolving credit facility and \$45 million unutilized and available. Each borrowing under the revolving credit facility may have a maturity of one, three or six months, at the Company's election, but may not extend beyond the credit agreement's maturity date. Such borrowings may be repaid early.

The senior notes are senior unsecured obligations and include a delayed draw term loan ("DDTL") feature that allows us to withdraw predefined amounts. Incremental facilities up to an additional \$75 million are available to draw upon request, subject to the agreement of the lenders.

Partial quarterly repayments of the aggregate principal amount are required until the maturity date. Interest payments on the senior notes are due at the end of each period, being a certain month or quarter during which the applicable interest rate has been reset. The interest rate is subject to a sliding scale based on our consolidated senior debt to capitalization ratio and varies between a 3.4% and 4.0% spread in addition to the Secured Overnight Financing Rate ("SOFR"). Interest is calculated based on a 360-day year of twelve 30-day months. Interest expense for the three months ended June 30, 2025 and 2024 was \$2.5 million and \$3.0 million, respectively. Interest expense for the six months ended June 30, 2025 and 2024 was \$5.1 million and \$6.0 million, respectively.

Subject to conditions of optional prepayment, we may voluntarily prepay the senior notes at any time and from time to time, prior to the maturity date without penalty. Any prepayment, in whole or in part, shall include any accrued and unpaid interest thereon to, but excluding, the prepayment date. Any amounts we prepay may not be reborrowed.

The senior notes contain certain restrictive and maintenance covenants customary for facilities of this type, including restrictions on minimum consolidated net worth, maximum leverage levels and a minimum interest coverage ratio. As of June 30, 2025, we were in compliance with all such covenants.

## 10. Business acquisition

In January 2025, our consolidated subsidiary Corniche Acquisition Co. Ltd. acquired an additional 61% of the outstanding share capital of Corniche Underwriting Ltd. ("Corniche"), a UK based MGA that specializes in the insurance of risks related to the recycling industry, in exchange for \$56.2 million of consideration consisting of i) \$17.1 million of cash paid at acquisition, and an additional \$17.1 million of cash to be paid over two equal installments due in July 2025 and January 2026 that is reflected as a payable within "Accounts payable and other liabilities" in our condensed consolidated balance sheets as of June 30, 2025); ii) our previously held equity interest of \$11.0 million; and iii) the non-controlling interests of \$11.0 million. The acquisition of the additional 61% interest increased our ownership in Corniche from 19.5% to 80.5%. Previously, we accounted for the investment in Corniche as an equity method investment. Following the completion of the step acquisition, we remeasured our previously held equity interest to fair value at the step acquisition date. Accordingly, we recorded a revaluation gain of \$2.0 million within "Net realized gains on investments" in our condensed consolidated statements of operations.

The fair value of the assets acquired and liabilities assumed and non-controlling interest was estimated using an income approach. Key assumptions included market-observable inputs and management's estimates of nominal cash flows. The purchase consideration was allocated to the estimated fair value of the tangible and identifiable intangible assets acquired less liabilities assumed at the date of the acquisition. Our purchase price allocation related to the acquisition is provisional and could change in subsequent periods to reflect new information obtained about the facts and circumstances that existed as of the acquisition date, which if known, would have affected the measurement of the amounts recognized as of the acquisition date. We may recognize measurement period adjustments to the provisional amounts in future periods, but no later than one year from the closing date (referred to as the "measurement period"). We recorded goodwill from this acquisition, primarily attributable to expected growth and profitability, none of which is expected to be deductible for income tax purposes.

Our consolidated financial statements include the results of our acquisitions after their respective closing dates. Revenue, net income, as well as pro forma information is not presented for the Corniche acquisition as such results of operations would not be materially different to the actual results of operations of the Company. Acquisition-related costs pertaining to Corniche incurred during the six months ended June 30, 2025 were \$0.7 million.

The following table provides our preliminary purchase accounting financial information for the Corniche acquisition:

<i>(in millions)</i>	<b>2025</b>
<b>Assets acquired:</b>	
Cash and cash equivalents	\$ 16.2
Other identifiable intangible assets	21.6
Premiums receivable	7.0
Other assets	0.4
<b>Total assets acquired</b>	<b>45.2</b>
<b>Liabilities assumed:</b>	
Accounts payable and other liabilities	16.7
<b>Total liabilities assumed</b>	<b>16.7</b>
<b>Total identifiable net assets acquired <sup>(1)</sup></b>	<b>28.5</b>
Goodwill	27.7
<b>Total acquisition consideration</b>	<b>\$ 56.2</b>

<sup>(1)</sup> Total net cash paid to date for the interest in Corniche was \$0.9 million, net of cash acquired (consisting of the \$17.1 million initial payment at acquisition date net of the \$16.2 million cash acquired). As noted above, this does not include cash payments of \$17.1 million that will be due in two installments through January 2026.

A roll forward of goodwill and other intangible assets, net, including Corniche and an additional immaterial acquisition as of and for the six months ended June 30, 2025 is as follows:

<i>(in millions)</i>	<b>Goodwill and other intangible assets, net</b>
Balance as of January 1, 2025	\$ 64.0
Goodwill from acquisition of business	28.0
Other intangible assets from acquisition of business	21.6
Amortization of other intangible assets	(2.6)
Foreign currency translation	8.7
<b>Balance as of June 30, 2025</b>	<b>\$ 119.7</b>

## 11. Share-based compensation

### *Share options granted to employees*

During the six months ended June 30, 2025, we granted 3,368,596 options to certain of our employees under our employee share incentive plan. The contractual term of the option awards is ten years from the grant date. The vesting terms of the option awards varied based on the date of the respective employee's date of service commencement such that a portion of the awards was, in certain instances, vested as of the grant date. The vesting periods per each of the awards varied from two to four years (with either quarterly or annual partial vesting periods over those two to four year full vesting periods).

The fair value of each share option award granted during the six months ended June 30, 2025 and 2024 was estimated on the date of grant using the following option pricing model assumptions:

	<b>2025</b>	<b>2024</b>
Weighted average expected term (years)	3.0 - 10.0	1.2 - 10.0
Risk-free interest rate	3.83% - 4.36%	3.82% - 4.87%
Expected volatility	39%	31% - 38%
Expected dividend yield	0%	0%

Based on application of the Hull-White valuation method (widely used in the determination of option fair value), we estimate the expected term of the share options granted, assuming that employees exercise their options, on average, when the stock price over strike price reaches a threshold of 2.2. The risk-free interest rate is based on observed interest rates appropriate for the term of our stock options. Expected volatility is based on companies at a comparable stage, as well as companies in the same or similar industry. The dividend yield assumption is based on the Company's historical and expected future dividend payouts and may be subject to change in the future.

The following table summarizes the activity related to share option awards for the six months ended June 30, 2025:

	<b>Number of Options</b>	<b>Weighted-Average Exercise Price</b>	<b>Weighted-Average Remaining Contractual Term (Years)</b>	<b>Aggregate Intrinsic Value</b>	<b>Weighted-Average Fair Value</b>
Outstanding as of January 1, 2025	15,016,572	\$ 19.31	9.1	\$ —	\$ 2.84
Granted	3,368,596	29.00	9.9	\$ —	\$ 7.12
Exercised	—	—	—	—	—
Canceled	(132,657)	19.31	—	—	—
Forfeited	(187,920)	19.31	—	—	—
<b>Outstanding as of June 30, 2025</b>	<b>18,064,591</b>	<b>\$ 21.11</b>	<b>8.8</b>	<b>\$ —</b>	<b>\$ 3.61</b>
Options exercisable as of June 30, 2025	7,266,143	\$ 19.31	8.3	\$ —	\$ 2.20
Options unvested as of June 30, 2025	10,798,448	\$ 22.33	9.1	\$ —	\$ 4.56

The weighted average grant-date fair value of share options granted during the six months ended June 30, 2025 and 2024 was \$7.12 and \$3.52 per option, respectively.

For the three months ended June 30, 2025 and 2024, share-based compensation expense from share option awards granted was \$3.0 million and \$1.6 million, respectively, which is included in "Other expenses" in our condensed consolidated statements of operations. For the six months ended June 30, 2025 and 2024, share-based compensation expense from share option awards granted was \$5.4 million and \$3.8 million, respectively.

The unrecognized compensation cost related to unvested share option awards as of June 30, 2025 and December 31, 2024 was \$46.9 million and \$29.6 million, respectively. The weighted average remaining requisite service period as of June 30, 2025 is 1.6 years, over which period the total cost will be amortized as compensation expense within the financial statements.

## 12. Earnings per share

The following table sets forth the computation of basic and diluted net earnings per common share:

<i>(in millions, except share data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Numerator:</b>				
Net income (loss) attributable to Accelerant common shareholders	\$ 8.8	\$ (9.0)	\$ 15.3	\$ (1.9)
<b>Denominator:</b>				
Weighted-average common shares outstanding - basic	166,185,094	165,949,086	166,185,094	165,776,863
Effect of dilutive securities:				
Dilutive common shares <sup>(1)</sup>	39,763,577	—	39,728,299	—
Weighted-average common shares outstanding - diluted	205,948,671	165,949,086	205,913,393	165,776,863
<b>Net income (loss) attributable to Accelerant per common share:</b>				
Basic	\$ 0.05	\$ (0.05)	\$ 0.09	\$ (0.01)
Diluted	\$ 0.04	\$ (0.05)	\$ 0.07	\$ (0.01)

<sup>(1)</sup> Potential dilutive common shares consist of all of our convertible preference shares and certain of our share-based compensation options described in Note 11. The potential common shares excluded from the calculation of potential diluted shares outstanding were 17,382,748 and 17,418,027 shares for the three and six months ended June 30, 2025, respectively, because the effect of including those common shares in the calculation would have been anti-dilutive. The potential common shares excluded from the calculation of potential diluted shares outstanding were 11,478,379 shares for the three and six months ended June 30, 2024, respectively. Such potential common shares solely related to share options granted and outstanding described in Note 11.

### 13. Income taxes

For the three months ended June 30, 2025 and 2024, our effective tax rates were 41.3% and (114.0)%, respectively. For the six months ended June 30, 2025 and 2024, our effective tax rates were 44.7% and 192.2%, respectively. We use the estimated annual effective tax rate method for calculating our tax provision in interim periods, which reflects our best estimate of the effective tax rate expected for the full year. The effective tax rates in both periods were impacted by taxable income subject to tax in certain jurisdictions, losses incurred in zero tax rate jurisdictions and valuation allowances offsetting available carry-forward losses in certain jurisdictions.

In March 2025, the Board of Directors of Accelerant Holdings and certain intermediary holding companies (together, the "Holding Companies") approved a change in the Holding Companies' tax residency from the Cayman Islands to the UK. Upon becoming UK tax residents, the Holding Companies began to benefit from operational efficiencies including, but not limited to, lower withholding tax rates applicable to dividend distributions from certain US subsidiaries under the US-UK tax treaty. In addition, the aggregate income (loss) of the Holding Companies became subject to UK income tax effective as of the March 2025 date of change to UK tax residency. To the extent that the Holding Companies have incremental income it will generate additional UK tax expense and, conversely, to the extent that there are any incremental losses, income tax benefits will be generated to the extent that there is current or projected taxable income available in our UK operations. Over the remainder of 2025, we expect incremental benefits to emerge due to the Holding Companies' projected expense base and, therefore, our effective tax rate for the year ended December 31, 2025 is expected to fall below those reported in previous years when such expenses were incurred in the Cayman Islands (a zero tax rate jurisdiction).

The relationship of our income tax expense to pre-tax income (loss) is atypical because our taxable income has predominately been generated in the US, UK, Ireland, and Puerto Rico resulting in income tax expense in those jurisdictions (entities in such jurisdictions are referred to as "tax-paying entities").

Meanwhile, we have incurred operating losses in zero tax rate jurisdictions (such as in our corporate and reinsurance entities in the Cayman Islands) resulting in no income tax benefit. We have also incurred pre-tax operating losses in Belgium and other jurisdictions where we have generated cumulative operating losses; however, in each of those cases, a valuation allowance has been recorded against the corresponding deferred tax assets (entities in these two types of jurisdictions are referred to as "non-tax paying entities").

Taxable losses in one jurisdiction generally cannot be applied to offset earnings in another. In certain other jurisdictions, losses in one entity may not be used to offset taxable income generated by another entity in that same jurisdiction.

The composition of our effective tax rates among our tax-paying and non-tax paying entities, which demonstrates the non-tax paying entities' effect on the total effective tax rate, were as follows:

<i>(in millions)</i>	Three Months Ended June 30, 2025			Three Months Ended June 30, 2024		
	Tax-paying entities	Non-tax paying entities	Total	Tax-paying entities	Non-tax paying entities	Total
Income (loss) before income taxes	\$ 42.8	\$ (20.5)	\$ 22.3	\$ 39.9	\$ (44.2)	\$ (4.3)
Income tax expense	(9.2)	—	(9.2)	(4.9)	—	(4.9)
<b>Effective tax rate</b>	<b>21.5 %</b>	<b>—</b>	<b>41.3 %</b>	<b>12.3 %</b>	<b>—</b>	<b>(114.0)%</b>

<i>(in millions)</i>	Six Months Ended June 30, 2025			Six Months Ended June 30, 2024		
	Tax-paying entities	Non-tax paying entities	Total	Tax-paying entities	Non-tax paying entities	Total
Income (loss) before income taxes	\$ 97.0	\$ (59.0)	\$ 37.8	\$ 71.2	\$ (63.5)	\$ 7.7
Income tax expense	(16.9)	—	(16.9)	(14.8)	—	(14.8)
<b>Effective tax rate</b>	<b>17.4 %</b>	<b>—</b>	<b>44.7 %</b>	<b>20.8 %</b>	<b>—</b>	<b>192.2 %</b>

## 14. Other assets

Other assets consisted of the following:

<i>(in millions)</i>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Net deferred tax assets	\$ 58.4	\$ 51.6
Commission income receivable	30.3	28.3
Funds withheld by reinsurers	18.9	18.2
Deferred offering costs <sup>(1)</sup>	18.9	16.0
Prepaid expenses	14.2	11.8
Related party receivables (refer to Note 16)	7.3	7.6
Prepaid retrocession premium	4.9	5.3
Other	36.5	82.9
<b>Total</b>	<b>\$ 189.4</b>	<b>\$ 221.7</b>

<sup>(1)</sup> These costs were deferred pending the completion of the Company's IPO which was completed on July 25, 2025. Such amounts will be reclassified and offset from the net proceeds resulting from the IPO within additional paid in capital in the third quarter 2025 financial statements.

## 15. Accounts payable and other liabilities

Accounts payable and other liabilities consisted of the following:

<i>(in millions)</i>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Premium tax payables	\$ 48.6	\$ 53.7
Commission refund liabilities	44.8	38.8
Deposit liabilities	29.7	43.9
Trade payables	10.0	13.8
Corporation tax payable	10.9	4.4
Accrued expenses and other	136.0	97.4
<b>Total</b>	<b>\$ 280.0</b>	<b>\$ 252.0</b>

## 16. Related party transactions

As of June 30, 2025 and December 31, 2024, the outstanding balance of short-term financing by the Company to Accelerant Holdings LP was \$7.3 million and \$7.6 million, respectively. This balance is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

As of June 30, 2025 and December 31, 2024, we had accounts payable of \$0.5 million and \$0.9 million, respectively, to Accelerant Holdings LP, primarily related to legal costs.

For the three months ended June 30, 2025, we had an income statement benefit of \$1.4 million related to the contractual adjustment of previously accrued expenses incurred with Altamont Capital Management LLC ("ACM"), an affiliate. For the six months ended June 30, 2025, we incurred \$0.7 million of advisory fees and expenses with ACM. For the three months ended June 30, 2024, we had an income statement benefit of \$0.8 million related to a reversal of previously accrued expenses incurred with ACM. This adjustment fully offset fees of \$0.8 million incurred for the three months ended March 31, 2024.

As referenced in Note 1, the Company agreed to terminate the existing management services agreement between Accelerant Holdings LP and Altamont Capital Management, LLC, dated February 19, 2019 (the "MSA"), which previously set out terms on which, among other things, the Company had compensated Altamont Capital Management, LLC for its services. During July 2025, the Company agreed to pay Altamont Capital a one-time termination fee of \$25 million upon the successful consummation of its IPO, at which point the MSA was terminated. Such fee and related expense will be reflected in the Company's third quarter 2025 financial statements.

## 17. Commitments and contingencies

### ***Litigation***

We are occasionally a party to routine contractual disputes impacting receivables, claims (re)insurance contracts or litigation incidental to our business. We do not believe that we are a party to any pending legal proceeding that is likely to have a material adverse effect on our business, financial condition, or results of operations.

Contingencies arise in the normal conduct of our operations and are not expected to have a material effect on our financial condition or results of operations. However, adverse outcomes are possible and could negatively affect our financial condition and results of operations.

### ***Unfunded investment commitments***

As of June 30, 2025, we had unfunded commitments of \$8.8 million in respect of our limited partnership investments. Refer to Note 4 for additional information.

## 18. Subsequent events

### ***Initial Public Offering***

As further described in Note 1, the Company completed its IPO on July 25, 2025.

### ***Step acquisition of Agribusiness Risk Underwriters***

On July 22, 2025, we executed an agreement to purchase the remaining 25% equity interests of Agribusiness Risk Underwriters ("ARU") that we did not previously own for consideration of 1,833,481 of our Class A common shares. The transaction closed on August 26, 2025 and will be recorded in our third quarter 2025 financial statements as a step acquisition that will be reflected as an equity transaction since we previously consolidated the results of ARU. The excess of the purchase consideration compared to the recorded value of the non-controlling interests will be reflected as a reduction to additional paid-in capital.

### ***Enactment of new US tax legislation***

On July 4, 2025, the US enacted the budget reconciliation package H.R.1, commonly referred to as the One Big Beautiful Bill Act ("OBBA"), which includes a number of income tax provisions, among others. The Company is still analyzing any potential impact of the tax provisions in the OBBBA but does not expect these provisions to have a material impact on the Company's results from operations.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and our results of operations should be read in conjunction with our interim unaudited condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements in our prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b)(4) under the Securities Act of 1933, as amended (the "Prospectus"). This management's discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from such forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those identified below and those discussed in the sections titled "Cautionary Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q and "Risk Factors" in the Prospectus. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.

### Overview

Accelerant Holdings, together with its subsidiary companies, connects Members with Risk Capital Partners through its Risk Exchange. The Company, together with its Risk Capital Partners, provides property and casualty insurance to policyholders via its network of Members, which are typically MGAs. The Company focuses on small-to-medium sized commercial clients primarily in the US, EU, Canada and the UK.

### Significant Events and Transactions

#### *Effects of the IPO on Our Corporate Structure*

The following description of the IPO and related transactions have been included herein given their significance, however, given they occurred subsequent to June 30, 2025, the effects are not reflected in our condensed consolidated financial statements. The following transactions will be reflected in our third quarter 2025 condensed consolidated financial statements.

On July 25, 2025, the Company completed its IPO and issued and sold 20,276,280 Class A common shares at a public offering price of \$21.00 per share, resulting in net proceeds of \$393.4 million after deducting the underwriting discounts and commissions and estimated offering costs of \$9.0 million. Certain of the Company's pre-existing investors participated in the offering as selling shareholders and sold 19,354,044 Class A common shares at the IPO price for which the Company received no proceeds.

The Company used a portion of the net proceeds from the IPO to fund the redemption of the Class C convertible preference shares for \$175.3 million in cash (as all holders of the Class C convertible preference shares elected to redeem their shares at the date of its IPO) and to fund a one-time \$25.0 million termination fee to an affiliate of Altamont Capital Partners. The remaining proceeds are expected to be used to support the continued growth of our business and other general corporate purposes.

As discussed in Note 20 to our audited consolidated financial statements, the Company previously issued profits interest awards to certain officers and employees in the form of Accelerant Holdings LP partnership shares and incentive units (the "profit interest awards"). The profit interest awards required achievement of certain return thresholds and continuous service for the officers and employees to receive distributions (such as a significant increase in the valuation of the Company as realized through a market event, like an IPO). Compensation cost associated with these profit interest awards could only be recorded to the extent payment was reasonably estimable and probable, as well as giving consideration to service requirements. Prior to the IPO, no related compensation cost was recognized because, for accounting purposes, an IPO cannot be assessed as probable until it occurs. However, at the time of the IPO, the Company recognized \$1.38 billion of non-cash stock-based compensation expenses related to the settlement of all outstanding profits interest awards through the distribution of 65,270,453 Class A common shares of the Company held by Accelerant Holdings LP to certain officers and employees of the Company that fully vested upon the IPO. The ultimate settlement of the profit interest awards was equity neutral as the contribution of the shares to officers and employees was reflected as a capital contribution to the Company by Accelerant Holdings LP in an equal and offsetting amount to the associated non-cash compensation expense.

In connection with the IPO, to align the long-term interests of certain officers and employees with those of the Company, 2,381,858 restricted stock units (RSUs) and 26,205,555 Class A common share options were granted. In each subsequent reporting period, we expect to recognize a non-cash compensation expense equal to the fair value of the restricted common shares and share options of the Company at the date of grant that subsequently vest and become unrestricted. The compensation expense may be material to the Company's income to each interim and annual period.

Refer to Note 1 to our interim condensed consolidated financial statements for additional information.

## *Upsizing of Flywheel Re*

During the second quarter of 2025, Flywheel Re completed a capital raise from new and existing institutional investors to extend and upsize its capacity to support business assumed.

### **Overview of Accelerant**

We operate a data-driven risk exchange that connects selected specialty insurance underwriters (the “supply side” of our platform) with Risk Capital Partners (the “demand side” on our platform). Our Risk Exchange reduces information asymmetries and operational barriers present in the traditional insurance value chain by leveraging proprietary technology to share actionable high-fidelity data and insights with platform participants.

The Accelerant Risk Exchange simplifies the traditional insurance value chain which is fragmented, costly, and inflexible. Legacy technology, excessive intermediation, and misaligned incentives cause data leakage, high costs, and wasted resources for participants. Our technology-powered platform addresses these issues by connecting our Members, and Risk Capital Partners, including insurers, reinsurers, and institutional investors. On the supply side of our Risk Exchange, we deliver a full service offering to our Members that includes insights and analytics, distribution management, operational resources, and the commitment of stable underwriting capacity. Our offerings free our Members to focus on growing their businesses through their core expertise of profitable underwriting. On the demand side of our Risk Exchange, we offer Risk Capital Partners an attractive, validated, and diversified portfolio of specialty insurance premium that may otherwise be difficult to access elsewhere. Risk Capital Partners who provide capacity through our Risk Exchange pay us fees to source, manage, and monitor risks on their behalf that recur when the underlying policies renew.

By harnessing our proprietary technology, access to data, and industry experience, we believe we have created the future marketplace of the specialty insurance industry. As of June 30, 2025, we had 248 Members and 98 Risk Capital Partners on our platform and we have grown Exchange Written Premium at a 207% compounded annual growth rate since inception. As we mature and continue to scale our business, we expect our annual growth rate to moderate.

### ***Our Members (“Supply Side” of the Risk Exchange)***

The vast majority of our Members are independent third parties in which Accelerant has no ownership stake. We refer to these Members as “Independent Members.” Each Independent Member enters into a long-term contract with Accelerant where it agrees to underwrite certain types of policies through the Risk Exchange. Generally, these contracts are five years in duration and subject to annual renewal, with Accelerant retaining a right to terminate early for performance reasons. For a large majority of the gross written premium produced by Independent Members, Accelerant has an exclusive arrangement to write such policy types with the Independent Member. Additionally, Accelerant has the right of first refusal to offer on the Risk Exchange any new products an Independent Member may launch.

The remaining Members consist of “Mission Members” and “Owned Members.” Mission Members are Members started within Mission Underwriters, our MGA incubation platform. With Mission Underwriters, we support entrepreneurial specialty underwriters with start-up capital and operational tools and resources to form their own MGAs that are then jointly owned by Mission Underwriters and the specialty underwriters. Our primary means of identifying such underwriters is our reliance on the Accelerant management team’s knowledge of the specialty insurance markets, which includes reliance on certain historical metrics (such as loss ratios) from their underwriting track records at reputable incumbent institutions and, generally, prospective underwriters’ reputations among the industry, leveraging our experience and tenure in the space. Such knowledge includes an awareness of high-quality underwriters in these markets. Mission Underwriters attracts specialty underwriters with its independence, turnkey back office, and equity incentivization combined with the overall Accelerant value proposition. We supplement this market awareness with arrangements with a number of specialist recruiters that seek out underwriters that match our desired profile. While our ongoing recruitment efforts will continue to be important as we grow, we do not currently expect any associated recruitment costs to increase materially over time. Mission Underwriters owns the majority of the MGAs that it helped to create, with meaningful equity shared with management teams based on the performance of their MGA. Owned Members are Members in which we either have a minority ownership interest or controlling equity interest. Typically, our investments in Owned Members take the form of an initial minority ownership interest and a contractual call option for a controlling equity ownership interest over time. In all but two instances, these investments took place within 40 weeks after an MGA joined the platform.

The gross premium written by Independent Members and placed through the Risk Exchange is referred to as “Independent Premium.” The gross premium written by Mission Members and Owned Members and placed through the Risk Exchange is referred to as “Owned Premium.” Historically, Independent Premium has comprised the large majority of Exchange Written Premium and we expect this trend to continue over time.

**Members and Exchange Written Premium Detail**

(\$ in millions)	Three Months Ended June 30,			
	2025		2024	
	# of Members	Exchange Written Premium	# of Members	Exchange Written Premium
Independent Members	201	\$ 759.3	142	\$ 527.5
Mission Members	31	199.6	27	137.6
Owned Members	16	113.4	17	91.7
<b>Total</b>	<b>248</b>	<b>\$ 1,072.3</b>	<b>186</b>	<b>\$ 756.8</b>

(\$ in millions)	Six Months Ended June 30,			
	2025		2024	
	# of Members	Exchange Written Premium	# of Members	Exchange Written Premium
Independent Members	201	\$ 1,473.2	142	\$ 941.4
Mission Members	31	373.5	27	218.7
Owned Members	16	210.8	17	180.5
<b>Total</b>	<b>248</b>	<b>\$ 2,057.5</b>	<b>186</b>	<b>\$ 1,340.6</b>

***Our Risk Capital Partners (“Demand Side” of the Risk Exchange)***

Currently, our Risk Capital Partners include third-party insurance companies, reinsurance companies, and institutional investors. As of June 30, 2025, 14 Risk Exchange Insurers accessed gross premium written directly from the Risk Exchange (on a primary insurance basis) rather than via reinsurance from Accelerant Underwriting, accounting for 23% of the premium written on the Risk Exchange for the six months ended June 30, 2025.

We refer to gross written premium written directly on behalf of Risk Exchange Insurers as “Third-Party Direct Written Premium.” All premiums written by Accelerant Underwriting, including that which is ultimately reinsured to institutional investors and third-party reinsurers, is referred to as “Accelerant GWP.” We expect the premium placed with Risk Exchange Insurers will increase in coming years, and as a result, the contribution from Third-Party Direct Written Premium will continue to increase. This is expected to lead to less overall revenue growth in our Underwriting segment, but more direct commission income within our Exchange Services segment.

For Accelerant Underwriting, we have historically targeted reinsuring approximately 90% of our gross premium written to institutional investors and third-party reinsurers, with Accelerant retaining approximately 10% of the risk associated with these gross premiums written, which we believe demonstrates alignment with our Risk Capital Partners. For the trailing twelve months ended June 30, 2025, Accelerant-Retained Exchange Premium represented 6% of Exchange Written Premium.

## Our Business Model

We operate our business across three reportable segments – Exchange Services, which is the core offering of Accelerant, as well as MGA Operations and Underwriting. Exchange Services and MGA Operations are both fee-based businesses. Underwriting captures the net ceding commission income from reinsurers and Flywheel Re and net underwriting profit from retained business that is written or assumed by Accelerant Underwriting.

- **Exchange Services:** The Exchange Services segment includes the revenue and expenses associated with our Risk Exchange. The Risk Exchange is our operating platform that incorporates all of our technology, data ingestion, and agency operations that serve the needs of our Members and Risk Capital Partners. Risk Capital Partners writing premiums directly through the Risk Exchange pay us a fixed-percentage, volume-based fee for sourcing, managing and monitoring the business they write, which is netted by the amount the Risk Exchange pays in performance-based commissions to Members.
- **MGA Operations:** This segment reports all revenue and expenses from Mission Members and Owned Members in which we have majority ownership positions. Equity method accounting is used for Owned Members in which we have a minority equity ownership interest. The largest component of the segment is our investment in the 31 Mission Members as of June 30, 2025. There are 16 Owned Members as of June 30, 2025, of which, nine are majority-owned and controlled by us and therefore consolidated in our financial statements.
- **Underwriting:** Our Underwriting segment includes all revenue and expenses associated with our Accelerant Underwriting companies (each of which solely operates through the Risk Exchange) and reinsurance company. We view the Underwriting segment as a strategic capability and source of operational flexibility and alignment with current and prospective Risk Capital Partners. Accelerant Underwriting earns premiums and pays losses from business sourced and retained through the Risk Exchange. Accelerant Underwriting pays commissions to the Risk Exchange as consideration to access this business on market-consistent terms with Risk Exchange Insurers. This is offset by the ceding commission we receive from several third-party reinsurers including Flywheel Re, a reinsurance sidecar, for ceding premium and losses to them. The performance of our Underwriting segment will vary with the performance of the portfolio reinsured to Risk Capital Partners. We expect the portion of Risk Exchange premium underwritten by Accelerant Underwriting to decrease over time, relative to other segments, as Risk Exchange Insurers increase in number and grow their premium written through our Risk Exchange.

A high-level view of our business model is included below (based on activity for the twelve months ended June 30, 2025)<sup>(4)</sup>:

Exchange Services	MGA Operations	Underwriting
7% Take Rate <sup>(1)</sup>	18% Net Commission <sup>(2)</sup>	3% Fees & Net Underwriting Result <sup>(3)</sup>
×	×	×
\$3.83B Total Exchange Written Premium	\$1.11B Exchange Written Premium from Mission & Owned Members	\$2.77B Gross Earned Premium
=	=	=
<b>\$281M</b> Direct Commission Income	<b>\$198M</b> Revenue	<b>\$82M</b> Fees & Net Underwriting Result

## Notes:

<sup>(1)</sup> Calculated as Exchange Services direct commission income divided by Exchange Written Premium.

<sup>(2)</sup> Calculated as MGA Operations direct commission income (\$191.3 million), net investment income (\$4.2 million), net realized gains on investments (\$3.4 million), and net unrealized losses on investments (\$0.5 million) divided by Exchange Written Premium attributable to Mission Members and Owned Members.

<sup>(3)</sup> Calculated as net earned premium and the amortization of deferred excess ceding commission income, reduced by net losses and the amortization of DAC, plus net investment income and net realized gains and net unrealized gains (losses) on investments expressed as a percentage of total Underwriting gross earned premium, excluding operating expenses.

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<sup>(4)</sup> The table above references amounts for the trailing twelve months ended June 30, 2025 herein. The GAAP to non-GAAP reconciliation for this period can be derived using amounts presented above for the year ended December 31, 2024 less amounts reported for the six months ended June 30, 2024 to arrive at the six months ended December 31, 2024, which can be added to the results for the six months ended June 30, 2025 to arrive at amounts for the trailing twelve months ended June 30, 2025.

## **Key Factors that Could Affect Our Performance**

### ***Ability to Maintain and Grow Our Member Base***

We believe there is a significant opportunity to attract new Members to the Risk Exchange and grow our existing Members. This is impacted by our ability to continue to deliver a holistic and compelling value proposition. We believe that existing and prospective Members will continue to be drawn to the Risk Exchange, and the growth of Members facilitated by our strong Member-centric service model, high value-add data and analytics capabilities, and ability to provide stable multi-year capacity.

### ***Access to Third-Party Capital Providers to Support Members***

Our future revenue growth also depends, in part, on our ability to expand our relationships with new and existing third-party capital providers to meet the growth of gross premiums sourced by our Members. We believe that the low-hazard, low-limit specialty business that we source from our Members will continue to attract these Risk Capital Partners. Since 2019, we have grown our Risk Capital Partners from two to 98 as of June 30, 2025. As of June 30, 2025, we had 14 Risk Exchange Insurers.

### ***Sourcing a Portfolio with Sustainable Loss Ratios***

Our ability to maintain the support of Risk Capital Partners depends, in part, on maintaining an attractive ratio of gross premiums to gross losses and gross commissions that Risk Capital Partners pay to the Risk Exchange. We believe the historic quality of the portfolio written by our Members is reflected by the gross loss ratios of 51.8% and 53.5% for the six months ended June 30, 2025 and 2024, respectively. We intend to leverage our data and analytics capability and our team of expert underwriters to continue to produce a portfolio with increasing diversification and attractive risk/return characteristics for our Risk Capital Partners.

### ***Investing in Technology Platform Capabilities***

We continue to invest in our Risk Exchange to add capabilities and enhance the overall user experience of Risk Exchange participants and deepen our analytical and underwriting insights. Our ability to successfully attract high-quality specialty underwriters and risk capital depends on our ability to continue to develop value from our technology platform. We may choose to increase our level of investment in technology from past levels to enhance the platform capabilities and our competitive position. We believe that our ability to deliver platform capabilities that our Risk Exchange participants perceive as unique will continue in the future.

### ***Costs of Being a Public Company***

As we begin to operate as a public company, we will be required to continue to implement changes in certain aspects of our business and develop, manage, and train employees to comply with ongoing public company requirements. We will also incur new expenses as a public company, including public reporting obligations, proxy statements, shareholder meetings, stock exchange fees, transfer agent fees, SEC and Financial Industry Regulatory Authority ("FINRA") filing fees and offering expenses.

## **Key Components of Our Results of Operations**

### **Revenue**

#### ***Ceding commission income***

We cede a significant portion of the premiums written on behalf of Accelerant Underwriting to third-party reinsurance companies or institutional investors through Flywheel Re. This generates positive ceding commissions which are recorded as a reimbursement for (and reduction of) the acquisition costs related to the reinsurance portion of the ceded insurance business. Ceding commissions that are in excess of the proportionate share of the DAC of the business ceded are deferred and amortized over the same period in which the related premium is earned. The amortization of this excess ceding commission income is recorded as "Ceding commission income" in the consolidated statements of operations within revenue. Certain ceding commissions are subject to sliding scale adjustments based on the actual loss experience of covered insurance contracts, which can result in the need for us to refund previous commissions received, resulting in a reduction of income in the determined period, or conversely, result in incremental commissions and related income. These adjustments

often occur well after the ceding commissions are earned based on the development of insurance liabilities. In such instances, commission adjustments are not subject to deferral and are instead recorded directly as income or loss when determined. Accordingly, in all cases, we adjust ceding commissions as of the reporting date for our best estimate of loss experience for reinsured insurance policies.

#### ***Direct commission income***

Accounting treatment of direct commissions received in the Exchange Services and the MGA Operations segments depend on whether the direct commission is being paid on an intercompany basis or by a third party.

Direct commissions paid by one Accelerant entity to another (referred to as “intercompany basis”) are required to be eliminated in consolidation pursuant to generally accepted accounting principles. These include fees paid by Accelerant Underwriting to the Risk Exchange, as well as commissions paid by the Risk Exchange to Mission Members and/or to Owned Members. These intercompany direct commissions are recognized under “Direct commission income” in our consolidated statements of operations under the segment to which they relate and are fully recognized by the segment when the services and related performance obligations are completed.

While these intercompany basis commissions are all eliminated on a consolidated basis, we nevertheless derive a significant economic benefit from these commissions. Unlike third parties, which bear the costs of the services performed by the Risk Exchange in the form of cash payments, we do not bear the cost of such services once fully eliminated, resulting in less commission amortization expense over the insurance policy term. This has the practical effect of increasing consolidated earnings as the corresponding premiums are earned. Direct commission income paid by third parties in the Exchange Services or MGA Operations segments are fully recognized in the current period under “Direct commission income” in the statement of operations, to the extent that the underlying services and performance obligations to which they relate have been performed. As more business is written by Risk Exchange Insurers, we expect a higher proportion of direct commission income to be recognized on a consolidated basis (instead of being subject to elimination on an intercompany business basis, as discussed above).

#### ***Net earned premiums***

Net earned premiums represent the earned portion of GWP placed with Accelerant Underwriting companies, less the portion of our GWP that is ceded to third-party reinsurers under our quota share and excess of loss reinsurance agreements. Premiums are earned in proportion to the amount of insurance protection provided over the term of the insurance contract. Unearned premiums represent the portion of premiums written applicable to the unexpired term of the related policy.

#### ***Net investment income***

Net investment income represents interest earned from fixed maturity securities, short-term securities and other investments. Dividends on equity securities and other investments are also included in net investment income. Interest, dividend income and amortization of fixed maturity market premiums and discounts related to these securities are recorded in net investment income, net of investment management and custody fees. The principal factors that influence net investment income are the size of our investment portfolio and the yield on that portfolio.

We have certain unconsolidated investments within our MGA Operations segment and we account for these investments under the equity method, whereby we record our proportionate share of income or loss from such investments within net investment income, or the measurement alternative accounted for at fair value based on observable price changes or impairment. Any decline in value of equity method investments considered by management to be other than temporary is charged to income in the period in which it is determined.

#### ***Net realized and unrealized gains (losses) on investments***

Our equity securities primarily consist of interests in investment funds that primarily invest in debt securities. The equity securities are measured at fair value with changes in fair value recognized in net realized and unrealized gains (losses) on investments. Realized gains and losses on disposition of investments are based on specific identification of investments sold.

We hold other investments such as limited partnership and private equity investments in operating entities whereby we elected the measurement alternative to carry such investments at cost, less any impairment and to mark to fair value when observable prices in identical or similar investments from the same issuer occur with changes in fair value recognized in net unrealized gains on investments.

## Expenses

### ***Losses and LAE***

The reserves for losses and LAE include estimates for unpaid claims and claim expenses on reported losses as well as estimates of losses incurred but not reported (“IBNR”), net of reinsurance. These reserves represent our best estimates of the unpaid portion of ultimate costs of all reported and unreported losses incurred through the balance sheet date, and these estimates are based upon the assumption that past developments are an appropriate indicator of future events, among other factors. The reserves are based on individual claims, case reserves and other estimates reported, as well as actuarial estimates of ultimate losses.

Inherent in the estimates of ultimate losses are expected trends in claim severity and frequency and other factors which could vary significantly as claims are settled. Ultimate losses are estimates and may vary materially from the amounts provided in the consolidated financial statements. These estimates are reviewed regularly. As experience develops and new information becomes known, the reserves are adjusted as necessary. Such adjustments, if any, are reflected in our consolidated statements of operations in the period in which they become known and are accounted for as changes in estimates. The unpaid losses and LAE are presented on an undiscounted basis.

### ***Amortization of deferred acquisition costs***

Policy acquisition costs represent the costs directly related to the successful acquisition of new and renewal insurance contracts. The costs are deferred and amortized over the same period in which the related premiums are earned. These costs principally consist of commissions, fees, brokerage, premium tax expenses, and direct agency costs. The amounts presented within the consolidated balance sheets pertain to the DAC associated with the retained portion of insurance policies we issue, as the acquisition costs associated with the ceded portion of the insurance policies are offset by ceding commissions received from our reinsurance providers. Deferred policy acquisition costs are reviewed to determine if they are recoverable from future income, including investment income. Unrecoverable deferred policy acquisition costs, if any, are expensed in the period identified.

### ***General and administrative expenses***

General and administrative expenses primarily consist of salaries, employee benefits and other general operating expenses, and are expensed as incurred. Generally, we expect our distribution, underwriting, and claims operating expenses to be most closely tied to growth of our membership and Risk Exchange premium volume. However, these and other functions within the Risk Exchange (including costs of supporting the development of the Risk Exchange), and our other segments have large, fixed-cost components that we believe will increase operating leverage as gross premiums continue to grow.

### ***Interest expenses***

Interest expenses primarily relate to amounts paid on the Company's debt financing obligations, including amortized debt issuance costs.

### ***Depreciation and amortization***

Depreciation and amortization expenses primarily relate to amortization of capitalized technology development costs, as well as amortization of intangible assets associated with acquisitions of businesses (including investments in Owned Members).

### ***Other expenses***

Other expenses represent costs related to our non-core business operations, primarily related to our global enterprise resource planning system and integrated financial reporting systems, charges related to share-based compensation, and legal and advisory costs in connection with corporate development activities including mergers and acquisitions, capital raising activities and entity formations that support our growing business.

### ***Income tax expense***

The provision for income tax consists of current and deferred tax expense. The calculation of current and deferred tax expense is based on tax rates and tax laws which have been enacted in the reporting period. Deferred tax assets and liabilities, result from temporary differences between the amounts recorded in the consolidated financial statements and the tax basis of assets and liabilities used in the various jurisdictional tax returns.

As of June 30, 2025, we had net deferred tax assets of \$57.1 million and also apply full valuation allowances to certain of our deferred tax assets of unutilized net operating losses (“NOLs”) and outside basis differences in partnership investments. The NOLs and outside basis differences predominantly arose from start-up losses on certain operating locations that drove significant taxable losses in the early stages of operations.

### Key Operating and Financial Metrics

We regularly review key operating and financial metrics to evaluate our business, measure our performance, identify trends in our business, prepare financial projections and make strategic decisions. Our key operating and financial metrics include operational, GAAP and non-GAAP financial measures which are useful in evaluating our performance and our GAAP financial results discussed below.

As further discussed in “Segment Information — Consolidation and Elimination Adjustments” our consolidated results are subject to consolidation and elimination adjustments with respect to transactions among the businesses within our segments, notably between the Risk Exchange and Accelerant-owned insurance companies. We view the Adjusted EBITDA generated by our segments as representative of the economics that each would generate if they were independent companies and if the intersegment transactions were with third parties.

<i>(in millions, unless indicated)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Number of members	248	186	248	186
Number of MGA Operations members	47	44	47	44
Net revenue retention	151 %	135 %	151 %	135 %
Exchange written premium <sup>(2)</sup>	\$ 1,072.3	\$ 756.8	\$ 2,057.5	\$ 1,340.6
Accelerant direct written premium <sup>(2)</sup>	73 %	90 %	77 %	90 %
Third-party direct written premium <sup>(2)</sup>	27 %	10 %	23 %	10 %
Accelerant-retained exchange premium <sup>(2)</sup>	6 %	11 %	6 %	11 %
Exchange written premium growth rate <sup>(2)</sup>	42 %	83 %	53 %	78 %
Total revenues	\$ 219.1	\$ 130.1	\$ 397.1	\$ 258.2
Income (loss) before income taxes	\$ 22.3	\$ (4.3)	\$ 37.8	\$ 7.7
Net income (loss)	\$ 13.1	\$ (9.2)	\$ 20.9	\$ (7.1)
Non-GAAP financial measures <sup>(1)</sup>				
Adjusted EBITDA <sup>(1)</sup>	\$ 63.5	\$ 13.0	\$ 106.3	\$ 40.5
Adjusted EBITDA margin <sup>(1)</sup>	29 %	10 %	27 %	16 %

<sup>(1)</sup> Refer to “—Reconciliation of Non-GAAP financial measures” section for details on how non-GAAP measures are defined and reconciled to GAAP measures.

<sup>(2)</sup> See the definitions of Exchange Written Premium, Accelerant Direct Written Premium, Third-Party Direct Written Premium, Accelerant-Retained Exchange Premium, and Exchange Written Premium Growth Rate below for explanation of calculations and metrics.

### Number of Members

We define the number of Members as those under contract with our Risk Exchange as of the period end date. We view the number of Members as an important metric to assess our financial performance because Member growth drives our revenue from fees, commissions, and net retained premiums; expands brand awareness and our market penetration; and generates additional data to continue to attract more risk capital and accelerate the compounding momentum of our platform.

As of June 30, 2025, we had 248 Members. These Members wrote \$2.06 billion of Exchange Written Premium for the six months ended June 30, 2025. Of our 248 Members, 31 are Mission Members, 16 are Owned Members, and 201 are Independent Members. Of the \$2.06 billion in Exchange Written Premium for the six months ended June 30, 2025, 77% was written by Accelerant Underwriting as Accelerant Direct Written Premium and 23% was written by our 14 Risk Exchange Insurers as Third-Party Direct Written Premium.

### Number of MGA Operations Members

We define the number of MGA Operations members as the number of Mission Members and Owned Members under contract with the Risk Exchange as of the period end date.

### **Net Revenue Retention**

We define Net Revenue Retention, expressed as a percentage, as the current period's Exchange Written Premium for Members that were actively writing Exchange Written Premium in the comparable period divided by these same Members' prior-period Exchange Written Premium. This measure demonstrates an aggregate measure of the net growth of Exchange Written Premium from previously onboarded Members.

### **Exchange Written Premium**

We define Exchange Written Premium as the total GWP written through the Accelerant Risk Exchange, including both gross premiums written on behalf of Accelerant Underwriting and written directly on behalf of Risk Exchange Insurers.

### **Accelerant Direct Written Premium**

We define Accelerant Direct Written Premium, expressed as a percentage of Exchange Written Premium, as the GWP written directly by Accelerant Underwriting, the majority of which we cede directly to Risk Capital Partners through our reinsurance arrangements.

### **Third-Party Direct Written Premium**

We define Third-Party Direct Written Premium, expressed as a percentage of Exchange Written Premium, as the GWP written directly with our Risk Exchange Insurers.

### **Accelerant-Retained Exchange Premium**

We define Accelerant-Retained Exchange Premium, expressed as a percentage, as Accelerant GWP net of ceded written premium for the trailing twelve month period, divided by total Exchange Written Premium for the trailing twelve month period. This represents the percentage of total Exchange Written Premium that Accelerant-owned insurance companies retain relative to total written premiums. We expect this retained portion of Exchange Written Premium in the aggregate to decrease over time as Exchange Written Premium is increasingly written with existing and new Risk Exchange Insurers.

For the six months ended June 30, 2025, Accelerant Underwriting reinsurance 95% of Accelerant GWP to third-party reinsurers. Of this amount, 32% of our Accelerant GWP was ceded to Flywheel Re during the six months ended June 30, 2025.

### **Exchange Written Premium Growth Rate**

We define Exchange Written Premium Growth Rate, expressed as a percentage, as the increase in Exchange Written Premium in the current period compared to Exchange Written Premium from the comparable period in the prior year period. It is calculated as the difference between the current period's Exchange Written Premium and the comparable prior period's Exchange Written Premium, divided by the Exchange Written Premium of the prior period. This metric provides insight into the growth trajectory of our premium volumes generated through our Risk Exchange and serves as a key indicator of business expansion, Member acquisition, and existing Member growth.

### **Total Revenues**

Total revenues consist of the following items: Ceding commission income; Direct commission income; Net earned premiums; Net investment income; Net realized gains on investments and Net unrealized (losses) gains on investments.

### **Reconciliation of Non-GAAP financial measures**

#### **Adjusted EBITDA and Adjusted Net Income (Loss)**

Adjusted EBITDA and Adjusted Net Income (Loss) are non-GAAP measures, which we believe should be used to evaluate our financial performance by excluding certain items that are related to our non-core business operations and therefore are not considered to be directly attributable to our underlying operating performance. Adjusted EBITDA and Adjusted Net Income (Loss) are internal performance measures used in the management of our operations. We believe that disclosing Adjusted EBITDA and Adjusted Net Income (Loss) enables investors, analysts, rating agencies and other users of our financial information to more easily analyze our underlying business performance. Adjusted EBITDA and Adjusted Net Income (Loss) should not be used as substitutes for net income (loss), and other companies may define Adjusted EBITDA and Adjusted Net Income (Loss) differently than we do.

We define Adjusted EBITDA as GAAP net income (loss) less the impact of depreciation and amortization, interest expenses, income tax expenses and the following items:

- *Other expenses*: Represents costs related to our non-core business operations, primarily related to our global enterprise resource planning system and integrated financial reporting systems, charges related to share-based compensation, and legal and advisory costs in connection with corporate development activities including mergers and acquisitions, capital raising activities and entity formations that support our growing business.
- *Net foreign currency exchange gains (losses)*: The functional currency for each of our operating subsidiaries is generally the currency of the local operating environment. Transactions in currencies other than the local operation's functional currency are remeasured into the functional currency, and the resulting foreign exchange gains or losses are reflected in net foreign currency exchange gains (losses). Such gains and losses are generally offset by the translation of our subsidiaries who have the corresponding reinsurance-related balances within their own functional currencies, whereby such effects are translated to other comprehensive income, yielding a much lower net impact on total comprehensive income and equity.

We define Adjusted Net Income (Loss) as GAAP net income (loss) less the impact of other expenses and the tax effect of the adjustments for other expenses.

#### ***Adjusted EBITDA Margin***

We define Adjusted EBITDA Margin, a non-GAAP financial measure, as Adjusted EBITDA divided by total revenue. Adjusted EBITDA margin is an internal performance measure used in the management of our operations.

Adjusted EBITDA and Adjusted EBITDA margin should not be considered substitutes for the reported results prepared in accordance with GAAP and should not be considered in isolation or as alternatives to GAAP net income or net (loss) as indicators of our financial performance. Although we use Adjusted EBITDA and Adjusted EBITDA margin as financial measures to assess the performance of our business, such use is limited because it does not include certain material costs necessary to operate our business. Our presentation of Adjusted EBITDA and Adjusted EBITDA margin should not be construed as indications that our future results will be unaffected by unusual or non-recurring items. These non-GAAP financial measures, as determined and presented by us, may not be comparable to related or similarly titled measures reported by other companies. Set forth below are reconciliations of our most directly comparable financial measures calculated in accordance with GAAP to these non-GAAP financial measures on a consolidated basis.

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The following table provides a reconciliation of net income (loss) to Adjusted EBITDA and Adjusted EBITDA Margin for the three and six months ended June 30, 2025 and 2024:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 13.1	\$ (9.2)	\$ 20.9	\$ (7.1)
<b>Adjustments:</b>				
Other expenses <sup>(1)</sup>	16.2	9.6	30.4	18.2
Tax effect of adjustments to net income (loss) <sup>(2)</sup>	<u>(0.7)</u>	<u>(1.1)</u>	<u>(2.2)</u>	<u>(2.0)</u>
<b>Adjusted net income (loss)</b>	<b>28.6</b>	<b>(0.7)</b>	<b>49.1</b>	<b>9.1</b>
<b>Adjustments:</b>				
Add back tax effect of adjustments to net income (loss)	0.7	1.1	2.2	2.0
Income tax expense	9.2	4.9	16.9	14.8
Interest expenses	2.5	3.0	5.1	6.0
Depreciation and amortization	8.3	5.5	15.7	10.4
Net foreign exchange losses (gains)	14.2	(0.8)	17.3	(1.8)
<b>Adjusted EBITDA</b>	<b>\$ 63.5</b>	<b>\$ 13.0</b>	<b>\$ 106.3</b>	<b>\$ 40.5</b>
Total revenues	219.1	130.1	397.1	258.2
<b>Adjusted EBITDA margin</b>	<b>29 %</b>	<b>10 %</b>	<b>27 %</b>	<b>16 %</b>

<sup>(1)</sup> Other expenses for the three and six months ended June 30, 2025 and 2024 consisted of the following:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
System development non-operating costs	\$ 3.6	\$ 6.6	\$ 8.2	\$ 9.3
Professional costs related to corporate development activities	6.1	1.6	9.7	4.2
Share-based compensation	3.0	1.6	5.4	3.8
Mission profit interests expense	4.4	—	6.0	—
Individually insignificant (income) costs	(0.9)	(0.2)	1.1	0.9
<b>Total other expenses</b>	<b>\$ 16.2</b>	<b>\$ 9.6</b>	<b>\$ 30.4</b>	<b>\$ 18.2</b>

<sup>(2)</sup> The tax effect of other expenses adjustments to net income (loss) for each period presented were calculated using the statutory tax rates for each of our legal entities where the expenses were incurred, including certain non-taxing jurisdictions. The statutory tax rates used in the calculations were adjusted in instances where our legal entities have applied full valuation allowances to their respective deferred tax assets of unutilized NOLs. As such, the tax effect for the respective years varies based on the jurisdictional mix of where the expenses were incurred in each year.

## Condensed Consolidated Results of Operations

The following tables reflect our consolidated results of operations for the three and six months ended June 30, 2025 and 2024 in the format that we use to analyze our financial performance. This information is derived from our interim condensed consolidated financial statements prepared in accordance with GAAP and included elsewhere in this Form 10-Q.

### Comparison of the Three and Six Months Ended June 30, 2025 and 2024

#### Accelerant Holdings

##### Condensed Consolidated Statements of Operations Summary

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Revenues</b>				
Ceding commission income	\$ 101.6	\$ 59.1	\$ 172.3	\$ 124.1
Direct commission income	34.2	10.1	62.3	21.7
Net earned premiums	70.6	52.2	133.6	96.2
Net investment income	12.8	8.7	25.0	16.6
Net realized gains on investments	0.4	—	2.7	0.4
Net unrealized (losses) gains on investments	(0.5)	—	1.2	(0.8)
<b>Total revenues</b>	<b>219.1</b>	<b>130.1</b>	<b>397.1</b>	<b>258.2</b>
<b>Expenses</b>				
Losses and loss adjustment expenses	51.3	43.2	96.5	71.9
Amortization of deferred acquisition costs	18.2	16.1	35.3	38.9
General and administrative expenses	86.1	57.8	159.0	106.9
Interest expenses	2.5	3.0	5.1	6.0
Depreciation and amortization	8.3	5.5	15.7	10.4
Other expenses	16.2	9.6	30.4	18.2
Net foreign exchange losses (gains)	14.2	(0.8)	17.3	(1.8)
<b>Total expenses</b>	<b>196.8</b>	<b>134.4</b>	<b>359.3</b>	<b>250.5</b>
<b>Income (loss) before income taxes</b>	<b>22.3</b>	<b>(4.3)</b>	<b>37.8</b>	<b>7.7</b>
Income tax expense	(9.2)	(4.9)	(16.9)	(14.8)
<b>Net income (loss)</b>	<b>13.1</b>	<b>(9.2)</b>	<b>20.9</b>	<b>(7.1)</b>
Adjustment for: Net (income) loss attributable to non-controlling interests	(4.3)	0.2	(5.6)	5.2
<b>Net income attributable to Accelerant</b>	<b>\$ 8.8</b>	<b>\$ (9.0)</b>	<b>\$ 15.3</b>	<b>\$ (1.9)</b>

### Comparison of the Three and Six Months Ended June 30, 2025 and 2024

#### Ceding Commission Income

Ceding commission income of \$101.6 million for the three months ended June 30, 2025 increased \$42.5 million from the three months ended June 30, 2024 amount of \$59.1 million as we continued to grow our premium base and the amount ceded to reinsurers. Ceding commission income for the three months ended June 30, 2025 and 2024 included an increase of \$12.5 million and a reduction of \$4.8 million, respectively, due to net sliding scale commission adjustments resulting from the loss experience of covered insurance contracts in the US.

Ceding commission income of \$172.3 million for the six months ended June 30, 2025 increased \$48.2 million from the six months ended June 30, 2024 amount of \$124.1 million due to the continued growth in our premium base and the amount ceded to reinsurers. Ceding commission income for the six months ended June 30, 2025 and 2024 included an increase of \$12.5 million and a reduction of \$7.3 million, respectively, due to net sliding scale commission adjustments resulting from the loss experience of covered insurance contracts in the US.

The following table presents the amounts of ceding commissions deferred and amortized for the three months ended June 30, 2025 and 2024:

<i>(in millions)</i>	<b>Three Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Balance as of April 1,	\$ 194.6	\$ 128.0
Deferral of excess ceding commission income over deferred acquisition costs	142.5	86.8
Amortization of deferred excess ceding commissions to income	(101.6)	(59.1)
Foreign currency translation	(0.5)	(0.1)
<b>Balance as of June 30,</b>	<b>\$ 235.0</b>	<b>\$ 155.6</b>

The following table presents the amounts of ceding commissions deferred and amortized for the six months ended June 30, 2025 and 2024:

<i>(in millions)</i>	<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Balance as of January 1,	\$ 193.0	\$ 120.4
Deferral of excess ceding commission income over deferred acquisition costs	215.7	156.0
Amortization of deferred excess ceding commissions to income	(172.3)	(124.1)
Foreign currency translation	(1.4)	3.3
<b>Balance as of June 30,</b>	<b>\$ 235.0</b>	<b>\$ 155.6</b>

The amortization of the excess deferred ceding commissions is recorded as “Ceding commission income” in our consolidated statements of operations.

#### ***Direct Commission Income***

Direct commission income was \$34.2 million and \$62.3 million for the three and six months ended June 30, 2025, respectively, representing increases of \$24.1 million and \$40.6 million compared to the same periods in 2024 of \$10.1 million and \$21.7 million, respectively. These increases were, in each period, primarily driven by commissions from third-party insurers and increased volume in our Exchange Services and MGA Operations segments on business written with unaffiliated entities.

Additionally, the amount of our business between Accelerant-affiliated entities (including from Underwriting to Exchange Services and Exchange Services to MGA Operations) increased year-over-year. However, all transactions between affiliated entities are fully eliminated in our consolidated results of operations. A discussion of the impact of consolidation and elimination adjustments is further discussed below under “— Segment Information — Consolidation and Elimination Adjustments.”

#### ***Net Earned Premium***

GWP was \$911.3 million and \$1.79 billion for the three and six months ended June 30, 2025, respectively, representing increases of \$184.3 million and \$507.2 million compared to the same periods in 2024 of \$727.0 million and \$1.28 billion, respectively. These increases were, in each period, primarily driven by new and existing Member growth. Since June 30, 2024, we have added 62 new Members, bringing the total number of Members to 248 as of June 30, 2025. This Member growth was driven by our continued expansion across all of our markets.

Net written premium was \$18.8 million and \$91.2 million for the three and six months ended June 30, 2025, respectively, representing decreases of \$26.1 million and \$9.3 million compared to the same periods in 2024 of \$44.9 million and \$100.5 million, respectively. These declines occurred despite growth in GWP primarily due to certain incremental quota-share reinsurance transactions executed during the three months ended June 30, 2025. The reinsurance transactions, which had commercially attractive terms, resulted in a lower Accelerant-Retained Exchange Premium of 6% for the trailing twelve months ended June 30, 2025. We expect our retained portion of Exchange Written Premium will normalize and trend back toward our historical averages of between 8% to 10% over future quarters.

Net earned premium was \$70.6 million and \$133.6 million for the three and six months ended June 30, 2025, respectively, representing increases of \$18.4 million and \$37.4 million compared to the same periods in 2024 of \$52.2 million and \$96.2 million, respectively. These increases were, in each period, driven by the growth in GWP, partially offset by the incremental quota-share reinsurance transactions referenced above that were executed during the three months ended June 30, 2025.

The table below shows the amount of premium written on a gross and net basis, as well as net earned premium for the three and six months ended June 30, 2025 and 2024:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Gross written premiums	\$ 911.3	\$ 727.0	\$ 1,785.3	\$ 1,278.1
Ceded written premiums	(892.5)	(682.1)	(1,694.1)	(1,177.6)
<b>Net written premiums</b>	<b>\$ 18.8</b>	<b>\$ 44.9</b>	<b>\$ 91.2</b>	<b>\$ 100.5</b>
<b>Net earned premiums</b>	<b>\$ 70.6</b>	<b>\$ 52.2</b>	<b>\$ 133.6</b>	<b>\$ 96.2</b>

#### ***Net Investment Income***

Net investment income was \$12.8 million and \$25.0 million for the three and six months ended June 30, 2025, respectively, representing increases of \$4.1 million and \$8.4 million compared to the same periods in 2024 of \$8.7 million and \$16.6 million, respectively. The increases were, in each period, primarily driven by the increase in total average investments year-over-year. Refer to Note 4 to our interim condensed consolidated financial statements for additional information.

#### ***Net Realized Gains On Investments***

Net realized gains on investments were \$0.4 million and \$2.7 million for the three and six months ended June 30, 2025, respectively, representing increases of \$0.4 million and \$2.3 million compared to the same periods in 2024. Refer to Note 4 to our interim condensed consolidated financial statements for additional information.

#### ***Net Unrealized (Losses) Gains On Investments***

Net unrealized losses on investments were \$0.5 million for the three months ended June 30, 2025, an increase of \$0.5 million compared to the three months ended June 30, 2024. Net unrealized gains on investments were \$1.2 million for the six months ended June 30, 2025 compared to net unrealized losses of \$0.8 million for the six months ended June 30, 2024. Refer to Note 4 to our interim condensed consolidated financial statements for additional information.

### **Loss and Loss Adjustment Expenses**

Net losses and LAE were \$51.3 million and \$96.5 million for the three and six months ended June 30, 2025, respectively, representing increases of \$8.1 million and \$24.6 million compared to the same periods in 2024 of \$43.2 million and \$71.9 million, respectively. These increases were, in each period, primarily driven by growth in our net earned premium base.

Gross incurred losses and LAE of \$395.4 million and \$778.2 million for the three and six months ended June 30, 2025 increased by \$114.2 million or 41% and \$262.3 million or 51%, respectively, compared to the same periods in 2024 of \$281.2 million and \$515.9 million, respectively, while ceded losses and LAE of \$344.1 million and \$681.7 million for the three and six months ended June 30, 2025 increased \$106.1 million or 45% and \$237.7 million or 54%, respectively, compared to the same periods in 2024 of \$238.0 million and \$444.0 million, respectively, under our external reinsurance program.

Our net loss ratio differs from the gross loss ratio (50.5% and 51.8% for the three and six months ended June 30, 2025, respectively, and 54.7% and 53.5% for the three and six months ended June 30, 2024, respectively) primarily due to decisions that we make regarding the amount of excess of loss reinsurance secured (since this will reduce the amount of retained premiums we have). The decision to engage such reinsurance, which, in most cases, inures to the benefit of our Risk Capital Partners, supports our management of downside risk to large losses.

During the six months ended June 30, 2025, we incurred net catastrophe losses and LAE of approximately \$2 million related to a series of wildfires in Southern California during January 2025 that resulted in gross losses of \$34 million, partially reduced by \$10 million in connection with a subrogation agreement entered into with a third party. The remaining gross losses of \$24 million were offset by reinsurance recoveries of \$22 million under our quota share treaties. Based on currently available information, we do not anticipate any further material change in our estimate related to the California wildfires.

See “Segment Information—Comparison of the three and six months ended June 30, 2025 and 2024—Underwriting” below for further information regarding our loss and loss adjustment expenses.

The table below reflects our net loss ratio for the three and six months ended June 30, 2025 and 2024:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Gross incurred loss and LAE	\$ 395.4	\$ 281.2	\$ 778.2	\$ 515.9
Ceded incurred loss and LAE	(344.1)	(238.0)	(681.7)	(444.0)
<b>Net incurred loss and LAE</b>	<b>\$ 51.3</b>	<b>\$ 43.2</b>	<b>\$ 96.5</b>	<b>\$ 71.9</b>
<b>Net loss ratio</b>	<b>72.7 %</b>	<b>82.8 %</b>	<b>72.2 %</b>	<b>74.7 %</b>

### **Amortization of Deferred Acquisition Costs**

Amortization of DAC of \$18.2 million for the three months ended June 30, 2025 increased by \$2.1 million compared to the three months ended June 30, 2024 of \$16.1 million due to the amortization of DAC from increased gross premium volumes offset by reduced retentions and a slight decrease in acquisition costs as a percentage of gross earned premium due to changes in the mix of products and related commissions that are capitalized.

Amortization of DAC of \$35.3 million for the six months ended June 30, 2025 decreased by \$3.6 million compared to the six months ended June 30, 2024 of \$38.9 million due to a decrease in our retention rate of net earned premium, partially offset by growth in our business.

The following table presents the amounts of acquisition costs deferred and amortized for insurance business retained by us for the three months ended June 30, 2025 and 2024:

<i>(in millions)</i>	Three Months Ended June 30,	
	2025	2024
Balance as of April 1,	\$ 56.3	\$ 52.8
Direct commissions and other acquisition costs on retained business	12.8	23.8
Amortization of deferred acquisition costs	(18.2)	(16.1)
Foreign currency translation	0.3	0.2
<b>Balance as of June 30,</b>	<b>\$ 51.2</b>	<b>\$ 60.7</b>

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The following table presents the amounts of acquisition costs deferred and amortized for insurance business retained by us for the six months ended June 30, 2025 and 2024:

<i>(in millions)</i>	Six Months Ended June 30,	
	2025	2024
Balance as of January 1,	\$ 60.7	\$ 53.0
Direct commissions and other acquisition costs on retained business	25.5	47.1
Amortization of deferred acquisition costs	(35.3)	(38.9)
Foreign currency translation losses	0.3	(0.5)
<b>Balance as of June 30,</b>	<b>\$ 51.2</b>	<b>\$ 60.7</b>

### **General and Administrative Expenses**

General and administrative expenses were \$86.1 million and \$159.0 million for the three and six months ended June 30, 2025, respectively, representing increases of \$28.3 million and \$52.1 million compared to the same periods in 2024 of \$57.8 million and \$106.9 million, respectively.

For the three months ended June 30, 2025, the increase in general and administrative expenses was primarily attributable to increases in employee compensation and benefits, driven by growth in headcount to support our growth across all markets, and consulting and professional fees. For the six months ended June 30, 2025, the increase in general and administrative expenses was primarily attributable to increases in employee compensation and benefits, consulting and professional fees, and other administrative expenses.

The following table presents the components of general and administrative expenses for the three and six months ended June 30, 2025 and 2024:

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Employee compensation and benefits	\$ 61.9	\$ 43.3	\$ 110.6	\$ 80.7
Consulting and professional fees	19.0	10.4	32.2	20.2
Other administrative expenses (adjustments), net	5.2	4.1	16.2	6.0
<b>Total general and administrative expenses</b>	<b>\$ 86.1</b>	<b>\$ 57.8</b>	<b>\$ 159.0</b>	<b>\$ 106.9</b>

### **Interest Expenses**

Interest expenses were \$2.5 million and \$5.1 million for the three and six months ended June 30, 2025, respectively, representing decreases, in each period, of \$0.5 million and \$0.9 million compared to the same periods in 2024 of \$3.0 million and \$6.0 million, respectively. The declines were primarily driven by lower interest rates year-over-year.

### **Depreciation & Amortization**

Depreciation and amortization expenses were \$8.3 million and \$15.7 million for the three and six months ended June 30, 2025, respectively, representing increases of \$2.8 million and \$5.3 million compared to the same periods in 2024 of \$5.5 million and \$10.4 million, respectively. These increases, in each period, were driven primarily by increased amortization of a larger balance of capitalized information technology development costs.

### **Other Expenses**

Other expenses were \$16.2 million and \$30.4 million for the three and six months ended June 30, 2025, respectively, representing increases of \$6.6 million and \$12.2 million compared to the same periods in 2024 of \$9.6 million and \$18.2 million, respectively. The year-over-year increases were driven primarily by Mission profit interests expense, increases in professional costs related to corporate development activities, partially offset by decreases in system development non-operating expenses, including certain costs associated with supporting the development of accounting and financial reporting systems and Mission's policy administration system.

<i>(in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
System development non-operating costs	\$ 3.6	\$ 6.6	\$ 8.2	\$ 9.3
Professional costs related to corporate development activities	6.1	1.6	9.7	4.2
Share-based compensation	3.0	1.6	5.4	3.8
Mission profit interests expense	4.4	—	6.0	—
Individually insignificant (income) costs	(0.9)	(0.2)	1.1	0.9
<b>Total other expenses</b>	<b>\$ 16.2</b>	<b>\$ 9.6</b>	<b>\$ 30.4</b>	<b>\$ 18.2</b>

#### **Net Foreign Exchange Losses (Gains)**

Net foreign exchange losses were \$14.2 million and \$17.3 million for the three and six months ended June 30, 2025, compared to net foreign exchange gains of \$0.8 million and \$1.8 million for the three and six months ended June 30, 2024. As noted above, transactions in currencies other than the local operation's functional currency are remeasured into the functional currency, and the resulting foreign exchange gains or losses are reflected in net foreign currency exchange gains (losses). Such gains and losses are generally offset by the translation of our subsidiaries who have the corresponding reinsurance-related balances within their own functional currencies, whereby such effects are translated to other comprehensive income, yielding a much lower net impact on total comprehensive income and equity.

Consistent with the explanation above, these losses were comprised of exposures from foreign currency denominated assets and liabilities primarily held in our reinsurance company due to the British Pound and the Euro strengthening against the US Dollar. For the three and six months ended June 30, 2025, offsetting foreign exchange gains of \$7.8 million and \$10.3 million, respectively, were recognized in other comprehensive income related to foreign currency translation adjustments, compared to \$2.3 million and \$3.4 million, respectively, for the same periods in 2024. Also included were \$3.2 million and \$5.7 million of foreign exchange impacts related to unrealized gains (losses) on fixed maturity securities.

See "Foreign Exchange Currency Risk" below for further information regarding how we mitigate risks resulting from foreign exchange currency fluctuations.

#### **Income Tax Expense**

Income tax expense was \$9.2 million and \$16.9 million for the three and six months ended June 30, 2025 and 2024, respectively, representing increases of \$4.3 million and \$2.1 million compared to the same periods in 2024. Our consolidated effective tax rates ("ETRs") were 41.3% and (114.0)%, respectively, for the three months ended June 30, 2025 and 2024, compared to 44.7% and 192.2%, respectively for the six months ended June 30, 2025 and 2024. However, the comparability of our tax expense and effective tax rates is often challenged due to the mix of taxable income subject to tax in certain jurisdictions, losses incurred in zero tax rate jurisdictions and valuation allowances offsetting available carry-forward losses in certain jurisdictions.

In March 2025, the Board of Directors of Accelerant Holdings and certain intermediary holding companies (together, the "Holding Companies") approved a change in the Holding Companies' tax residency from the Cayman Islands to the UK. Upon becoming UK tax residents, the Holding Companies began to benefit from operational efficiencies including, but not limited to, lower withholding tax rates applicable to dividend distributions from certain US subsidiaries under the US-UK tax treaty. In addition, the aggregate income (loss) of the Holding Companies became subject to UK income tax effective as of the March 2025 date of change to UK tax residency. To the extent that the Holding Companies have incremental income it will generate additional UK tax expense and, conversely, to the extent that there are any incremental losses, income tax benefits will be generated to the extent that there is current or projected taxable income available in our UK operations. Over the remainder of 2025, we expect incremental benefits to emerge due to the Holding Companies' projected expense base and, therefore, our effective tax rate ("ETR") for the year ended December 31, 2025 is expected to fall below those reported in previous years when such expenses were incurred in the Cayman Islands (a zero tax rate jurisdiction).

The relationship of our income tax expense to pre-tax income (loss) is atypical because our taxable income has predominately been generated in the US, UK, Ireland, and Puerto Rico resulting in income tax expense in those jurisdictions (entities in such jurisdictions are referred to as "tax-paying entities").

Meanwhile, we have incurred operating losses in zero tax rate jurisdictions (such as in our corporate and reinsurance entities in the Cayman Islands) resulting in no income tax benefit. We have also incurred pre-tax operating losses in Belgium and other jurisdictions where we have generated cumulative operating losses; however, in each of those cases, a valuation allowance has been recorded against the corresponding deferred tax assets (entities in these two types of jurisdictions are referred to as “non-tax paying entities”).

Taxable losses in one jurisdiction generally cannot be applied to offset earnings in another. In certain other jurisdictions, losses in one entity may not be used to offset taxable income generated by another entity in that same jurisdiction.

The composition of our ETRs among our tax-paying and non-tax paying entities, which demonstrates the non-tax paying entities' effect on the total ETR, for the three months ended June 30, 2025 and 2024 were as follows:

<i>(in millions)</i>	Three Months Ended June 30, 2025			Three Months Ended June 30, 2024		
	Tax-paying entities	Non-tax paying entities	Total	Tax-paying entities	Non-tax paying entities	Total
Income (loss) before income taxes	\$ 42.8	\$ (20.5)	\$ 22.3	\$ 39.9	\$ (44.2)	\$ (4.3)
Income tax expense	(9.2)		(9.2)	(4.9)		(4.9)
<b>Effective tax rate</b>	<b>21.5 %</b>	—	<b>41.3 %</b>	<b>12.3 %</b>	—	<b>(114.0)%</b>

The composition of our ETRs among our tax-paying and non-tax paying entities, which demonstrates the non-tax paying entities' effect on the total ETR, for the six months ended June 30, 2025 and 2024 were as follows:

<i>(in millions)</i>	Six Months Ended June 30, 2025			Six Months Ended June 30, 2024		
	Tax-paying entities	Non-tax paying entities	Total	Tax-paying entities	Non-tax paying entities	Total
Income (loss) before income taxes	\$ 97.0	\$ (59.0)	\$ 37.8	\$ 71.2	\$ (63.5)	\$ 7.7
Income tax expense	(16.9)	—	(16.9)	(14.8)	—	(14.8)
<b>Effective tax rate</b>	<b>17.4 %</b>	—	<b>44.7 %</b>	<b>20.8 %</b>	—	<b>192.2 %</b>

#### ***Enactment of new US tax legislation***

On July 4, 2025, the US enacted the budget reconciliation package H.R.1, commonly referred to as the One Big Beautiful Bill Act ("OBBA"), which includes a number of income tax provisions, among others. The Company is still analyzing any potential impact of the tax provisions in the OBBA, but does not expect these provisions to have a material impact on the Company's results from operations.

#### **Segment Information**

We have three reportable segments, which align to the nature of the services we offer:

- **Exchange Services** – Our Exchange Services segment includes the fees paid by Risk Exchange Insurers and Accelerant Underwriting for sourcing, managing and monitoring the portfolio of business written by Members reduced by the expenses associated with providing these services.
- **MGA Operations** – Our MGA Operations segment includes the fees earned by Mission Members and Owned Members, predominantly for originating and underwriting a portfolio of insurance policies, reduced by the expenses associated with providing those services.
- **Underwriting** – Our Underwriting segment includes the revenue from net earned premium, investment income and the ceding commission paid to us by our third-party reinsurers and institutional investors, reduced by net incurred losses, the amortization of DAC and the general and administrative costs of operating our insurance and reinsurance companies.

Corporate functions, including holding company expenses, are included in Corporate and Other and our consolidation and eliminations adjustments for intersegment activity are shown separately from our reportable segments.

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We consider the segment presentations of our Exchange Services, MGA Operations and Underwriting segments prior to elimination to be the best way to evaluate our business and how these business components would be presented if they were standalone operations. Such presentation is also representative of the results that would be generated from third parties as we build additional third-party insurance relationships through our Risk Exchange.

The following includes the financial results of our three reportable segments for the three months ended June 30, 2025 and 2024. Corporate functions and certain other businesses and operations are included in Corporate and Other.

**Three Months Ended June 30, 2025**

<i>(in millions)</i>	<b>Exchange Services</b>	<b>MGA Operations</b>	<b>Underwriting</b>	<b>Total Segments</b>	<b>Corporate and Other <sup>(1)</sup></b>	<b>Consolidation and elimination adjustments</b>	<b>Total</b>
<b>Revenues</b>							
Ceding commission income <sup>(2)</sup>	\$ —	\$ —	\$ 29.6	\$ 29.6	\$ —	\$ 72.0	\$ 101.6
Direct commission income							
Affiliated entities	69.0	39.0	—	108.0	—	(108.0)	—
Unaffiliated entities	15.6	18.6	—	34.2	—	—	34.2
Net earned premiums	—	—	70.6	70.6	—	—	70.6
Net investment income	1.1	0.9	9.7	11.7	1.1	—	12.8
Net realized gains on investments	—	0.1	0.3	0.4	—	—	0.4
Net unrealized gains on investments	—	(0.5)	—	(0.5)	—	—	(0.5)
<b>Segment revenues</b>	<b>85.7</b>	<b>58.1</b>	<b>110.2</b>	<b>254.0</b>	<b>1.1</b>	<b>(36.0)</b>	<b>219.1</b>
Losses and loss adjustment expenses	—	—	51.3	51.3	—	—	51.3
Amortization of deferred acquisition costs	—	—	27.9	27.9	—	(9.7)	18.2
General and administrative expenses <sup>(3)(4)</sup>	30.0	33.8	14.8	78.6	16.4	(8.9)	86.1
<b>Adjusted EBITDA</b>	<b>\$ 55.7</b>	<b>\$ 24.3</b>	<b>\$ 16.2</b>	<b>\$ 96.2</b>	<b>\$ (15.3)</b>	<b>\$ (17.4)</b>	<b>\$ 63.5</b>
Interest expenses							(2.5)
Depreciation and amortization							(8.3)
Other expenses <sup>(5)</sup>							(16.2)
Net foreign exchange losses							(14.2)
<b>Income before income taxes</b>							<b>\$ 22.3</b>

<sup>(1)</sup> Corporate and Other includes shared services and other activities, which represent business activities that do not meet the definition of a reportable segment.

<sup>(2)</sup> Ceding commission income of our Underwriting segment includes the effect of sliding scale adjustments based on actual loss experience. For further information on sliding scale commission adjustments, refer to Note 8 to our condensed consolidated financial statements included herein.

<sup>(3)</sup> General and administrative expenses is comprised of employee compensation and benefits, consulting and professional fees and all other administrative expenses. The composition of such amounts by each reportable segment was as follows:

<i>(in millions)</i>	<b>Exchange Services</b>	<b>MGA Operations</b>	<b>Underwriting</b>	<b>Total</b>
Employee compensation and benefits	\$ 19.6	\$ 23.9	\$ 6.9	\$ 50.4
Consulting and professional fees	5.5	5.1	3.1	13.7
Other administrative expenses	4.9	4.8	4.8	14.5
<b>Total general and administrative expenses</b>	<b>\$ 30.0</b>	<b>\$ 33.8</b>	<b>\$ 14.8</b>	<b>\$ 78.6</b>

<sup>(4)</sup> The consolidation and elimination adjustments for general and administrative expenses consist of expenses attributable to Exchange Services and MGA Operations that form components of acquisition costs of insurance policies that would be capitalized in consolidation, which are offset by adjustments as components of the other consolidation and elimination adjustments.

<sup>(5)</sup> Other expenses for the three months ended June 30, 2025 consist of \$6.1 million of professional costs related to corporate development activities, \$3.6 million of system development non-operating costs, \$3.0 million of share-based compensation, \$4.4 million of Mission profits sharing expense, as offset by a net reduction of \$0.9 million of other individually insignificant items.

Three Months Ended June 30, 2024

(in millions)	Exchange Services	MGA Operations	Underwriting	Total Segments	Consolidation and elimination adjustments		Total
					Corporate and Other <sup>(1)</sup>	elimination adjustments	
<b>Revenues</b>							
Ceding commission income <sup>(2)</sup>	\$ —	\$ —	\$ 19.8	\$ 19.8	\$ —	\$ 39.3	\$ 59.1
Direct commission income							
Affiliated entities	51.4	23.8	—	75.2	—	(75.2)	—
Unaffiliated entities	2.1	8.0	—	10.1	—	—	10.1
Net earned premiums	—	—	52.2	52.2	—	—	52.2
Net investment income	0.2	1.1	7.3	8.6	0.1	—	8.7
Net realized gains on investments	—	—	—	—	—	—	—
Net unrealized gains on investments	—	—	—	—	—	—	—
<b>Segment revenues</b>	<b>53.7</b>	<b>32.9</b>	<b>79.3</b>	<b>165.9</b>	<b>0.1</b>	<b>(35.9)</b>	<b>130.1</b>
Losses and loss adjustment expenses	—	—	43.2	43.2	—	—	43.2
Amortization of deferred acquisition costs	—	—	18.1	18.1	—	(2.0)	16.1
General and administrative expenses <sup>(3)(4)</sup>	13.4	26.7	23.2	63.3	10.4	(15.9)	57.8
<b>Adjusted EBITDA</b>	<b>\$ 40.3</b>	<b>\$ 6.2</b>	<b>\$ (5.2)</b>	<b>\$ 41.3</b>	<b>\$ (10.3)</b>	<b>\$ (18.0)</b>	<b>\$ 13.0</b>
Interest expenses						(3.0)	
Depreciation and amortization						(5.5)	
Other expenses <sup>(5)</sup>						(9.6)	
Net foreign exchange gains						0.8	
<b>Loss before income taxes</b>						<b>\$ (4.3)</b>	

<sup>(1)</sup> Corporate and Other includes shared services and other activities, which represent business activities that do not meet the definition of a reportable segment.

<sup>(2)</sup> Ceding commission income of our Underwriting segment includes the effect of sliding scale adjustments based on actual loss experience. For further information on sliding scale commission adjustments, refer to Note 8 to our condensed consolidated financial statements included herein.

<sup>(3)</sup> General and administrative expenses is comprised of employee compensation and benefits, consulting and professional fees and all other administrative expenses. The composition of such amounts by each reportable segment was as follows:

(in millions)	Exchange Services	MGA Operations	Underwriting	Total
Employee compensation and benefits	\$ 8.7	\$ 17.9	\$ 10.8	\$ 37.4
Consulting and professional fees	2.3	1.6	1.5	5.4
Other administrative expenses	2.4	7.2	10.9	20.5
<b>Total general and administrative expenses</b>	<b>\$ 13.4</b>	<b>\$ 26.7</b>	<b>\$ 23.2</b>	<b>\$ 63.3</b>

<sup>(4)</sup> The consolidation and elimination adjustments for general and administrative expenses consist of expenses attributable to Exchange Services and MGA Operations that form components of acquisition costs of insurance policies that would be capitalized in consolidation, which are offset by adjustments as components of the other consolidation and elimination adjustments.

<sup>(5)</sup> Other expenses for the three months ended June 30, 2024 consist of \$6.6 million of system development non-operating costs, \$1.6 million of professional costs related to corporate development activities, \$1.6 million of share-based compensation expense, as offset by a net reduction of \$0.2 million for expenses related to other individually insignificant costs.

The following includes the financial results of our three reportable segments for the six months ended June 30, 2025 and 2024. Corporate functions and certain other businesses and operations are included in Corporate and Other.

<i>(in millions)</i>	Six Months Ended June 30, 2025						<i>Consolidation and elimination adjustments</i>	<i>Total</i>
	Exchange Services	MGA Operations	Underwriting	Total Segments	Corporate and Other <sup>(1)</sup>			
<b>Revenues</b>								
Ceding commission income <sup>(2)</sup>	\$ —	\$ —	\$ 48.8	\$ 48.8	\$ —	\$ 123.5	\$ 172.3	
Direct commission income								
Affiliated entities	128.0	70.5	—	198.5	—	(198.5)	—	
Unaffiliated entities	26.8	35.5	—	62.3	—	—	62.3	
Net earned premiums	—	—	133.6	133.6	—	—	133.6	
Net investment income	1.7	1.8	19.7	23.2	1.8	—	25.0	
Net realized gains on investments	—	2.1	0.6	2.7	—	—	2.7	
Net unrealized (losses) gains on investments	—	(0.5)	—	(0.5)	1.7	—	1.2	
<b>Segment revenues</b>	<b>156.5</b>	<b>109.4</b>	<b>202.7</b>	<b>468.6</b>	<b>3.5</b>	<b>(75.0)</b>	<b>397.1</b>	
Losses and loss adjustment expenses	—	—	96.5	96.5	—	—	96.5	
Amortization of deferred acquisition costs	—	—	52.7	52.7	—	(17.4)	35.3	
General and administrative expenses <sup>(3) (4)</sup>	53.8	65.0	26.3	145.1	30.9	(17.0)	159.0	
<b>Adjusted EBITDA</b>	<b>\$ 102.7</b>	<b>\$ 44.4</b>	<b>\$ 27.2</b>	<b>\$ 174.3</b>	<b>\$ (27.4)</b>	<b>\$ (40.6)</b>	<b>\$ 106.3</b>	
Interest expenses						(5.1)		
Depreciation and amortization						(15.7)		
Other expenses <sup>(5)</sup>						(30.4)		
Net foreign exchange losses						(17.3)		
<b>Income before income taxes</b>						<b>\$ 37.8</b>		

<sup>(1)</sup> Corporate and Other includes shared services and other activities, which represent business activities that do not meet the definition of a reportable segment.

<sup>(2)</sup> Ceding commission income of our Underwriting segment includes the effect of sliding scale adjustments based on actual loss experience. For further information on sliding scale commission adjustments, refer to Note 8 to our condensed consolidated financial statements included herein.

<sup>(3)</sup> General and administrative expenses is comprised of employee compensation and benefits, consulting and professional fees and all other administrative expenses. The composition of such amounts by each reportable segment was as follows:

<i>(in millions)</i>	Exchange Services	MGA Operations	Underwriting	Total
Employee compensation and benefits	\$ 35.5	\$ 45.2	\$ 13.1	\$ 93.8
Consulting and professional fees	9.1	8.4	5.7	23.2
Other administrative expenses	9.2	11.4	7.5	28.1
<b>Total general and administrative expenses</b>	<b>\$ 53.8</b>	<b>\$ 65.0</b>	<b>\$ 26.3</b>	<b>\$ 145.1</b>

<sup>(4)</sup> The consolidation and elimination adjustments for general and administrative expenses consist of expenses attributable to Exchange Services and MGA Operations that form components of acquisition costs of insurance policies that would be capitalized in consolidation, which are offset by adjustments as components of the other consolidation and elimination adjustments.

<sup>(5)</sup> Other expenses for the six months ended June 30, 2025 consist of \$8.2 million of system development non-operating expenses, \$9.7 million of professional costs related to corporate development activities, \$5.4 million of share-based compensation, \$6.0 million of Mission profits sharing expense and \$1.1 million of individually insignificant costs.

<i>(in millions)</i>	Six Months Ended June 30, 2024						Corporate and Other <sup>(1)</sup>	Consolidation and elimination adjustments	Total
	Exchange Services	MGA Operations	Underwriting	Total Segments					
<b>Revenues</b>									
Ceding commission income <sup>(2)</sup>	\$ —	\$ —	\$ 49.6	\$ 49.6	\$ —	\$ 74.5	\$ 124.1		
Direct commission income									
Affiliated entities	87.9	44.3	—	132.2	—	(132.2)	—		
Unaffiliated entities	7.1	14.6	—	21.7	—	—	21.7		
Net earned premiums	—	—	96.2	96.2	—	—	96.2		
Net investment income	0.3	1.8	14.4	16.5	0.1	—	16.6		
Net realized gains on investments	—	—	0.4	0.4	—	—	0.4		
Net unrealized losses on investments	—	—	(0.8)	(0.8)	—	—	(0.8)		
<b>Segment revenues</b>	<b>95.3</b>	<b>60.7</b>	<b>159.8</b>	<b>315.8</b>	<b>0.1</b>	<b>(57.7)</b>	<b>258.2</b>		
Losses and loss adjustment expenses	—	—	71.9	71.9	—	—	71.9		
Amortization of deferred acquisition costs	—	—	47.3	47.3	—	(8.4)	38.9		
General and administrative expenses <sup>(3) (4)</sup>	27.7	51.4	38.7	117.8	13.9	(24.8)	106.9		
<b>Adjusted EBITDA</b>	<b>\$ 67.6</b>	<b>\$ 9.3</b>	<b>\$ 1.9</b>	<b>\$ 78.8</b>	<b>\$ (13.8)</b>	<b>\$ (24.5)</b>	<b>\$ 40.5</b>		
Interest expenses						(6.0)			
Depreciation and amortization						(10.4)			
Other expenses <sup>(5)</sup>						(18.2)			
Net foreign exchange gains						1.8			
<b>Income before income taxes</b>						<b>\$ 7.7</b>			

<sup>(1)</sup> Corporate and Other includes shared services and other activities, which represent business activities that do not meet the definition of a reportable segment.

<sup>(2)</sup> Ceding commission income of our Underwriting segment includes the effect of sliding scale adjustments based on actual loss experience. For further information on sliding scale commission adjustments, refer to Note 8 to our condensed consolidated financial statements included herein.

<sup>(3)</sup> General and administrative expenses is comprised of employee compensation and benefits, consulting and professional fees and all other administrative expenses. The composition of such amounts by each reportable segment was as follows:

<i>(in millions)</i>	Exchange Services	MGA Operations	Underwriting	Total
Employee compensation and benefits	\$ 19.2	\$ 35.9	\$ 20.0	\$ 75.1
Consulting and professional fees	4.3	3.3	7.5	15.1
Other administrative expenses	4.2	12.2	11.2	27.6
<b>Total general and administrative expenses</b>	<b>\$ 27.7</b>	<b>\$ 51.4</b>	<b>\$ 38.7</b>	<b>\$ 117.8</b>

<sup>(4)</sup> The consolidation and elimination adjustments for general and administrative expenses consist of expenses attributable to Exchange Services and MGA Operations that form components of acquisition costs of insurance policies that would be capitalized in consolidation, which are offset by adjustments as components of the other consolidation and elimination adjustments.

<sup>(5)</sup> Other expenses for the six months ended June 30, 2024 consists of \$9.3 million of system development non-operating costs, \$4.2 million of professional costs related to corporate development activities, \$3.8 million of share-based compensation and \$0.9 million of individually insignificant costs.

## **Comparison of the Three and Six Months Ended June 30, 2025 and 2024**

### ***Exchange Services***

As noted above, our segment results are presented prior to elimination and, as such, a portion of Exchange Services direct commission income revenue was generated from transactions with Accelerant Underwriting, which is eliminated upon consolidation. Additionally, a portion of Exchange Services revenue is generated by activity with MGA Operations that is also eliminated upon consolidation, as further described below.

Exchange Services direct commission income from Accelerant-affiliated entities accounted for 82% and 83% of the segment's direct commission income for the three and six months ended June 30, 2025, respectively, compared to 96% and 93% for the three and six months ended June 30, 2024. The decrease year-over-year represents growth in direct commission income from unaffiliated entities.

Exchange Services revenue grew by \$32.0 million (or 60%) to \$85.7 million for the three months ended June 30, 2025 and by \$61.2 million (or 64%) to \$156.5 million for the six months ended June 30, 2025, as compared to the same periods in 2024. This growth is primarily driven by increases in direct commission income, supported by an increase in Members from 186 at June 30, 2024 to 248 at June 30, 2025 and Net Revenue Retention of 151% among continuing Members. As a result, Exchange Written Premium increased to \$1.07 billion for the three months ended June 30, 2025 (from \$756.8 million in the comparative period in prior year) and to \$2.06 billion for the six months ended June 30, 2025 from (\$1.34 billion in the comparative period in prior year).

Third-Party Direct Written Premium from our 14 Risk Exchange Insurers comprised 27% of the total Exchange Written Premium for the three months ended June 30, 2025 and 23% for the six months ended June 30, 2025, an increase from 10% in both periods in 2024. Revenues are recognized in accordance with written premium when the performance obligations underlying the services have been satisfied. The increase in direct commission income from affiliated entities accounted for \$17.6 million and \$40.1 million of the year-over-year growth in revenue, for three and six months ended June 30, 2025, respectively, compared to the same periods in 2024.

General and administrative expenses for the segment increased to \$30.0 million and \$53.8 million for the three and six months ended June 30, 2025, respectively, over the respective comparative periods in the prior year of \$13.4 million and \$27.7 million. These increases were largely driven by the expansion and scaling to support the growth of the Risk Exchange.

We added to the talent and headcount of our data science, product and technology teams to expand our platform offering. We expect the expenses associated with these areas will not vary directly with the size of the Exchange Written Premium once we have built the desired capabilities. We also added to our distribution, underwriting and claims teams, which are expected to grow more in line with the overall number of Members or size of the portfolio.

Adjusted EBITDA was \$55.7 million and \$102.7 million for three and six months ended June 30, 2025, respectively, representing increases of \$15.4 million and \$35.1 million compared to the same periods in 2024. This growth was driven by increased Exchange Written Premium volumes of \$315.5 million (or 42%) and \$716.9 million (or 53%) for the three and six months ended June 30, 2025, respectively, driven by stable underlying margins were partially offset by higher year-over-year Member profit commission accruals and certain one-off benefits in the prior period, along with the increase in expenses noted above.

The Adjusted EBITDA margin was 65% and 66% for the three and six months ended June 30, 2025, down from 75% and 71% from the respective comparative periods in the prior year. These declines were primarily driven by increased expenses related to investments we are making in our Risk Exchange capabilities.

### ***MGA Operations***

As noted above, our segment results are presented prior to elimination and, as such, a portion of MGA Operations direct commission income revenue was generated from transactions between Accelerant-affiliated entities, which are eliminated upon consolidation. MGA Operations direct commission income from Accelerant Underwriting accounted for 68% and 67% of the segment's direct commission income for the three and six months ended June 30, 2025, respectively, compared to 75% for both periods in 2024.

MGA Operations revenue grew \$25.1 million to \$58.1 million for the three months ended June 30, 2025 and by \$48.7 million to \$109.4 million for the six months ended June 30, 2025. These increases were primarily driven by growth in direct commission income (increases of \$25.8 million and \$47.1 million, respectively, from the three and six months ended June 30, 2024) driven primarily by Net Revenue Retention of 147% during the period for Mission Members and Owned Members. As of June 30, 2025, we had 47 total Members in MGA Operations consisting of 16 Owned Members and 31 Mission Members. This was an increase of three Members from June 30, 2024. Revenues are recognized in accordance with written premium when the performance obligations underlying the services have been satisfied.

Revenue for the six months ended June 30, 2025 includes \$2.1 million in net realized gains on investments related to the valuation of one of our Owned Members, which was previously one of our equity method investments, upon acquiring a controlling interest in the Owned Member.

MGA Operations Adjusted EBITDA was \$24.3 million and \$44.4 million for the three and six months ended June 30, 2025, respectively, representing increases of \$18.0 million and \$35.1 million, respectively, compared to the same periods in 2024. These increases were primarily driven by higher direct commission income.

For the three months ended June 30, 2025, the increase in Adjusted EBITDA was primarily driven by an increase in direct commission income of \$25.8 million, which included a \$14.5 million increase from Mission Underwriters, as well as an increase from our Owned Members of \$11.3 million primarily due to organic growth, partially offset by a \$7.1 million increase in general and administrative expenses and increases in unrealized investments losses of \$0.5 million. For the six months ended June 30, 2025, the increase in Adjusted EBITDA was primarily driven by an increase in direct commission income of \$47.1 million, which included an \$33.3 million increase from Mission Underwriters, as well as an increase from our Owned Members of \$13.8 million primarily due to organic growth, and an increase of \$1.6 million in net realized gains on investments, partially offset by a \$13.6 million increase in general and administrative expenses. For both periods, the increases in general and administrative expenses were driven by the continued investment in Mission Underwriters which contributed \$4.6 million and \$9.0 million, respectively, of the year-over-year increases from the three and six months ended June 30, 2024, primarily due to investments in newly acquired owned MGAs.

Adjusted EBITDA margin for the segment increased to 42% and 41%, respectively, for the three and six months ended June 30, 2025, up from 19% and 15%, respectively, from the same periods in 2024. The improvements were driven by higher direct commission income, partially offset by increased general and administrative expenses as the segment continues to scale its operations.

### ***Underwriting***

The Underwriting segment generated revenues of \$110.2 million and \$202.7 million for the three and six months ended June 30, 2025, respectively, representing growth of 39% and 27%, respectively, compared to revenues of \$79.3 million and \$159.8 million for the three and six months ended June 30, 2024, respectively.

For the three months ended June 30, 2025, net earned premium increased by \$18.4 million to \$70.6 million due to our gross written premium growth during the three months ended June 30, 2025, partially offset by certain incremental quota-share reinsurance transactions executed during the three months ended June 30, 2025. Revenues also benefited from a \$2.4 million increase in net investment income due to year-over-year growth in average investment portfolio size. Ceding commission income increased by \$9.8 million over the comparative period as we continued to grow our premium base and the amount ceded to reinsurers, as well as improvement in net sliding scale commission adjustments resulting from the loss experience of covered insurance contracts in the US as compared to the same period in 2024.

For the six months ended June 30, 2025, net earned premium increased by \$37.4 million to \$133.6 million due to our gross written premium growth over the preceding periods. Revenues also benefited from a \$5.3 million increase in net investment income due to year-over-year growth in average investment portfolio size.

The gross loss ratio on the gross premiums earned was 50.5% and 51.8% for the three and six months ended June 30, 2025, respectively, compared to 54.7% and 53.5% for the three and six months ended June 30, 2024. The corresponding net loss ratios (after impacts of our reinsurance programs) were 72.7% and 72.2% for the three and six months ended June 30, 2025, compared to 82.8% and 74.7% for the same periods in 2024. Our net loss ratio differs from the gross loss ratio due to decisions that we make regarding the amount of excess of loss reinsurance secured (since this will reduce the amount of retained premiums we have). The decision to engage such reinsurance, which, in most cases, inures to the benefit of our Risk Capital Partners, supports our management of downside risk to large losses. While the cost of the excess of loss reinsurance that we incur is reflected in our earned premiums, any reimbursements for such excess of loss reinsurance in the form of the ceding commissions we receive from Risk Capital Partners are not reflected in either our gross or net loss ratio.

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The components of our Underwriting segment gross and net loss ratios are set forth in the tables below for three months ended June 30, 2025 and 2024:

<i>(in millions)</i>	Three Months Ended June 30, 2025			
	Gross	Ceded - Quota Share	Ceded - Excess of Loss & Other	Net
Earned premium	\$ 783.3	\$ (685.5)	\$ (27.2)	\$ 70.6
Losses and loss adjustment expenses <sup>(1)</sup>	395.4	(356.2)	12.1	51.3
<b>Loss ratio</b>	<b>50.5 %</b>	<b>52.0 %</b>	<b>(44.5)%</b>	<b>72.7 %</b>

<sup>(1)</sup> Losses and loss adjustment expenses includes the effects of a subrogation agreement with a third party which reduced both gross losses and loss adjustment expenses and ceded excess of loss and other losses and loss adjustment expenses by \$10 million. Refer to our discussion of the Consolidated Results of Operations above for additional information.

<i>(in millions)</i>	Three Months Ended June 30, 2024			
	Gross	Ceded - Quota Share	Ceded - Excess of Loss & Other	Net
Earned premium	\$ 514.1	\$ (444.8)	\$ (17.1)	\$ 52.2
Losses and loss adjustment expenses	281.2	(237.1)	(0.9)	43.2
<b>Loss ratio</b>	<b>54.7 %</b>	<b>53.3 %</b>	<b>5.3 %</b>	<b>82.8 %</b>

The components of our Underwriting segment gross and net loss ratios are set forth in the tables below for the six months ended June 30, 2025 and 2024:

<i>(in millions)</i>	Six Months Ended June 30, 2025			
	Gross	Ceded - Quota Share	Ceded - Excess of Loss & Other	Net
Earned premium	\$ 1,502.1	\$ (1,305.9)	\$ (62.6)	\$ 133.6
Losses and loss adjustment expenses	778.2	(683.4)	1.7	96.5
<b>Loss ratio</b>	<b>51.8 %</b>	<b>52.3 %</b>	<b>(2.7)%</b>	<b>72.2 %</b>

<i>(in millions)</i>	Six Months Ended June 30, 2024			
	Gross	Ceded - Quota Share	Ceded - Excess of Loss & Other	Net
Earned premium	\$ 964.8	\$ (833.7)	\$ (34.9)	\$ 96.2
Losses and loss adjustment expenses	515.9	(442.9)	(1.1)	71.9
<b>Loss ratio</b>	<b>53.5 %</b>	<b>53.1 %</b>	<b>3.2 %</b>	<b>74.7 %</b>

Adjusted EBITDA for the Underwriting segment was \$16.2 million and \$27.2 million for the three and six months ended June 30, 2025, respectively, representing increases of \$21.1 million and \$25.3 million, respectively from the comparative periods in 2024. These improvements were driven by the aforementioned increase in revenue and decreases in operating expenses of \$8.4 million and \$12.4 million for the three and six months ended June 30, 2025, respectively, due to improved operating leverage as the segment continues to reach operational maturity.

#### ***Corporate and Other***

Corporate and Other includes the general and administrative expenses and investment results of our holding companies.

Adjusted EBITDA loss from Corporate and Other was \$15.3 million and \$27.4 million for the three and six months ended June 30, 2025, respectively, representing increases of \$5.0 million and \$13.6 million as compared to the same periods in 2024. These increases were primarily driven by increased costs to support the growth of the business, as partially offset by aggregate increases in investment returns of \$1.0 million and \$3.4 million for the three and six months ended June 30, 2025, respectively.

#### ***Consolidation and Elimination Adjustments***

As noted above, our business includes transactions that occur among our various segments. Our Accelerant-owned insurance companies within our Underwriting segment accounted for the majority of our Exchange Written Premium during the three and six months ended June 30, 2025 and 2024 as we built out our business model and proved the value proposition for the connection of our Members and the Risk Exchange. We expect the amount of premium written with Risk Exchange Insurers to grow significantly over time. Similarly, Mission Members and Owned Members transact with our Risk Exchange in the sourcing of business. Our equity ownership interests in Mission Members and Owned Members allow us to participate in those commissions earned that otherwise would be paid to third parties or our Independent Members. The transactions among these entities must be eliminated in consolidation as they represent transactions among entities under common control. However, there are considerable benefits to these intercompany transactions, as we retain associated economics rather than incurring costs otherwise paid to third parties, thereby lowering our expense base.

The impacts to our financial statements can be observed in the consolidation and elimination adjustments column within our presentation of segments above. The following represents an explanation of the various components of activity for the three and six months ended June 30, 2025 and 2024.

#### *Impacts to direct commission income for Exchange Services and MGA Operations*

Revenue generated from transactions between Accelerant-affiliated entities (including from Underwriting to Exchange Services and Exchange Services to MGA Operations) were \$108.0 million and \$198.5 million for the three and six months ended June 30, 2025, respectively, compared to \$75.2 million and \$132.2 million for the same periods in 2024. These amounts were eliminated, reflected by a corresponding offsetting entry in the consolidation and elimination adjustments column above. We present the segment results on a standalone basis, as if they were transactions with third parties, to assess their individual performance as well as to derive insight on the results we expect in the future as more business is sourced from Risk Exchange Insurers.

#### *Impacts to ceding commission income and amortization of deferred acquisition costs*

The operating results of our Underwriting segment presented above include the full commissions paid to Exchange Services in the form of deferred acquisition costs. These costs are required to be capitalized and then amortized over the related policy term. Ceding commissions received from third-party reinsurers are first offset against the deferred acquisition costs for the business ceded, with any resulting excess ceding commissions amortized over the corresponding policy term as ceding commission income. These two factors result in the Underwriting segment incurring higher amortization of DAC expense and lower ceding commission income due to the presentation of the segment's operating results on a standalone basis. Commissions paid to affiliates are eliminated, resulting in lower consolidated deferred acquisition costs. These eliminations increased the amount of ceding commission income (adjustments to increase ceding commission income by \$72.0 million and \$123.5 million for the three and six months ended June 30, 2025, respectively, compared to \$39.3 million and \$74.5 million for the same periods in 2024, while the amortization of deferred acquisition costs were decreased by \$9.7 million and \$17.4 million for the three and six months ended June 30, 2025, compared to \$2.0 million and \$8.4 million for the same periods in 2024.

#### *Impacts to general and administrative expenses*

There are various allocations of costs between the operating segments which are similarly eliminated in consolidation. These eliminations were \$8.9 million and \$17.0 million for the three and six months ended June 30, 2025, respectively, compared to \$15.9 million and \$24.8 million for the same periods in 2024.

## Liquidity and Capital Resources

### General

Liquidity is a measure of a company's ability to generate cash flows sufficient to meet short-term and long-term cash requirements of its business operations. Accelerant Holdings' insurance and reinsurance operations are subject to regulation and supervision in each of the jurisdictions where they are domiciled and licensed to conduct business. See "Regulation." Generally, regulatory authorities have broad supervisory and administrative powers over such matters as licenses, standards of solvency, premium rates, policy forms, investments, security deposits, methods of accounting, form and content of financial statements, reserves for unpaid loss and LAE, reinsurance, minimum capital and surplus requirements, dividends and other distributions to shareholders, periodic examinations, and annual and other report filings. In general, such regulation is for the protection of policyholders rather than shareholders. Accelerant Holdings supports its liquidity needs with available liquid cash resources and short duration, high quality fixed income portfolios.

### Sources and uses of funds

Accelerant Holdings is a holding company with no substantial operations of its own and its assets consist primarily of its investments in subsidiaries. Its cash needs primarily consist of the payment of corporate expenses, interest payments on senior notes and strategic investment opportunities (i.e., into MGA Operations). We may receive cash through (1) issuance of mezzanine equity, permanent equity or debt securities, (2) loans from banks, (3) corporate service fees from our Exchange Services, MGA Operations and Underwriting segments, (4) payments from subsidiaries pursuant to our consolidated tax allocation agreements, and (5) dividends from subsidiaries within the Exchange Services, MGA Operations and Underwriting segments. We may use the proceeds from these sources to support business growth, invest in Member MGAs and Mission Underwriters, pay taxes, and for other business purposes.

The Exchange Services and MGA Operations segments generate cash from net commission income from the services provided to both affiliates and third parties.

Cash generated by our insurance and reinsurance operating subsidiaries is used primarily to settle loss and LAE, reinsurance premiums, acquisition costs, interest expense, taxes, and general and administrative expenses. The underwriting segment generates liquidity, as premiums are received in advance of the time that losses are paid.

We file a consolidated federal income tax return for our US subsidiaries, and under our corporate tax allocation agreement, each participant is charged or refunded taxes according to the amount that the participant would have paid or received had it filed on a separate return basis with the Internal Revenue Service.

As of June 30, 2025, we had \$2.27 billion in investments, cash, cash equivalents and restricted cash, compared to \$1.88 billion as of December 31, 2024. As of June 30, 2025 we had \$345.8 million within current accounts and money-market accounts of non-regulated entities, primarily our agencies servicing the Risk Exchange and holding companies, included within the total cash and investments, compared to \$266.7 million as of December 31, 2024.

## Financial Condition

### Equity

As of June 30, 2025 and December 31, 2024 total equity was \$482.2 million and \$427.0 million, respectively. The change as of June 30, 2025 compared to December 31, 2024 was primarily due to net income of \$20.9 million, other comprehensive income of \$22.0 million, and \$11.0 million of non-controlling interests from our step-acquisition of a subsidiary company.

### Cash, Cash Equivalents and Restricted Cash

As of June 30, 2025 and December 31, 2024, we had cash and cash equivalents balances of \$1.46 billion and \$1.27 billion, respectively. As of June 30, 2025, we had restricted cash and cash equivalents balances of \$70.8 million. Cash and cash equivalents are comprised of amounts in interest-bearing deposit accounts with financial institutions insured by the FDIC up to \$250 thousand per account. Restricted cash and cash equivalents are comprised of cash and money market funds that have been contributed toward trusts. Generally, our cash and cash equivalents in interest-bearing deposit accounts may exceed FDIC insurance limits exposing us to credit risk in the event of default by the financial institutions. We believe the risk of loss from such an event of default is minimal, however, we periodically review the financial stability of these institutions.

**Investment Portfolio**

Our invested assets consist of fixed maturity securities, short-term investments, equity method investments, equity securities, and other investments. As of June 30, 2025, 83% of our investments were comprised of \$673.7 million of available for sale fixed maturity securities. Also included in our investments were \$77.7 million of short-term investments available for sale, at fair value, \$46.6 million of other investments, and \$10.2 million of equity method investments.

Our investment portfolio has consistently maintained high credit quality and short duration investments that are positioned for capital preservation. We primarily invest in liquid, short- and medium-term securities, investment-grade fixed income, bond fund investment vehicles with low duration and volatility with the primary objectives of matching assets with liabilities and covering near-term obligations. We limit our exposure to alternative investments. As of June 30, 2025, our cash and fixed income and short-term investments portfolio represented 97% of our total portfolio. 88% of our fixed income and short-term investments carried an S&P fixed income rating of A or higher, the balance of which was rated BBB, and maintained a duration of 2.7 years.

In 2023, we executed a partial investment management transition from Mercer Investments LLC (“Mercer”) and Loomis, Sayles & Company, L.P. (“Loomis”), the previous subadvisors on the US portfolio, to Wellington Management Company (“Wellington”), with the full transition of all of our global assets under management to Wellington completed during the first half of 2024. The investment management expenses were \$0.6 million and \$0.4 million, and for the six months ended June 30, 2025 and 2024, respectively.

The material terms of the Mercer and Loomis contracts were as follows: fees of 25 basis points of assets under management; no minimum asset under management requirements; no minimum term of agreement; and termination by either party with 30 days notice.

The material terms of the Wellington contract are as follows: fees of 12 basis points for the first \$200.0 million of assets under management, on a reducing tier basis to 7 basis points for assets under management of \$1.0 billion or greater; no minimum asset under management requirements; no minimum term of agreement; we can terminate this agreement at any time; and Wellington can terminate with three months notice or with immediate effect if required by a competent regulatory authority or law.

The following table summarizes the components of our total investments and cash, cash equivalents and restricted cash as of June 30, 2025 and December 31, 2024:

<i>(in millions)</i>	June 30, 2025		December 31, 2024	
	Fair value	% of total	Fair value	% of total
Fixed maturity securities	673.7	30 %	479.5	25 %
Short-term investments	77.7	3 %	64.8	3 %
Equity method investments	10.2	— %	18.2	1 %
Other investments	46.6	2 %	45.3	2 %
Cash, cash equivalents and restricted cash	1,458.5	65 %	1,273.0	69 %
<b>Total investments and cash, cash equivalents and restricted cash</b>	<b>\$ 2,266.7</b>	<b>100 %</b>	<b>\$ 1,880.8</b>	<b>100 %</b>

*Fixed maturity securities and Short-term investments*

At June 30, 2025 and December 31, 2024, the fair values of fixed maturity and short-term investments were as follows:

<i>(in millions)</i>	June 30, 2025		December 31, 2024	
	Fair value	% of total	Fair value	% of total
Corporate	\$ 266.4	35 %	\$ 174.0	32 %
US government and agency	163.2	22 %	128.2	24 %
Non-US government and agency	209.9	28 %	158.6	29 %
Residential mortgage-backed	60.1	8 %	43.0	8 %
Commercial mortgage-backed	21.2	3 %	18.4	3 %
Other asset-backed securities	30.6	4 %	22.1	4 %
<b>Total fixed maturity and short-term investments</b>	<b>\$ 751.4</b>	<b>100 %</b>	<b>\$ 544.3</b>	<b>100 %</b>

The following table summarizes the credit quality of fixed maturity and short-term investments as of June 30, 2025 and December 31, 2024:

<i>(in millions)</i>	June 30, 2025		December 31, 2024	
	Fair value	% of total	Fair value	% of total
Rating				
AAA	\$ 152.4	20 %	\$ 110.1	20 %
AA	355.0	47 %	276.1	51 %
A	154.7	21 %	92.6	17 %
BBB	89.3	12 %	65.5	12 %
<b>Total fixed maturity and short-term investments</b>	<b>\$ 751.4</b>	<b>100 %</b>	<b>\$ 544.3</b>	<b>100 %</b>

The amortized cost and fair values of fixed maturity and short-term investments by contractual maturity were as follows:

<i>(in millions)</i>	June 30, 2025			December 31, 2024		
	Amortized cost	Fair value	% of total	Amortized cost	Fair value	% of total
Due in one year or less	\$ 138.6	\$ 139.3	19 %	\$ 105.6	\$ 104.6	19 %
Due after one year through five years	398.4	403.1	54 %	277.0	275.0	51 %
Due after five years through ten years	89.1	89.9	12 %	76.4	75.0	14 %
Due after ten years	7.4	7.2	1 %	6.5	6.2	1 %
Residential mortgage-backed	60.4	60.1	8 %	44.4	43.0	8 %
Commercial mortgage-backed	20.9	21.2	2 %	18.6	18.4	3 %
Other asset-backed securities	30.4	30.6	4 %	22.1	22.1	4 %
<b>Total</b>	<b>\$ 745.2</b>	<b>\$ 751.4</b>	<b>100 %</b>	<b>\$ 550.6</b>	<b>\$ 544.3</b>	<b>100 %</b>

## Cash Flows

Our most significant source of cash inflow is from premiums received from our insureds, which, for most policies, we receive at the beginning of the coverage period. Our most significant cash outflow is for claims that arise when a policyholder incurs an insured loss. Because the payment of claims occurs after the receipt of the premium, with the potential for a multi-year timeline, we invest the cash in various investment securities that earn interest and dividends. We also use cash to pay commissions to brokers, as well as to pay for ongoing operating expenses such as salaries, consulting services and taxes. As described under “Reinsurance” below, we use reinsurance to manage the risk that we take on our policies. We cede, or pay out, part of the premiums we receive to our reinsurers and collect cash back when losses subject to our reinsurance coverage are paid.

Our cash flows for the six months ended June 30, 2025 and 2024 were:

<i>(in millions)</i>	Six Months Ended June 30,	
	2025	2024
Cash, cash equivalents and restricted cash provided by (used in):		
Operating activities	\$ 309.3	\$ 267.5
Investing activities	(182.8)	(163.0)
Financing activities	0.9	(3.0)
Effect of foreign currency rate change on cash, cash equivalents and restricted cash	58.1	(5.8)
<b>Net change in cash, cash equivalents, and restricted cash</b>	<b>\$ 185.5</b>	<b>\$ 95.7</b>

### *Operating Activities*

We believe that claim payments will be sufficiently supported by annual positive cash flows from operating activities. However, should operating cash flows be insufficient to fund claim payment obligations, we would use alternative internal funding sources from cash and cash equivalent balances, liquidation of portfolio investments and potential external sources, such as credit facilities. Our fixed portfolio is weighted towards conservative, high-quality securities. Management expects that, if necessary, the full value of cash, cash equivalents, short-term and fixed income investments could be available in two to three business days under normal market conditions.

Net cash proceeds from operating activities for the six months ended June 30, 2025 and 2024 were \$309.3 million and \$267.5 million, respectively. The year-over-year increase was primarily driven by continued growth in our Risk Exchange platform, as well as expansion across our insurance and reinsurance operations.

### *Investing Activities*

Our portfolio is weighted towards conservative, high-quality securities as well as cash and cash equivalent investments, such as money market funds. We also hold investments in alternative securities that typically report on a consistent lag basis whereby their valuation may change in response to future financial performance of the investees.

For the six months ended June 30, 2025, net cash used in investing activities was \$182.8 million, which is primarily related to purchases of high-quality fixed maturity securities, partially offset by sales and maturities of fixed maturity securities.

For the six months ended June 30, 2024, net cash used in investing activities was \$163.0 million, which is primarily related to the repositioning of our investment portfolio through the divestment of our mutual funds into separately managed portfolios mainly investing in high-quality fixed maturity securities during the period, as well as net purchases of short-term investments.

### *Financing Activities*

Net cash provided by financing activities for the six months ended June 30, 2025 was \$0.9 million and primarily related to \$5.0 million of borrowings under our credit facility, partially offset by dividends paid to non-controlling interest holders.

Net cash used in financing activities for the six months ended June 30, 2024 was \$3.0 million and primarily related to dividends paid to non-controlling interest holders and payments made on our outstanding debt obligations.

## Reinsurance

As part of our strategy to engage with Risk Capital Partners, we offer quota share reinsurance contracts to these partners. We also purchase excess of loss reinsurance contracts for the business that we retain to further limit our exposure to potential large losses. Our reinsurance is primarily contracted under quota-share reinsurance treaties and excess of loss treaties. In quota-share reinsurance, the reinsurer agrees to assume a specified percentage of the ceding company's losses arising out of a defined class of business in exchange for a corresponding percentage of premiums, net of a ceding commission. In excess of loss reinsurance, the reinsurer agrees to assume all or a portion of the ceding company's losses, in excess of a specified amount. In excess of loss reinsurance, the premium payable to the reinsurer is negotiated by the parties based on their assessment of the amount of risk being ceded to the reinsurer because the reinsurer does not share proportionately in the ceding company's losses.

We employ disciplined and principles-based reserving practices with effective controls and oversight. We actively manage risk through reinsurance, partnering primarily with reinsurers that maintain "A-" or better A.M. Best financial strength ratings, possess a history of strong credit quality or that fully collateralize their recoverables, all of which ensures high-quality recoverable assets and minimizes counterparty risk. We believe our high-quality balance sheet provides the foundation for consistently delivering financial performance and returns.

Credit risk exists with reinsurance ceded to the extent that any reinsurer is unable to meet the obligation assumed under the reinsurance agreements. An allowance is established for amounts deemed uncollectible. We evaluate the financial condition of our reinsurers and monitor concentration of credit risk arising from our exposure to individual reinsurers. To further reduce credit exposure to reinsurance recoverables balances, we have received letters of credit from certain reinsurers that are not authorized as reinsurers under US state insurance regulations.

Of the total reinsurance recoverables on paid and unpaid losses and LAE outstanding as of June 30, 2025, 59% were with reinsurers having an A.M. Best rating of "A-" (excellent) or better, and we require reinsurance recoverables with reinsurers that are not rated by A.M. Best to be subject to collateral arrangements through a combination of letters of credit, funds withheld arrangements or trust agreements. We consider such collateral arrangements, credit ratings assigned to reinsurers by A.M. Best and other historical default rate information in estimating the credit valuation allowance for reinsurance recoverables. The credit valuation allowance was \$0.6 million and \$0.4 million as of June 30, 2025 and December 31, 2024, respectively.

We cede a significant portion of our insurance business to our unconsolidated collateralized reinsurance sidecar vehicle, Flywheel Re. Flywheel Re is a Cayman Islands special purpose reinsurance company that provides committed multi-year collateralized quota share capacity, capitalized by long-term institutional investors.

## ***Regulated deposits and restricted assets***

Certain companies in the Group are required to maintain assets on deposit with various regulatory authorities to support our insurance and reinsurance operations. Securities on deposit for regulatory and other purposes were \$5.0 million and \$4.9 million as of June 30, 2025 and December 31, 2024, respectively, which are included in the "Fixed maturity securities available for sale, at fair value" in the consolidated balance sheets.

In addition, we have pledged cash and cash equivalents of \$70.8 million, short-term investments of \$8.0 million and fixed maturity securities of \$29.1 million as of June 30, 2025 in favor of certain ceding companies to collateralize obligations. As of December 31, 2024, we had pledged cash and cash equivalents of \$47.3 million, short-term investments of \$17.2 million and fixed maturity securities of \$33.0 million in favor of certain ceding companies to collateralize obligations.

## ***Reserves for losses and loss adjustment expenses***

Reserves for losses and LAE represent our estimated indemnity cost and related adjustment expenses necessary to administer and settle claims. Our estimates are based upon individual case estimates for reported claims set by our claims specialists, adjusted with actuarial estimates for any further expected development on reported claims and for losses that have been incurred, but not yet reported. Actual losses and settlement expenses paid may deviate, perhaps substantially, from the reserve estimates reflected in our consolidated financial statements. Similarly, the timing for payment of our estimated losses is not fixed and is not determinable on an individual or aggregate basis due to the uncertainty inherent in the process of estimating such payments.

## ***Reinsurance recoverables***

Reinsurance recoverables on reserves for losses and LAE are reported separately as assets, instead of being netted with the related liabilities, since reinsurance does not discharge us of our liability to policyholders. The method for determining reinsurance recoverables for unpaid losses and LAE involves reviewing actuarial estimates of gross unpaid losses and LAE to determine our ability to cede unpaid losses and loss adjustment expenses under our existing reinsurance contracts.

**Debt**

We have a senior unsecured syndicated US dollar denominated loan facility with a September 2029 maturity date with an aggregate outstanding principal balance of \$125 million. The credit agreement includes a \$50 million revolving credit facility. As of June 30, 2025, we had \$5 million outstanding under our revolving credit facility and \$45 million unutilized and available. Each borrowing under the revolving credit facility may have a maturity of one, three or six months, at the Company's election, but may not extend beyond the credit agreement's maturity date. Such borrowings may be repaid early.

The senior notes are senior unsecured obligations and include a delayed draw term loan ("DDTL") feature that allows us to withdraw predefined amounts. Incremental facilities up to an additional \$75 million are available to draw upon request, subject to the agreement of the lenders.

Partial quarterly repayments of the aggregate principal amount are required until the maturity date. Interest payments on the senior notes are due at the end of each period, being a certain month or quarter during which the applicable interest rate has been reset. The interest rate is subject to a sliding scale based on our consolidated senior debt to capitalization ratio and varies between a 3.4% and 4.0% spread in addition to the Secured Overnight Financing Rate ("SOFR"). Interest is calculated based on a 360-day year of twelve 30-day months. Interest expense for the three months ended June 30, 2025 and 2024 was \$2.5 million and \$3.0 million, respectively. Interest expense for the six months ended June 30, 2025 and 2024 was \$5.1 million and \$6.0 million, respectively.

Subject to conditions of optional prepayment, we may voluntarily prepay the senior notes at any time and from time to time, prior to the maturity date without penalty. Any prepayment, in whole or in part, shall include any accrued and unpaid interest thereon to, but excluding, the prepayment date. Any amounts we prepay may not be reborrowed.

The senior notes contain certain restrictive and maintenance covenants customary for facilities of this type, including restrictions on minimum consolidated net worth, maximum leverage levels and a minimum interest coverage ratio. As of June 30, 2025, we were in compliance with all such covenants.

**Capital maintenance agreements**

We have established capital maintenance agreements with our insurance subsidiaries which obligates us to make capital contributions to its subsidiaries to maintain surplus with a prudent buffer above minimum statutory and regulatory capital requirements. These requirements are set by our Board of Directors. During the six months ended June 30, 2025, we made capital contributions of \$11.0 million to Accelerant National Insurance Company, \$29.3 million to Accelerant Insurance UK Limited, and \$0.7 million to Accelerant Insurance Company of Canada.

**Ratings**

Ratings by independent agencies are an important factor in establishing the competitive position of insurance companies and reinsurance companies and are important to our ability to attract Members and third-party capital providers. Rating organizations continually review the financial positions of insurers and reinsurers. These ratings reflect the rating agency's views regarding balance sheet strength, operating performance, business profile and enterprise risk management. It is not an evaluation directed toward the protection of investors or a recommendation to buy, sell or hold our shares. Our insurance and reinsurance operating subsidiaries are assigned financial strength ratings by A.M. Best as follows:

	Rating	Outlook
Accelerant Insurance Europe SA	"A-" (Excellent)	Stable
Accelerant Specialty Insurance Company	"A-" (Excellent)	Stable
Accelerant National Insurance Company	"A-" (Excellent)	Stable
Accelerant Re (Cayman) Ltd.	"A-" (Excellent)	Stable
Accelerant Insurance UK Limited	"A-" (Excellent)	Stable
Accelerant Insurance Company of Canada	"A-" (Excellent)	Stable
Accelerant Re. I.I. (Puerto Rico)	"A-" (Excellent)	Stable

These ratings reflect A.M. Best's opinion of the ability of Accelerant Holdings and respective subsidiaries to pay claims and are not evaluations directed to security holders. A.M. Best maintains a letter-scale rating system ranging from "A++" (Superior) to "F" (in liquidation). "A-" is the fourth highest of 16 financial strength ratings assigned by A.M. Best, as last updated June 4, 2025. These ratings are subject to periodic review and may be revised downward or revoked at the sole discretion of A.M. Best.

## Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, as defined by applicable regulations of the SEC, which are reasonably likely to have a current or future material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

## Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in conformity with US GAAP, which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. We base our estimates on our historical experience and on various other assumptions that we believe are reasonable after weighing up all relevant information. Actual results may differ from those estimates.

The accounting policies listed below involve significant estimates, and therefore are critical in understanding our financial performance and operational results. For additional information, refer to Note 2 to our audited consolidated financial statements in the Prospectus.

### ***Unpaid Loss and Loss Adjustment Expenses***

We record loss reserves for our unpaid loss and LAE, which involves significant judgment and complex estimation processes. It represents management's best estimate of the unpaid portion of ultimate costs, of all reported and unreported loss incurred through the balance sheet date and is based upon the assumption that past developments are an appropriate indicator of future events among other factors. The reserves are based on individual claims, case reserves and other reserves estimates reported, as well as actuarial estimates of ultimate losses.

Inherent in the estimates of ultimate losses are expected trends in claim severity and frequency and other factors which could vary significantly as claims are settled. Ultimate losses may vary materially from the amounts provided in the consolidated financial statements. These estimates are reviewed regularly and as experience develops and new information becomes known, the reserves are adjusted as necessary. Such adjustments, if any, are reflected in the consolidated statements of operations in the period in which they become known and are accounted for as changes in estimates. The unpaid losses and LAE are presented on an undiscounted basis.

The process of establishing unpaid losses and LAE can be complex and is subject to considerable uncertainty, as it requires the use of informed estimates and judgments based on circumstances known at the date of accrual. These estimates and judgments are based on numerous factors and may be revised as additional experience and other data become available and are reviewed and as new or improved methodologies are developed. The adequacy of the reserves may be impacted by future trends in claims severity, frequency, payment patterns and other factors. These variables are affected by both external and internal events, including but not limited to, changes in the economic cycle, inflation, natural or human-made catastrophes and legislative changes.

The main risks and uncertainties are associated with limited historical data and new and evolving estimation processes. As such, we supplement our analysis using a combination of third-party data provided by Members and industry benchmark data as the basis for the selection of expected reporting patterns. We expect to continuously increase the use of our own data and experience as we accumulate such information over time. In addition, we incorporate our estimates of future trends in various factors such as loss frequency and severity in the evaluation process.

We review loss reserves in-depth every six months or more frequently depending on the facts and circumstances, with a high-level actual versus expected ("AvE") analysis done in between the in-depth reviews. During in-depth reviews, all estimates are reviewed and adjusted as our own experience develops and market conditions change. During the high level AvE analysis we make changes for any material developments over the period (e.g., large losses, catastrophic events or significant market changes).

Total IBNR reserves are determined by subtracting payments and case reserves implied from the ultimate loss and LAE estimates. Ultimate loss and LAE are estimated utilizing generally accepted actuarial loss reserving methods. Our reserving methods include the Chain Ladder, Bornheutter-Ferguson and Initial Expected Loss Ratio methods. Reportable catastrophe losses are analyzed and reserved separately using a frequency and severity approach. The underlying premise of the Chain Ladder method is that future claims are best estimated using past development pattern, whereas the Bornheutter-Ferguson method employs a combination of past claims development and prior estimates of ultimate losses based on expected loss ratio. The methods all involve aggregating paid and case-incurred loss data by underwriting year and development month, segmented into Members and products or lines of business as deemed appropriate and material. The ultimate loss selections for each year tend to be based upon the Chain Ladder results for the older years and the Bornheutter-Ferguson method for the most recent years.

Because we have limited data to assess our own claims experience given the recently formed nature of the business, we use industry and peer-group data, in addition to our own data, as a basis for selecting our expected paid and reporting patterns.

Inflation rates in all major economic regions and the imposition (or threatened imposition) of tariffs add to the uncertainty of the future claim cost. Actuarial models base future emergence on historic experience, with adjustments for current trends, and the appropriateness of these assumptions has therefore involved more uncertainty in recent periods. We expect there will be impacts to the timing of loss emergence and ultimate loss ratios for certain underwritten coverages. The industry is experiencing new issues, including a backlog of civil court cases in most states, the extension of certain statutes of limitations and the impact on insureds from a significant reduction in economic activity. Our recorded reserves include consideration of these factors, but legislative, regulatory, or judicial actions could result in loss reserve deficiencies and reduce earnings in future periods.

The two categories of our loss reserves include case reserves and IBNR reserves. Our gross reserves for losses and LAE at June 30, 2025 and December 31, 2024 were \$1.69 billion and \$1.29 billion, 63% and 60% of which relates to IBNR, respectively. Our reserves for losses and loss adjustment expenses, net of reinsurance, at June 30, 2025 and December 31, 2024 were \$267.4 million and \$224.9 million, 55% and 52% of which relates to IBNR, respectively.

**The following table summarizes our reserves for unpaid losses and loss adjustment expenses, on a gross basis and net of reinsurance, as of June 30, 2025 and December 31, 2024:**

(in millions)	June 30, 2025				December 31, 2024			
	Gross	% of Total	Net	% of Total	Gross	% of Total	Net	% of Total
Case Reserves	\$ 623.9	37 %	\$ 121.4	45 %	\$ 514.4	40 %	\$ 107.5	48 %
IBNR	1,068.1	63 %	146.0	55 %	780.0	60 %	117.4	52 %
<b>Total</b>	<b>\$ 1,692.0</b>	<b>100 %</b>	<b>\$ 267.4</b>	<b>100 %</b>	<b>\$ 1,294.4</b>	<b>100 %</b>	<b>\$ 224.9</b>	<b>100 %</b>

Case reserves are established for the individual claims that have been reported to us. Based on the information available and the status of the claims, case reserves are established by TPAs, who have the authority of handling smaller claims (typically up to \$250 thousand) or our claims teams, for large losses, through standard claim handling practices and professional judgment. As mentioned above, the estimates may be refined, and the ultimate value of claims liability may be adjusted either upward or downward as more information becomes available.

In case of catastrophes or other large losses, the additional IBNR in relation to those claims is estimated by the joint work of the claims, portfolio management, and actuarial teams, and those estimates are used in the final estimates provided to the finance team for recognition within our financial statements. Our internal threshold for catastrophe losses is \$10 million of gross losses. We have had seven such events since inception: European flooding (July 2021), Storm Arwen (2021), Storm Eunice (February 2022), Hurricane Ian (September 2022), US winter storms (January 2024), Hurricane Helene (September 2024) and California wildfires (January 2025). In aggregate, these events led to approximately \$10 million of net incurred losses. While we write insurance products in each of these potentially impacted areas, we also maintain significant reinsurance coverage such that our net exposure is limited. For example, the most recent California wildfires resulted in \$34 million of gross losses, which were partially reduced by \$22 million of quota-share reinsurance benefits and \$10 million in connection with a subrogation agreement with a third party, that collectively only resulted in \$2 million of net retained losses. Similarly, for the 2024 and other treaty years, our US property catastrophe excess of loss retention for a modeled gross occurrence is expected to significantly reduce our net exposure to insignificant levels as part of our business model to limit our exposure to insurance risk.

In addition to the assumptions used in our data and reserves methodology, we used the following estimates to determine our unpaid loss and LAE: development patterns where we use Members' experience and/or applicable industry information; inflation assumptions for each class of business and territory; rate changes as provided by Members and underwriting changes as evidence leading to the rate changes; business mix changes for various Members; large loss load calculated from historic average performance or similar class of business; and selected loss ratio that is representative.

**The tables below represent the aggregated impact from potential deviations from our recorded reserve as of June 30, 2025 and December 31, 2024:**

Sensitivity factors are applied to our most recent underwriting year and we believe these potential changes will not have a material impact on our liquidity. An increase in the gross loss of 3% in the most recent underwriting year would equate to an increase in the net loss and LAE reserve of \$10.4 million.

Sensitivity (in millions)	June 30, 2025		
	Sensitivity for Ultimate Loss and LAE Sensitivity Factor	Net Loss and LAE Reserve	Increase/(Decrease) in Net Loss and LAE Reserve
Increase	+3%	\$ 277.8	\$ 10.4
Increase	+2%	274.3	6.9
Increase	+1%	270.9	3.5
Actual (Base Case)	0%	267.4	—
Decrease	-1%	263.9	(3.5)
Decrease	-2%	260.5	(6.9)
Decrease	-3%	257.0	(10.4)

Sensitivity (in millions)	December 31, 2024		
	Sensitivity for Ultimate Loss and LAE Sensitivity Factor	Net Loss and LAE Reserve	Increase/(Decrease) in Net Loss and LAE Reserve
Increase	+3%	\$ 230.9	\$ 6.0
Increase	+2%	228.9	4.0
Increase	+1%	226.9	2.0
Actual (Base Case)	0%	224.9	—
Decrease	-1%	222.9	(2.0)
Decrease	-2%	220.9	(4.0)
Decrease	-3%	218.9	(6.0)

**Reinsurance Recoverable on Unpaid Losses**

In our Underwriting segment, we cede a large proportion of our GWP under various reinsurance contracts. These reinsurance agreements transfer portions of the underlying risk of the business that we underwrite and a share of premium to reinsurers, but they do not release or diminish our obligation to pay claims covered by the insurance policies. We are still primarily liable to the insured whether or not the reinsurer is able to meet its contractual obligations.

The quantum of ceded loss recoveries from our reinsurers are subject to uncertainty as our calculation of such amounts rely on similar estimates and methodologies as are used in estimating our gross loss reserves.

Additionally, there is a risk that one or more of our reinsurers may be unwilling or unable to pay their share of reinsurance recoverables. This risk is mitigated by placing our reinsurance with a diverse panel of reinsurers that are all either rated “A-” or better by A.M. Best or provide collateral to us to maximize the probability that reinsurance recoverables will be realized. We regularly monitor the financial condition of our reinsurers and we generally have special termination rights in our reinsurance treaties in the event of deterioration in the reinsurers’ credit worthiness, generally if the A.M. Best rating falls below “A-” or there is a reduction in the capital and surplus of the reinsurer of more than 20% of their prior year end capital and surplus. Despite these arrangements, there is a risk that a reduction in one or more reinsurers’ ability or willingness to pay our reinsurance recoverables could have a materially negative impact on our liquidity.

### ***Impacts of Loss Ratio Estimates and Actual Loss Experience on Sliding Scale Commissions Impacting our Ceding Commission Income***

We cede a significant portion of our premiums written to reinsurance companies. The ceding commissions are offset against DAC related to the insurance contracts subject to such reinsurance. Any excess ceding commissions over the related DAC are subject to deferral over the insurance premiums earning period. Certain of our reinsurance arrangements are subject to sliding scale commission amounts pursuant to the agreements with various reinsurers based on the actual loss experience of covered insurance contracts.

The contractual ceding commission amounts are expressed as a percentage of the underlying premiums by type of insurance policy. Further, the amount of ceding commissions may vary based on the volume of ceded premium and the loss ratio. As that loss ratio changes from the original expected contractual amount, the amount of ceding commission inversely changes (such that adverse experience in the subject loss ratio will result in a reduction in ceding commissions and conversely, any favorable experience in the subject loss ratio will result in an increase in ceding commissions).

The change in ceding commissions will result in a change to the deferred ceding commission liability to the extent that the underlying premiums are unearned and, conversely, will result in a direct change to income to the extent that the underlying premium has been earned. As such, the sliding scale commissions act as a substantive participation in the underlying loss experience of the underlying insurance contracts.

Our typical reinsurance treaties' commissions vary based on the volume of ceded premium and the ratio of ceded loss to ceded premium. As that ratio decreases, the amount of commission increases. As of June 30, 2025, the average commission we receive is 50% of ceded premium at a 40% gross loss ratio and a minimum of 34% of ceded premium at gross loss ratios of 67% and above. The adjustment between the points is largely linear. We expect commissions of 43% of ceded premium at a gross loss ratio of 50%. There were no significant adverse adjustments to reinsurance commissions due to prior year claims experience during the six months ended June 30, 2025.

Our process for calculating changes in ceding commissions from our reinsurers is linked to the results of our actuarial reserving process for loss and loss adjustment expense reserves, which is updated each reporting period. On a quarterly basis, our actuaries produce an actuarial central estimate of the gross and net loss reserves for all contracts bound as of the evaluation date. The calculations also include estimates of loss-sensitive contingent terms such as sliding scale ceding commissions. Calculations are done on a contract-by-contract basis and reflect the most recent premium and loss information available at the evaluation date.

### ***Valuation Allowance on Deferred Income Taxes***

Deferred tax assets and liabilities result from temporary differences between the amounts recorded in the consolidated financial statements and the tax basis of assets and liabilities used in the various jurisdictional tax returns. We recognize deferred tax assets to the extent we believe it is probable that future profits will be available to utilize these tax benefits. As of June 30, 2025, we had net deferred tax assets of \$57.1 million.

A valuation allowance is set up for the portion of the asset that is more likely than not unrealizable, which reduces the total deferred tax asset to only the amount that we expect to realize. This allowance is assessed at each balance sheet date and is based on all available information including significant judgments related to the likely timing and level of forecasted taxable profits based on assumptions about future macroeconomic and Company-specific conditions and the associated future tax planning strategies. We subject the forecasts to stresses of key assumptions and evaluate the effect on tax attribute utilization. In performing our assessment of recoverability, we consider tax laws governing the utilization of net operating losses, capital losses and tax credit carryforwards in each applicable jurisdiction. The tax laws are subject to change, resulting in incremental uncertainty in our assessment of recoverability, along with the future tax planning strategies. If the actual taxable income in future periods differ from our forecast, it could impact our financial position in either a materially positive or negative way. As of June 30, 2025, our valuation allowance was \$51.1 million. We intend to evaluate the realizability of our deferred tax asset quarterly through the assessment of the need for such a valuation allowance.

### ***Election Under the Jumpstart Our Business Startups Act of 2012***

We currently qualify as an "emerging growth company" as defined in the Jumpstart Our Business Act of 2012, or the JOBS Act. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from specified disclosure requirements that are applicable to other public companies that do not qualify as emerging growth companies. Accordingly, we are provided with the option to adopt new or revised accounting guidance either (i) within the same period as those otherwise applicable to non-emerging growth companies or (ii) within the same time period as private companies.

We have elected to adopt new or revised accounting guidance within the same time period as private companies, unless we determine it is preferable to take advantage of early adoption provisions offered within the applicable guidance. We may take advantage of this provision for up to five years or such earlier time when we are no longer an emerging growth company and, as such, we expect to remain an emerging growth company at least through December 31, 2025. Therefore, our consolidated financial statements may not be comparable to those of companies that comply with new or revised accounting pronouncements as of public company effective dates.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of economic losses due to adverse changes in the estimated fair value of a financial instrument as the result of changes in credit spreads, interest rates, equity markets prices, foreign currency exchange rates, and other relevant market rates and prices.

#### **Credit Risk**

Credit risk is the potential loss resulting from adverse changes in an issuer's ability to repay its debt obligations. We have exposure to credit risk as a holder of fixed-maturity securities. We manage this credit risk through diversification in terms of instruments by issuer, geographic region and related industry. At June 30, 2025 and December 31, 2024, approximately 87% of our fixed maturity investment portfolio was rated "A" or better and 100% was classified as investment-grade.

#### **Interest Rate Risk**

Interest rate risk is the risk that we will incur economic losses due to adverse changes in interest rates. The primary market risk to the investment portfolio is interest rate risk associated with investments in fixed-maturity securities. Fluctuations in interest rates have a direct effect on the market valuation of these securities. When market interest rates rise, the fair value of our fixed-maturity securities decreases. Conversely, as interest rates fall, the fair value of our fixed-maturity securities increases. We manage this interest rate risk by investing in securities with varied maturity dates and by matching the duration of our investment portfolio to the duration of our loss and LAE reserves. Expressed in years, duration is the weighted average payment period of cash flows, where the weighting is based on the present value of the cash flows. We set duration targets for our fixed-maturity investment portfolios after consideration of the estimated duration of our liabilities and other factors. The effective weighted-average duration of the portfolio was 3.0 years as of June 30, 2025.

We had available for sale fixed maturity securities with a fair value of \$673.7 million and \$479.5 million at June 30, 2025 and December 31, 2024, respectively, that were subject to interest rate risk. The table below illustrates the sensitivity of the fair value of our fixed maturity securities to selected hypothetical changes in interest rates as of June 30, 2025 and December 31, 2024.

<i>(in millions)</i>	June 30, 2025		December 31, 2024	
	Fair Value	Estimated Change in Fair Value	Fair Value	Estimated Change in Fair Value
200 basis point increase	\$ 633.1	\$ (40.6)	\$ 449.8	\$ (29.7)
100 basis point increase	653.4	(20.3)	464.6	(14.9)
No change	673.7	—	479.5	—
100 basis point decrease	694.0	20.3	494.4	14.9
200 basis point decrease	714.3	40.6	509.2	29.7

Changes in interest rates will have an immediate effect on comprehensive income and shareholders' equity but will not ordinarily have an immediate effect on net income. Actual results may differ from the hypothetical change in market rates assumed in this disclosure. This sensitivity analysis does not reflect the results of any action that we may take to mitigate such hypothetical losses in fair value.

#### **Equity Risk**

Equity risk represents the potential economic losses due to adverse changes in equity security prices. Our equity securities consist of interests in highly rated, highly liquid, investment funds. We manage equity price risk of our equity portfolio primarily through asset allocation techniques, and fund selection within a given portfolio.

### Foreign Currency Exchange Risk

Foreign currency exchange-rate risk is the risk that we will incur losses on a US dollar basis due to adverse changes in foreign currency exchange rates. In the ordinary course of business, we hold non-US dollar denominated assets and liabilities, which are valued using period-end exchange rates. Non-US dollar denominated foreign revenues and expenses are valued using average exchange rates over the period. We have the following exposures to foreign currency risk.

- *Transaction Risk:* The functional currency for most of our subsidiaries is the US dollar. Within these entities, any fluctuations in foreign currency exchange rates relative to the US dollar has a direct impact on the valuation of our assets and liabilities denominated in other currencies. All changes in foreign exchange rates, except for non-US dollar fixed maturities and available for sale securities, are recognized in our consolidated statements of operations. Changes in foreign exchange rates relating to non-US dollar fixed maturities and available for sale securities are recorded in accumulated other comprehensive income in shareholders' equity. Our subsidiaries with non-US dollar functional currencies are also exposed to fluctuations in foreign currency exchange rates relative to their own functional currency.
- *Translation Risk:* We have net investments in certain European, British, and Canadian subsidiaries whose functional currencies are the Euro, British Pound and Canadian dollar, respectively. The foreign exchange gain or loss resulting from the translation of their financial statements from their respective functional currency into US dollars is recorded in the cumulative translation adjustment account, which is a component of accumulated other comprehensive income in shareholders' equity.

Our foreign currency policy is to broadly manage, where possible, our foreign currency risk by:

- Seeking to match our liabilities under (re)insurance policies that are payable in foreign currencies with assets that are denominated in such currencies, subject to regulatory constraints.

To the extent our foreign currency exposure is not matched, we may experience foreign exchange losses or gains, which would be reflected in our consolidated results of operations and financial condition. We continue to assess additional hedging strategies and instruments that could further reduce our exposure to foreign currency exchange-rate volatility.

The following table summarizes the estimated effects of a hypothetical 10% increase and decrease in the value of the US dollar against select foreign currencies would have had on the carrying value of our net assets as of June 30, 2025 and December 31, 2024:

(in millions)	June 30, 2025		December 31, 2024	
	10% increase	10% decrease	10% increase	10% decrease
British Pound to US Dollar	\$ (4.1)	\$ 4.1	\$ 1.0	\$ (1.0)
Euro to US Dollar	1.7	(1.7)	5.7	(5.7)
Canadian Dollar to US Dollar	2.3	(2.3)	2.0	(2.0)

### Item 4. Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by Accelerant management, with the participation of Accelerant's Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of June 30, 2025. Based on this evaluation, Accelerant's Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2025.

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f)) that have occurred during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

Other than in the ordinary course of our business operations, we are not currently party to any civil or government investigation. We do not expect that the ultimate outcome of any of the currently ongoing legal proceedings, individually or collectively, would have a material adverse effect on our business, financial condition, results of operations, or prospects. However, the results of litigation and arbitration are inherently unpredictable, and the possibility exists that the ultimate resolution of matters to which we are or could become subject could result in a material adverse effect on our business, financial condition, results of operations or prospects.

### Item 1A. Risk Factors

There have been no material changes to our risk factors that we believe are material to our business, results of operations and financial condition, from the risk factors previously disclosed in the section entitled "Risk Factors" in the Prospectus.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On July 23, 2025, our registration statement on Form S-1 (File No. 333-288435) was declared effective by the SEC. Pursuant to such registration statement, we issued and sold 20,276,280 Class A common shares at a public offering price of \$21.00 per share on July 25, 2025. The Company received net proceeds of \$393.4 million, after deducting \$23.4 million in underwriting discounts and commissions and estimated offering expenses of \$9.0 million. The Company used a portion of the net proceeds to fund the redemption of the Class C convertible preference shares for \$175.3 million in cash (as all holders of the Class C convertible preference shares elected to redeem at the date of its IPO) and to fund a one-time \$25.0 million termination fee to an affiliate of Altamont Capital partners, and the Company intends to use the remaining amount for general corporate purposes. In addition, certain shareholders sold 19,354,044 at the public offering price of \$21.00 per share and received net proceeds of \$384.1 million after deducting \$22.4 million in underwriting discounts and commissions. The Company did not receive any proceeds from the sale of Class A common shares by the selling shareholders.

Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC, BMO Capital Markets Corp. and RBC Capital Markets, LLC acted as joint book-running managers in the IPO.

For additional details on the IPO, refer to "Nature of business and basis of presentation—Initial Public Offering" in Note 1 of the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

During the three months ended June 30, 2025, none of the Company's directors or officers adopted, modified or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

**Item 6. Exhibits****Exhibits Index**

Exhibit No.	Description
3.1	<a href="#">Certificate of Incorporation dated as of October 7, 2021 (incorporated by reference to Exhibit 3.1 to the Company's Form S-1 filed on June 30, 2025).</a>
3.2	<a href="#">Fourth Amended and Restated Memorandum and Articles of Association of Accelerant Holdings, effective July 23, 2025 (incorporated by reference to Exhibit 3.4 to the Registrant's Form S-1/A filed on July 18, 2025).</a>
10.1*	<a href="#">Agreement and Plan of Merger, dated as of July 22, 2025, by and among the Company, ARU Merger Sub, LLC, a Delaware limited liability company, There's a Way, LLC, a North Carolina limited liability company and William G. Johnson III.</a>
31.1*	<a href="#">Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

\* Filed herewith.

\*\* Furnished herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on August 28, 2025

**Accelerant Holdings**

By: /s/ Jeff Radke

Name: Jeff Radke

Title: Chief Executive Officer (Principal Executive Officer)

By: /s/ Jay Green

Name: Jay Green

Title: Chief Financial Officer (Principal Financial Officer)

**AGREEMENT AND PLAN OF MERGER**

by and among

**ACCELERANT HOLDINGS,**

**ARU MERGER SUB, LLC,**

**THERE'S A WAY, LLC**

and

**WILLIAM G. JOHNSON III, AS SELLER**

dated as of July 22, 2025

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Confidential

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## AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this “Agreement”) dated as of July 22, 2025, is entered into by and among Accelerant Holdings, a Cayman Islands company (“Parent”), ARU Merger Sub, LLC, a Delaware limited liability company (“Merger Sub”), There’s A Way, LLC, a North Carolina limited liability company (the “Company”), and William G. Johnson III (the “Seller”).

W I T N E S S E T H:

WHEREAS, the Company directly owns twenty-five percent (25%) of the issued and outstanding membership interests in 2WJ, LLC, a North Carolina limited liability company (“2WJ,” and all of such issued and outstanding membership interests, the “2WJ Interests”) in accordance with the 2WJ Amended and Restated Limited Liability Company Agreement, dated as of May 4, 2021, and as may be further amended, supplemented or restated;

WHEREAS, the Seller is the sole owner of all of the issued and outstanding membership interests in the Company (the “Company Interests”);

WHEREAS, the Seller desires to transfer to Parent, and Parent desires to acquire from the Seller, all of the Company Interests held by the Seller, upon the terms and subject to the conditions set forth herein;

WHEREAS, each of (a) the manager of Merger Sub and (b) the manager of the Company has unanimously approved and declared advisable this Agreement and the Merger upon the terms and subject to the conditions set forth in this Agreement and in accordance with the laws of the Limited Liability Company Act of the State of Delaware and the North Carolina Limited Liability Company Act, as each may be amended from time to time, and any successor Act(s) (the “Merger Statutes”);

WHEREAS, for U.S. federal income tax purposes, it is intended that: (a) the Merger qualify as a “reorganization” within the meaning of Section 368(a) of the Code; (b) each of the Company, Merger Sub and Parent is a “party to the reorganization” within the meaning of Section 368(b) of the Code; and (c) this Agreement is, and shall be adopted as, a “plan of reorganization” within the meaning of Treasury Regulations Section 1.368-2(g); and

WHEREAS, Parent, as the sole member and manager of Merger Sub, has adopted this Agreement.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

## ARTICLE I

### DEFINITIONS AND TERMS

Section 1.01 Definitions. As used in this Agreement, the following terms have the meanings set forth or as referenced below:

“2WJ” has the meaning set forth in the Recitals.

“2WJ Interests” has the meaning set forth in the Recitals.

“Action” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, whether civil, criminal, administrative, regulatory or otherwise.

“Affiliate” means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person.

“Agreement” has the meaning set forth in the Preamble.

“Anti-Bribery Laws” means any applicable law, rule, regulation or other legally binding measure relating to the prevention of bribery, corruption, fraud or similar or related activities in any country, including the Foreign Corrupt Practices Act of the United States.

“Anti-Money Laundering Laws” means any applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970 of the United States and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental Authority.

“Articles of Merger” has the meaning set forth in Section 2.02(b).

“Basket” has the meaning set forth in Section 9.04(a).

“Business Day” means any day other than a Saturday, a Sunday or any day on which banks in the New York, New York are authorized or required by applicable Law to be closed for business.

“Cap” has the meaning set forth in Section 9.04(c).

“Certificate of Merger” has the meaning set forth in Section 2.02(b).

“Class A Common Shares” means the Class A common shares, par value \$0.0001 per share, of Parent designated in the Fourth Amended and Restated Memorandum and Articles of Association of Parent that is in effect prior to the completion of, and in connection with, the initial public offering of Class A common shares of Parent pursuant to the Registration Statement on Form S-1 (File No. 333-288435).

“Closing” has the meaning set forth in Section 2.01.

“Closing Date” has the meaning set forth in Section 2.01.

“Code” means the Internal Revenue Code of 1986.

“Company” has the meaning set forth in the Preamble.

“Company Disclosure Schedule” means the disclosure schedule delivered by the Company to Parent in connection with the execution and delivery of this Agreement.

“Company Fundamental Representations” means the representations and warranties set forth in Section 3.01, Section 3.02, Section 3.03(a), Section 3.05(a) and Section 3.13.

“Company Interests” has the meaning set forth in the Recitals.

“Contract” means any contract, lease, deed, mortgage, license, instrument, note, commitment, undertaking, indenture, joint venture or any other agreement, commitment or legally binding arrangement, whether written or oral.

“Control” means, with respect to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The terms “Controlled,” “Controlled by” and “under common Control with” shall have correlative meanings.

“Delaware Courts” has the meaning set forth in Section 10.06(b).

“Effective Time” has the meaning set forth in Section 2.02(b).

“Encumbrance” means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, deed of trust, encumbrance, easement, encroachment, right of way, lease, sublease, right of first refusal or other restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

“Enforceability Exceptions” has the meaning set forth in Section 3.02(a).

“Final S Corp Return” has the meaning set forth in Section 6.03.

“Flow-Thru Entity” has the meaning set forth in Section 6.02(a).

“Fraud” means actual or intentional fraud under Delaware Law as of the date of this Agreement.

“GAAP” means generally accepted accounting principles and practices in the United States.

**“Governmental Authority”** means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law) or any arbitrator, arbitration panel, court or tribunal.

**“Governmental Order”** means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

**“Indemnified Party”** means the party making a claim under Article IX.

**“Indemnified Taxes”** means (a) any liability for Taxes (including the non-payment therefor) of the Seller, (b) any Taxes imposed on or with respect to the Company for any Pre-Closing Tax Period (including, for the avoidance of doubt, in respect of the Company’s ownership of the 2WJ Interests in any Pre-Closing Tax Period), (c) Losses arising out of or attributable to any misrepresentation, inaccuracy or breach of any representation, warranty, covenant or agreement related to Taxes by the Seller or the Company contained in this Agreement (or in any certificate, document, list or schedule delivered to Parent by the Seller hereunder), including, for the avoidance of doubt, the representations and warranties set forth in Section 3.10, (d) Taxes of any member of an affiliated, consolidated, combined or unitary group of which the Company (or any predecessor thereof) is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar state, local or non-U.S. Law, (e) Taxes of any Person imposed on the Company as a transferee or successor, by Contract or otherwise, in each case, which Taxes relate to any event or transaction occurring before the Closing, (f) Taxes that are the responsibility of the Seller pursuant to Section 6.01, (g) any costs for the preparation and filing of any Tax Return required to be filed by or with respect to the Company for a Pre-Closing Tax Period and (h) any reasonable, out-of-pocket costs or expenses (including reasonable legal and accounting fees) associated with the investigation, review, remediation, enforcement or resolution of any of the foregoing items described in clauses (a) through (g).

**“Indemnifying Party”** means the party against whom a claim is asserted under Article IX.

**“IRS”** means the U.S. Internal Revenue Service.

**“Knowledge”** means the actual knowledge of Seller after due inquiry.

**“Law”** means any statute, law, ordinance, regulation, rule, code, Governmental Order, constitution, treaty, common law, other requirement or rule of law of any Governmental Authority.

**“Liabilities”** means any liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

“Losses” means any and all losses, lost profits, diminution in value, damages, Liabilities, deficiencies, obligations, claims, costs, interest, awards, judgments, fines, charges, penalties, Taxes, settlement payments and expenses (including reasonable expenses of investigation, enforcement and collection and reasonable attorneys’, actuaries’, accountants’ and other professionals’ fees, disbursements and expenses) of any kind; provided, however, that “Losses” shall not include punitive damages, except to the extent actually awarded by a Governmental Authority to a party other than the indemnitee or any of its Affiliates; provided, further, that “Losses” shall include any amounts constituting lost profits or diminution in value only to the extent that such losses are reasonably foreseeable.

“Material Adverse Effect” means (a) a material adverse effect on the business, condition (financial or otherwise), assets or Liabilities or results of operations of the Company, taken as a whole, or (b) a material adverse effect on the ability of the Company or the Seller to perform their respective obligations under this Agreement in a timely manner or to consummate the transactions contemplated hereby; provided, however, that no event, change, circumstance, effect, development, condition or occurrence resulting from, arising out of or relating to any of the following shall constitute or be deemed to contribute to a Material Adverse Effect, or shall otherwise be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur (i) changes after the date hereof in applicable Laws, GAAP or other applicable accounting rules applicable to the Company, (ii) changes in general economic, political, business or regulatory conditions, (iii) changes in United States or global financial, credit, commodities, currency or capital markets or conditions, (iv) the outbreak or escalation of war, military action or acts of terrorism or changes due to natural disasters or (v) any action expressly required by this Agreement, except, in the case of clauses (i) through (iv) to the extent such event, change, circumstance, effect, development, condition or occurrence has or would reasonably be expected to have a disproportionate impact on the Company as compared to other Persons in the same or similar industries.

“Merger” has the meaning set forth in Section 2.02(a).

“Merger Consideration” means one million eight hundred thirty-three thousand and four hundred eighty-one (1,833,481) Class A Common Shares.

“Merger Documents” has the meaning set forth in Section 2.02(b).

“Merger Statutes” has the meaning set forth in the Recitals.

“Merger Sub” has the meaning set forth in the Preamble.

“Outside Date” has the meaning set forth in Section 8.01(b).

“Parent” has the meaning set forth in the Preamble.

“Parent Fundamental Representations” means the representations and warranties set forth in Section 4.01, Section 4.02 and Section 4.06.

“Parent Indemnitees” has the meaning set forth in Section 9.02.

“Parent Material Adverse Effect” means a material adverse effect on the ability of Parent or Merger Sub to perform their respective obligations under this Agreement or to consummate the transactions contemplated hereby.

“Pending Tax Contest” has the meaning set forth in Section 6.06.

“Permits” means all licenses, permits, franchises, waivers, orders, registrations, consents and other authorizations and approvals of or by a Governmental Authority.

“Permitted Encumbrances” means (a) Encumbrances for Taxes not yet due and payable, (b) mechanics’, carriers’, workmen’s, repairmen’s or other like liens arising or incurred in the ordinary course of business consistent with past practice or amounts which are not yet due and payable or the amount and validity of which are being contested in good faith and for which appropriate reserves have been established in an accordance with GAAP or (c) liens arising under original purchase price conditional sales contracts for personal property and equipment leases with third parties entered into in the ordinary course of business consistent with past practice which are not, individually or in the aggregate, material to the Company, taken as a whole.

“Person” means an individual, a corporation, a partnership, an association, a limited liability company, a joint venture, a trust or other entity or organization, including a Governmental Authority.

“Pre-Closing Tax Period” means any Tax period ending on or before the Closing Date and, with respect to any Straddle Period, the portion of such Tax period ending on and including the Closing Date.

“Qualified Initial Public Offering” means Parent’s first underwritten offering to the public pursuant to the Registration Statement on Form S-1 (File No. 333-288435); provided that the Class A Common Shares are, or become, in connection with such offering, listed for trading on the New York Stock Exchange.

“Securities Act” means the U.S. Securities Act of 1933.

“Seller” has the meaning set forth in the Preamble.

“Straddle Period” means any Tax period beginning on or before the Closing Date and ending after the Closing Date.

“Surviving Company” has the meaning set forth in Section 2.02(a).

“Tax” or “Taxes” means any and all federal, state, county, local, foreign and other taxes, including all income, gross receipts, capital stock, premium, franchise, profits, production, value added, occupancy, gains, personal property replacement, employment and other employee and payroll related taxes, withholding, foreign withholding, social security, welfare, unemployment,

disability, real property, personal property, license, ad valorem, transfer, workers' compensation, windfall and net worth taxes, environmental, customs duty, severances, stamp, excise, occupations, sales, use, transfer, alternative minimum, estimated taxes, inventory, escheat, guaranty fund assessment tax and other taxes or other government charges or assessments in the nature of a tax imposed, imposable or collected by any Tax Authority, together with all interest, penalties and additions imposed with respect to such amounts and any interest in respect of such penalties and additions, whether disputed or not, and any transferee, successor or other liability in respect of any items described above payable by reason of Contract, assumption, operation of Law, Treasury Regulations Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under foreign, state or local law) or otherwise.

“Tax Authority” means any Governmental Authority having jurisdiction over the administration, determination, assessment, collection or imposition of any Tax.

“Tax Return” means any return, report, declaration, election, estimate, information statement, claim for refund and return or other document (including any related or supporting information and any amendment to any of the foregoing) filed or required to be filed with any Tax Authority.

“TDI Approval” means approval from the Texas Department of Insurance related to the acquisition of control of the 2WJ Interests.

“Transaction Expenses” means, without duplication, with respect to the Company at or prior to the Closing, all fees, costs and expenses incurred by or on behalf of the Company in connection with the negotiation, documentation and consummation of the transactions contemplated by this Agreement, including all of the fees, disbursements and expenses of attorneys, actuaries, accountants, financial advisors and other advisors.

“Transfer Taxes” means any and all transfer Taxes (excluding Taxes measured in whole or in part by net income), including sales, use, excise, value-added, gross receipts, registration, real estate, stamp, documentary, notarial, filing, recording, permit, license, authorization and similar Taxes, fees, duties, levies, customs, tariffs, imposts, assessments, obligations and charges.

“Treasury Regulations” means the regulations promulgated under the Code by the U.S. Department of the Treasury.

## Section 1.02 Interpretation.

(a) As used in this Agreement, references to the following terms have the meanings indicated:

(i) to the Preamble or to the Recitals, Sections, Articles, Exhibits or Schedules are to the Preamble or a Recital, Section or Article of, or an Exhibit or Schedule to, this Agreement unless otherwise clearly indicated to the contrary;

(ii) to any Contract (including this Agreement) or “organizational document” are to the Contract or organizational document as amended, modified, supplemented or replaced from time to time;

(iii) to any Law are to such Law as amended, modified, supplemented or replaced from time to time and all rules and regulations promulgated thereunder, and to any section of any Law include any successor to such section;

(iv) to any Governmental Authority includes any successor to the Governmental Authority and to any Affiliate includes any successor to the Affiliate;

(v) to any “copy” of any Contract or other document or instrument are to a true and complete copy thereof;

(vi) to “hereof,” “herein,” “hereunder,” “hereby,” “herewith” and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or clause of this Agreement, unless otherwise clearly indicated to the contrary;

(vii) to the “date of this Agreement,” “the date hereof” and words of similar import refer to July 22, 2025; and

(viii) to “this Agreement” includes the Exhibits and Schedules (including the Company Disclosure Schedule) to this Agreement.

(b) Any documents and agreements which have been electronically delivered from or on behalf the Seller or the Company to Parent (with written confirmation of receipt) shall be deemed to have been “delivered,” “provided,” or “made available” (or any phrase of similar import) to Parent by the Company.

(c) Whenever the words “include,” “includes” or “including” are used in this Agreement, they will be deemed to be followed by the words “without limitation.” The word “or” need not be disjunctive. Any singular term in this Agreement will be deemed to include the plural, and any plural term the singular. All pronouns and variations of pronouns will be deemed to refer to the feminine, masculine or neuter, singular or plural, as the identity of the Person referred to may require. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(d) Whenever the last day for the exercise of any right or the discharge of any duty under this Agreement falls on a day other than a Business Day, the party having such right or duty shall have until the next Business Day to exercise such right or discharge such duty. Unless otherwise indicated, the word “day” shall be interpreted as a calendar day. With respect to any determination of any period of time, unless otherwise set forth herein, the word “from” means “from and including” and the word “to” means “to but excluding.”

(e) The table of contents and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(f) References to a “party” hereto means Parent, Merger Sub, the Company or the Seller and references to “parties” hereto means Parent, Merger Sub, the Company and the Seller, unless the context otherwise requires.

(g) References to “dollars” or “\$” mean United States dollars, unless otherwise clearly indicated to the contrary.

(h) The parties have participated jointly in the negotiation and drafting of this Agreement; consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(i) No summary of this Agreement prepared by or on behalf of any party shall affect the meaning or interpretation of this Agreement.

(j) All capitalized terms used without definition in the Exhibits and Schedules (including the Company Disclosure Schedule) to this Agreement shall have the meanings ascribed to such terms in this Agreement.

## ARTICLE II

### THE MERGER

Section 2.01 Closing. The closing of the Merger shall take place (the “Closing”) (a) remotely by exchange of documents and signatures (or their electronic counterparts), in each case, fourteen (14) days following full satisfaction or due waiver, by the party entitled to waive the same, of all of the conditions set forth in Article VII (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions at such time), and if such day is not a Business Day, the first (1st) Business Day thereafter or (b) at such other place, time and date as Seller and Parent may mutually agree in writing. The date on which the Closing occurs is referred to herein as the “Closing Date.”

#### Section 2.02 The Merger.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time (i) Merger Sub will merge with and into the Company in accordance with the Merger Statutes (the “Merger”) and (ii) the separate corporate existence of Merger Sub will cease and the Company will continue its corporate existence under the Merger Statutes as the surviving company in the Merger (in such capacity, sometimes referred to herein as the “Surviving Company”). The Merger shall have the effects set forth herein and in the applicable provisions of the Merger Statutes. Without limiting the generality of the foregoing, and subject thereto, from and after the Effective Time, all property, rights, privileges, immunities, powers, franchises, licenses and authority of the Company and Merger Sub shall vest in the Surviving Company, and all debts, liabilities, obligations, restrictions and duties of each of the Company

and Merger Sub shall become the debts, liabilities, obligations, restrictions and duties of the Surviving Company.

(b) Upon the terms and subject to the conditions set forth in this Agreement, as soon as practicable on the Closing Date, the Company, Parent and Merger Sub shall cause a certificate of merger to be executed, acknowledged and filed with the Secretary of State of the State of Delaware (the “Certificate of Merger”) and articles of merger to be executed, acknowledged and filed with the Secretary of State of the State of North Carolina (the “Articles of Merger,” and with the Certificate of Merger, the “Merger Documents”), each in accordance with the relevant provisions of the Merger Statutes, and the Company, Parent and Merger Sub shall make all other filings or recordings required under the Merger Statutes. The Merger shall become effective at such time as the Merger Documents have been duly filed with both the Secretary of State of the State of Delaware and the Secretary of State of the State of North Carolina, as applicable, or at such other date or time as may be agreed by the Company and Parent in writing and specified in the Merger Documents in accordance with the Merger Statutes (the effective time of the Merger being hereinafter referred to as the “Effective Time”).

(c) At the Effective Time, (i) the certificate of formation of the Company as in effect immediately prior to the Effective Time shall be the certificate of formation of the Surviving Company (with any amendments to be reasonably agreed between the Company and Parent prior to the Effective Time, which shall be set forth in the Articles of Merger), until thereafter amended in accordance with the terms thereof or as provided by applicable Law and (ii) the operating agreement of Merger Sub as in effect immediately prior to the Effective Time shall be amended and restated (in a form to be provided by Parent prior to the Effective Time), and such operating agreement, as so amended and restated, shall be the operating agreement of the Surviving Company until thereafter amended in accordance with the terms thereof, the certificate of formation of the Surviving Company or as provided by applicable Law.

(d) At the Effective Time, (i) the manager of Merger Sub immediately prior to the Effective Time shall continue as manager of the Surviving Company and (ii) the officers of Merger Sub immediately prior to the Effective Time shall continue as the officers of the Surviving Company, in each case, until their respective successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the certificate of formation and limited liability company agreement of the Surviving Company.

(e) At the Effective Time, as a result of the Merger and without any action on the part of Parent, Merger Sub, the Company or the Seller:

(i) any Company Interest owned by the Company shall automatically be canceled and retired and shall cease to exist, and no consideration shall be delivered in exchange thereof;

(ii) the Company Interests issued and outstanding immediately prior to the Effective Time shall automatically be canceled and retired and shall cease to exist and shall be converted into the Merger Consideration in accordance with the terms and conditions herein; and

(iii) the membership interests of Merger Sub issued and outstanding immediately prior to the Effective Time shall automatically be converted into the membership interests of the Surviving Company.

Section 2.03 Closing Deliverables.

(a) At the Closing, the Company or the Seller, as applicable, shall deliver or cause to be delivered to Parent the following:

- (i) the executed certificate described in Section 7.02(e);
- (ii) the executed Articles of Merger, filed with the Secretary of State of the State of North Carolina;
- (iii) the resignations of all directors, officers members or other Persons holding a management role in the Company, in a form of resignation to be reasonably agreed between Parent and the Company and effective as of the Closing; and
- (iv) a properly completed and duly executed IRS Form W-9 from the Seller.

(b) At the Closing, Parent shall deliver or cause to be delivered to the Seller the following:

- (i) the executed certificate described in Section 7.03(c);
- (ii) the executed Certificate of Merger, filed with the Secretary of State of the State of Delaware; and
- (iii) an instruction to its transfer agent to issue book entry shares evidencing the Merger Consideration to the Seller.

Section 2.04 Withholding. Parent, Merger Sub, the Company and the Surviving Company (and any of their respective Affiliates) shall be entitled to deduct and withhold from any amounts payable pursuant to this Agreement, any amounts required to be deducted and withheld under the Code, or any provision of any federal, state, local or non-U.S. Tax Law. Any amounts so withheld shall be timely and properly paid over to the appropriate Tax Authority to the extent required by applicable Law. To the extent that amounts are so deducted and withheld, such deducted and withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom such deduction and withholding was made.

## ARTICLE III

### REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND SELLER

Except as set forth in the Company Disclosure Schedule, the Seller represents and warrants to Parent as follows:

Section 3.01 Organization and Qualification. The Company is a limited liability company or other entity duly incorporated or formed, validly existing and in good standing (if applicable) under the laws of North Carolina. The Company (a) has all requisite power and authority to own, lease or otherwise hold its assets and to carry on its business as now conducted and as currently proposed to be conducted and (b) is duly qualified to do business and is in good standing (if applicable) in each jurisdiction where the ownership or operation of its assets or the conduct of its business requires such qualification. The Company has made available to Parent prior to the date hereof copies of the organizational documents of the Company in effect as of the date hereof. Each such organizational document is in full force and effect, and the Company is in compliance with its organizational documents.

Section 3.02 Authority and Enforceability.

(a) The Company has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The Company has taken all requisite corporate or other actions to authorize the execution and delivery of this Agreement to which the Company will be a party and to perform its obligations and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery by each of the other parties hereto, this Agreement constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, preference and other similar laws affecting creditors' rights generally, and by general principles of equity (regardless of whether enforcement is sought in equity or at law) (the "Enforceability Exceptions").

(b) The manager of the Company has (i) determined that this Agreement and the transactions contemplated hereby, including the Merger, are in the best interests of the Company and the Seller and (ii) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger, in accordance with the Merger Statutes. No additional approvals, votes, consents or actions are necessary on the part of the Company, the Seller or any class or series of equity interests to authorize the execution, delivery and performance of this Agreement to which the Company is a party and the consummation by the Company of the transactions contemplated hereby.

(c) The Seller has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Seller and, assuming the due authorization, execution and delivery by each of the other parties hereto, this

Agreement constitutes the valid and binding obligation of such Seller, enforceable against the Seller in accordance with its terms, subject to the Enforceability Exceptions.

(d) The Seller, in its capacity as an equityholder of the Company, has approved and adopted this Agreement and the transactions contemplated hereby, including the Merger, in accordance with the Merger Statutes.

### Section 3.03 Capital Structure.

(a) Section 3.03(a) of the Company Disclosure Schedule sets forth (i) all of the equity interest of the Company and (ii) the number of membership interests of each class or series of the equity interests in the Company that are issued and outstanding. The Seller is the sole holder of all Company Interests. The equity interests of the Company have been duly authorized, are validly issued and fully paid and non-assessable. Except for this Agreement, there are no preemptive or other outstanding rights, options, warrants, subscriptions, puts, calls, conversion rights or agreements or commitments of any character (including any stockholder rights plan or similar plan commonly referred to as a “poison pill”) relating to the authorized and issued equity or voting interests of the Company, and the Company is not committed to issue any of the foregoing. The equity interests of the Company have not been issued in violation of any applicable Laws or the organizational documents of the Company, as applicable. The Company does not have any debt securities outstanding that have voting rights or are exercisable or convertible into, or exchangeable or redeemable for, or that give any Person a right to subscribe for or acquire, equity interests of the Company. There are no obligations, contingent or otherwise, to repurchase, redeem (or establish a sinking fund with respect to redemption) or otherwise acquire any other equity interests of the Company. There are no equity or voting interests of the Company reserved for issuance. There are no voting trusts, shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the equity interests of the Company.

(b) Except for the 2WJ Interests, the Company does not own, directly or indirectly, any capital stock or other equity or voting interest of any Person, does not have any direct or indirect equity or ownership interest in any business and is not a member of or participant in any partnership, joint venture or other entity. There are no outstanding contractual obligations of the Company to provide funds to make any investment (in the form of a loan, capital contribution or otherwise) in any other entity. There are no irrevocable proxies, voting trusts or other agreements to which the Company is a party with respect to any equity or voting interests in the Company.

(c) The Seller owns all of the Company Interests, free and clear of all Encumbrances (other than restrictions on transfer imposed by federal and state insurance and securities Laws).

Section 3.04 Governmental Filings and Consents. No consents, approvals, authorizations or waivers of, or notices or filings with, any Governmental Authority are required to be made or obtained by the Company or, to the Knowledge of the Seller, 2WJ, in each case, in connection with the execution and delivery of this Agreement by the Company, the performance of its obligations hereunder or the consummation of the transactions contemplated hereby, as

applicable, except for (a) the TDI Approval, and (b) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware and the filing of the Articles of Merger with the Secretary of State of the State of North Carolina.

**Section 3.05 No Violations.** Assuming the consents, approvals, authorizations, waivers, notices and filings referred to in Section 3.04 are obtained or made, the execution and delivery of this Agreement by the Company and the Seller, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby do not and will not (a) conflict with or result in a violation or breach of, or default under, any provision of the organizational documents of the Company, (b) conflict with or result in a violation or breach of any provision of any Law applicable to the Company or the Seller, (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract (or any material obligation or benefit under any Contract) to which the Company or the Seller is a party or by which the Company or the Seller is bound or to which any of its properties and assets are subject or (d) result in the creation or imposition of any Encumbrance on the Company Interests, except to the extent that the occurrence of any of the foregoing items set forth in clauses (c) or (d) would not, individually or in the aggregate, be (i) adverse to the Company in any material respect or (ii) expected to materially interfere with or delay the Company's or the Seller's ability to carry out their obligations under this Agreement.

**Section 3.06 Operations of the Company.**

- (a) The Company has not at any time engaged in any material business activities, conducted any material operations or entered into any material Contracts, in each case, other than (i) as is required for the limited purpose of maintaining its corporate existence or complying with the applicable Laws required to maintain its corporate existence, (ii) holding the 2WJ Interests or (iii) as set forth in this Agreement.
- (b) The Company has never had any employees, and as of the Closing Date, shall have no employees.
- (c) The Company has never incurred any material indebtedness, and upon the Closing, the Company will not have any indebtedness.
- (d) The Company does not own, and as of the Closing Date shall not own (legally, beneficially or otherwise), any assets (whether tangible or intangible) or property (whether real or otherwise) other than the 2WJ Interests.
- (e) The Company is not a party to any Contracts except as set forth in Section 3.06 of the Company Disclosure Schedule.

**Section 3.07 Absence of Certain Changes.** Since December 31, 2024, through the date of this Agreement (a) the business of the Company and, to the Knowledge of the Seller, 2WJ have been operated in the ordinary course of business consistent with past practice, (b) no

Material Adverse Effect has occurred, and no event, change, circumstance, effect, development, condition or occurrence exists or has occurred that, individually or in the aggregate, with or without the lapse of time, would reasonably be expected to have a Material Adverse Effect and (c) neither the Company nor, to the Knowledge of the Seller, 2WJ has taken any action or failed to take any action that, if failed to have been taken after the date hereof, would have resulted in a material breach of Section 5.01.

Section 3.08 Compliance with Laws; Permits.

(a) Since January 1, 2023,

(i) The Company and, to the Knowledge of the Seller, 2WJ have been in compliance in all material respects with all applicable Laws (including all Anti-Money Laundering Laws).

(ii) Neither the Company nor, to the Knowledge of the Seller, 2WJ has engaged in any activity, practice or conduct or taken any action or inaction, directly or indirectly, which would constitute an offense under any Anti-Bribery Laws.

(iii) Neither the Company nor, to the Knowledge of the Seller, 2WJ has been subject to any sanctions review or investigation by any Governmental Authority.

(iv) Neither the Company nor, to the Knowledge of the Seller, 2WJ has received any written or oral notice from any Governmental Authority regarding any actual or alleged material violation of, or material failure on the part of the Company or, to the Knowledge of the Seller, 2WJ to comply with, any applicable Law.

(b) The Company does not hold any Permits.

(c) All reports, statements, documents, registrations, filings applications and submissions to Governmental Authorities by the Company were timely filed and complied in all material respects with all applicable Laws in effect when filed and no material deficiencies have been asserted by any such Governmental Authorities.

Section 3.09 Litigation; Governmental Orders.

(a) Except as set forth on Section 3.09(a) of the Company Disclosure Schedule, there are no Actions pending against the Company or, to the Knowledge of the Seller, pending against 2WJ or threatened against the Company or 2WJ.

(b) Section 3.09(b) of the Company Disclosure Schedule sets forth a list of each Governmental Order relating to or affecting the Company and, to the Knowledge of the Seller, 2WJ. Since January 1, 2023, the Company and, to the Knowledge of the Seller, 2WJ have been in compliance with all such Governmental Orders. The Company has not received any written notice or, to the Knowledge of the Seller, oral notice from any Governmental Authority and, to the Knowledge of the Seller, 2WJ has not received any written or oral notice regarding any

actual or alleged violation of, or failure on the part of the Company or 2WJ, as applicable, to comply with any term or requirement of any such Governmental Orders.

Section 3.10 Taxes.

- (a) (i) All Tax Returns required to be filed by or on behalf of the Company have been timely filed (taking into account any extensions of time within which to file), (ii) all such Tax Returns are true, correct and complete and (iii) all Taxes (whether or not shown as due on such Tax Returns) due and payable by or with respect to the Company have been fully and timely paid to the appropriate Tax Authority.
- (b) The Company has complied with all applicable Laws relating to the collection, withholding and remittance of Taxes (including information reporting and recordkeeping requirements related thereto) and has duly and timely withheld and paid over to the appropriate Tax Authority all amounts required to be so withheld and paid over.
- (c) The Company does not have any liability for Taxes of any Person (i) under any Tax indemnity, Tax sharing or Tax allocation agreement or any other contractual obligation (excluding for this purpose, commercial agreements entered into in the ordinary course of business the primary purpose of which is not related to Taxes, such as leases, licenses or credit agreements), (ii) arising from the application of Treasury Regulation Section 1.1502-6 or any analogous provision of state, local or non-U.S. Law, (iii) as a transferee or successor or (iv) by operation of Law or otherwise. The Company has never been a member of an “affiliated group” as defined in Section 1504(a) of the Code or any affiliated, combined, unitary, consolidated or similar group under state, local or non-U.S. Law.
- (d) There are no Encumbrances for Taxes on any assets or property of the Company, except for Permitted Encumbrances.
- (e) No Taxes of or with respect to the Company are being contested by any Tax Authority, and there are no audits, claims, disputes, inquiries, assessments, levies, administrative or judicial proceedings pending, threatened, proposed (tentatively or definitely) or contemplated against, or regarding, any Taxes of the Company, and no Tax Authority has (i) proposed, assessed or asserted in writing any deficiency, proposed adjustment, notice of assessment, or notice of lien with respect to Taxes against the Company with respect to any Tax period for which the period of assessment or collection remains open or (ii) delivered any written notice indicating an intent to commence any Tax examination, audit or other proceeding.
- (f) No jurisdiction in which the Company does not currently file Tax Returns has claimed that the Company is, or may be, subject to taxation by that jurisdiction or required to file such Tax Returns. The Company has not commenced a voluntary disclosure proceeding in any jurisdiction that has not been fully resolved or settled.
- (g) No written waiver of or agreement to extend any statute of limitations relating to Taxes for which the Company is liable and that remains in effect has been granted or requested. No power of attorney has been granted with respect to any matter relating to Taxes of the

Company that is currently in effect. No private letter rulings, technical advice memoranda, Tax holidays or similar rulings or agreements have been entered into or issued by any Tax Authority with respect to the Company that remain in effect, nor is any request for any such ruling or agreement currently pending.

(h) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any Tax period (or portion thereof) ending after the Closing Date as a result of any (i) closing agreement as described in Section 7121 of the Code (or any corresponding or similar provision of Tax Law) executed on or prior to the Closing Date, (ii) intercompany transaction or excess loss account described in the Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of Tax Law), (iii) installment sale or open transaction disposition made on or prior to the Closing Date, (iv) prepaid amount received on or prior to the Closing Date, (v) change in method of accounting for a taxable period ending on or prior to the Closing Date or (vi) use of an improper method of accounting for a taxable period ending on or prior to the Closing Date.

(i) The Company has not constituted either a “distributing corporation” or a “controlled corporation” (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code in a distribution.

(j) The Company has not participated in a “reportable transaction” within the meaning of Treasury Regulations Section 1.6011-4(b).

(k) At all times since inception, the Company has been and will be validly and properly treated for all U.S. federal income Tax purposes as an “S corporation” within the meaning of Section 1361(a) of the Code (and any comparable provision of state Law), and a copy of the Company’s valid election under Section 1362 of the Code has been provided to Parent. The Company is not liable for any Tax under Section 1374 of the Code.

(l) No member (or former member) of the Company has any right to any distributions with respect to Taxes (or otherwise) from the Company that will survive the Closing.

(m) Neither the Seller nor the Company has taken (or agreed to take) any action or has any Knowledge of any fact or circumstance relating to the Company that is reasonably likely to adversely affect the status of the Merger as a reorganization under Section 368(a) of the Code.

Section 3.11 Access to and Evaluation of Information Concerning the Company; General Solicitation. Seller has:

(a) sufficient knowledge, sophistication and experience in business and financial matters and similar investments so as to be capable of evaluating the merits and risks of acquiring the Class A Common Shares, including the risk Seller could lose the entire value of the Merger Consideration, and has so evaluated the merits and risks of such purchase;

- (b) become familiar with the business, financial condition and operations of Parent and its subsidiaries, has been given access to and an opportunity to examine such documents, materials and information concerning Parent and its subsidiaries as Seller deems to be necessary or advisable in order to reach an informed decision as to an investment in Parent, to the extent that Parent possesses such information, has carefully reviewed and understands these materials and has had answered to the Seller's full satisfaction any and all questions regarding such information;
- (c) made such independent investigation of Parent and its subsidiaries, its management and related matters as the Seller deems to be necessary or advisable in connection with the acquisition of the Class A Common Shares, and is able to bear the economic and financial risk of purchasing the Class A Common Shares (including the risk that the Seller could lose the entire value of the Class A Common Shares); and
- (d) not been offered the Class A Common Shares by any means of general solicitation or general advertising.

Section 3.12 Accredited Investor; No Public Distribution Intent. Seller is (a) an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act and (b) acquiring the Class A Common Shares for the Seller's own benefit and account for investment only and not with a view to, or for resale in connection with, a public offering or distribution thereof.

Section 3.13 Fees to Brokers and Finders. The Company has no obligation to pay any broker's, finder's, financial advisor's or other similar fee or commission to any investment banker, broker, financial adviser, finder or any other Person in connection with the transactions contemplated by this Agreement.

Section 3.14 No Other Representations or Warranties. Except for the representations and warranties contained in this Article III (including the related portions of the Company Disclosure Schedule), none of the Seller, the Company, nor any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of the Seller or the Company, including any representation or warranty as to the accuracy or completeness of any information regarding the Company furnished or made available to Parent and its representatives, or any representation or warranty arising from statute or otherwise in Law.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Parent and Merger Sub represent and warrant to the Company as follows:

Section 4.01 Organization and Qualification. Parent is duly incorporated, validly existing and in good standing under the laws of the Cayman Islands. Merger Sub is duly incorporated, is validly existing and in good standing under the laws of the State of Delaware,

and has, or will have as of the Closing, in effect a valid election to be classified as a corporation for U.S. federal income tax purposes.

Section 4.02 Authority and Enforceability.

(a) Each of Parent and Merger Sub has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. Each of Parent and Merger Sub has taken all requisite corporate or other actions to authorize the execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by each of Parent and Merger Sub and, assuming the due authorization, execution and delivery by each of the other parties hereto, this Agreement constitutes the valid and binding obligation of each of Parent and Merger Sub, enforceable against each of Parent and Merger Sub in accordance with its terms, subject to the Enforceability Exceptions.

(b) The respective boards of directors or managers of Parent and Merger Sub have unanimously (i) determined that this Agreement and the transactions contemplated hereby, including the Merger, are in the best interests of, respectively, Parent, Merger Sub and their respective equityholders, (ii) approved and declared advisable this Agreement and the transactions contemplated hereby, including the Merger and (iii) in the case of Merger Sub, resolved to recommend the adoption of this Agreement by Parent in accordance with the Merger Statutes.

Section 4.03 Governmental Filings and Consents. No consents, approvals, authorizations or waivers of, or notices or filings with, any Governmental Authority are required to be made or obtained by Parent or any of its Affiliates in connection with the execution and delivery of this Agreement by Parent, the performance of its obligations hereunder or the consummation of the transactions contemplated hereby, except for (a) the TDI Approval, (b) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware and the Articles of Merger with the Secretary of State of the State of North Carolina and (c) such other consents, approvals, authorizations, waivers, notices and filings the failure of which to be made or obtained individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect.

Section 4.04 No Violations. Assuming the consents, approvals, authorizations, waivers, notice and filings referred to in Section 4.03 are obtained or made, the execution and delivery of this Agreement by Parent and Merger Sub, the performance of each of their obligations hereunder and the consummation of the transactions contemplated hereby do not and will not (a) conflict with or result in a violation or breach of, or default under, any provision of the organizational documents of Parent or Merger Sub or any of their Affiliates, (b) conflict with or result in a violation or breach of any provision of any Law or Permit applicable to Parent or Merger Sub or any of their Affiliates, (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any

Contract (or any material obligation or benefit under any Contract) to which Parent or any of its Affiliates is a party or by which Parent or any of its Affiliates is bound or to which any of their respective properties and assets are subject or (d) result in the creation or imposition of any Encumbrance, other than Permitted Encumbrances, on any properties or assets of Parent or any of its Affiliates, except to the extent that the occurrence of any of the foregoing items set forth in clauses (c) or (d) would not, individually or in the aggregate, (i) have a Parent Material Adverse Effect or (ii) be expected to materially interfere with or delay Parent's or Merger Sub's ability to carry out their obligations under this Agreement.

Section 4.05 No Prior Merger Sub Operations. Merger Sub was formed solely for the purpose of effecting the transactions contemplated hereby and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby.

Section 4.06 Fees to Brokers and Finders. Neither Parent nor Merger Sub has any obligation to pay any fee or commission to any investment banker, broker, financial adviser, finder or other similar intermediary in connection with the transactions contemplated by this Agreement.

Section 4.07 Class A Common Shares. The Class A Common Shares constituting the Merger Consideration will, as of the Closing Date, be duly authorized, validly issued, fully paid and nonassessable and will not be subject to any Encumbrances, preemptive rights or similar rights.

Section 4.08 Independent Investigation.

(a) Parent and Merger Sub have conducted their own independent investigation, review, and analysis of the business, results of operations, prospects, condition (financial or otherwise), or assets of the Company, and acknowledges that they have been provided adequate access to the personnel, properties, assets, premises, books, and records, and other documents and data of the Seller and the Company for such purpose.

(b) Parent and Merger Sub acknowledge that (i) none of the Seller, the Company, nor any other Person on behalf of the Seller or the Company, has made any representation or warranty, expressed or implied, as to the Company, or the accuracy or completeness of any information regarding the Company furnished or made available to Parent, Merger Sub, and their representatives, or any other matter related to the transactions contemplated herein, other than those representations and warranties expressly set forth in this Agreement (including the related portions of the Company Disclosure Schedule) and (ii) in determining to enter into this Agreement, Buyer and Merger Sub have not relied on any representation or warranty from the Seller, the Company or any other Person on behalf of the Seller or the Company, or upon the accuracy or completeness of any information regarding the Company furnished or made available to Parent, Merger Sub, and their representatives, other than those representations and warranties expressly set forth in this Agreement (including the related portions of the Company Disclosure Schedule).

Section 4.09 No Other Representations or Warranties. Except for the representations and warranties contained in this Article IV, none of Parent, Merger Sub, nor any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Parent or Merger Sub, including any representation or warranty as to the accuracy or completeness of any information regarding Parent or Merger Sub furnished or made available to the Seller or the Company and its representatives, or any representation or warranty arising from statute or otherwise in Law.

## ARTICLE V

### COVENANTS

Section 5.01 Conduct of Business. During the period from the date of this Agreement through the earlier of the Closing or the termination of this Agreement in accordance with its terms, except as otherwise expressly required by, and in accordance with, this Agreement, as set forth in Section 5.01 of the Company Disclosure Schedule, as required by applicable Law or with the prior written consent of Parent, the Company shall conduct its business in the ordinary course of business, consistent with past practice and in compliance with all applicable Law:

- (a) declare, set aside or pay any dividend or distribution on any shares or its equity interests or purchase, redeem or repurchase any shares or its equity interests;
- (b) issue, sell, pledge, transfer, dispose of or encumber any equity interest or securities exercisable or convertible into, or exchangeable or redeemable for, any such shares or other equity interest, or any rights, warrants, options, calls or commitments to acquire any such shares or other equity interest, or merge with or into or consolidate with, or agree to merge with or into or consolidate with, any other Person;
- (c) split, combine, subdivide or reclassify any of its equity interests;
- (d) (i) incur any indebtedness for borrowed money or issue any debt securities, (ii) make any loans, advances or capital contributions to, or investments in, any other Person or (iii) waive any material claims or rights of, or cancel any debts to, the Company;
- (e) amend (by merger, consolidation or otherwise) its organizational documents;
- (f) voluntarily adopt a plan of complete or partial liquidation or rehabilitation or authorize or undertake a dissolution, rehabilitation, consolidation, restructuring, recapitalization or other reorganization;
- (g) (i) purchase, sell, lease, exchange, pledge, encumber, issue or otherwise dispose of or acquire any property or assets or (ii) grant or take any other action that will result in the imposition of Encumbrance on the 2WJ Interests;
- (h) (i) make, revoke or amend any Tax election, (ii) enter into any closing agreement, settlement or compromise of any Tax Liability or refund, (iii) extend or waive the application of

any statute of limitations regarding the assessment or collection of any Tax, (iv) file any request for rulings or special Tax incentives with any Tax Authority, (v) surrender any right to claim a Tax refund, offset or other reduction in Tax Liability, (vi) adopt or change any method of Tax accounting, (vii) change any annual Tax accounting period or (viii) file any amended Tax Return;

- (i) hire any employee into the Company, whether temporary or permanent;
- (j) acquire any corporation, partnership, joint venture, association or other business organization or division thereof;
- (k) take any action or operate any business in any manner that does not exclusively and directly relate to the Company's holding of the 2WJ Interests; or
- (l) enter into any Contract with respect to any of the foregoing.

Section 5.02 Access to Information. During the period from the date of this Agreement through the earlier of the Closing or the termination of this Agreement in accordance with its terms, the Company shall (a) afford Parent and its representatives full and free access to and the right to inspect all of the books and records, Contracts and other documents and data related to the Company and (b) furnish Parent and its representatives with such financial and other data and information related to the Company as Parent or any of its representatives may reasonably request. No investigation by Parent or other information received by Parent shall operate as a waiver or otherwise affect any representation, warranty, covenant or agreement given or made by the Seller or the Company in this Agreement.

Section 5.03 Reasonable Efforts; Regulatory Matters. Upon the terms and subject to the conditions set forth in this Agreement, Parent and the Company shall, and shall cause their respective Affiliates to, use their respective commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement, including using commercially reasonable efforts to (a) prepare and make all necessary, proper or advisable notices and filings with any Governmental Authority and (b) obtain all necessary, proper or advisable consents, approvals, authorizations or waivers of any Governmental Authority. There shall be no consents, approvals or waivers required to be obtained by Parent, the Company or any of their respective Affiliates from any third party under any Contract in connection with the transactions contemplated by this Agreement. Without limiting the foregoing, Parent shall promptly file all notices and other documents necessary to obtain the TDI Approval following the date hereof (but no later than ten (10) Business Days following the date hereof) and use commercially reasonable efforts to promptly respond to any request by the Texas Department of Insurance for supplemental information in order to obtain the TDI Approval; provided that the Seller shall provide reasonable and prompt cooperation and assistance as may be reasonably requested by Parent in connection with the preparation and filing of the TDI Approval and any supplemental request. Except as otherwise provided herein, nothing will require Parent to offer, negotiate, commit to effect, or otherwise take any action, by consent

decree, hold separate order or otherwise, including, but not limited to, (i) the sale, divestiture, license, hold separate, or other disposition of any and all of the other equity interests or voting interest, assets (whether tangible or intangible), rights, products or businesses of Parent and Merger Sub (and their respective Affiliates, if applicable), on the one hand, and the Company, on the other hand, (ii) any other restrictions on the activities of Parent and Merger Sub (and their respective Affiliates, if applicable), on the one hand, and the Company, on the other hand, (iii) changing or modifying any course of conduct or otherwise making any commitment (to any Governmental Authority or otherwise) regarding future operations of Parent or the Company's business or (iv) contest, defend or appeal any legal proceeding, whether judicial or administrative, or prevent the initiation thereof, by any Governmental Authority.

**Section 5.04 Qualified Initial Public Offering.** Following the date of this Agreement through the earlier of a Qualified Initial Public Offering or termination of this Agreement in accordance with its terms, the Seller and the Company shall take, or cause to be taken, such actions as may be reasonably necessary, based on the advice of counsel, to expeditiously consummate a Qualified Initial Public Offering, and the Seller and the Company shall take, or cause to be taken, any actions reasonably requested or reasonably required in connection therewith, including: (a) executing, acknowledging and delivering consents, assignments, letters of transmittal, waivers and other documents or instruments reasonably requested or desired by Parent, to the extent in customary form for this type of transaction; (b) filing applications, reports, returns, filings and other documents or instruments with Governmental Authorities; and (c) cooperating otherwise with Parent.

**Section 5.05 Exclusivity.** During the period from the date of this Agreement through the earlier of the Closing or the termination of this Agreement in accordance with its terms, neither the Company nor the Seller will engage in an alternative transaction, including the direct or indirect sale, exchange, disposition or encumbrance of any of the Company Interests or 2WJ Interests.

**Section 5.06 Further Assurances.** From and after the Closing, Parent and the Company shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances, notices and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

## **ARTICLE VI**

### **TAX MATTERS**

**Section 6.01 Transfer Taxes.** Notwithstanding anything to the contrary contained herein, all Transfer Taxes, if any, arising out of or in connection with the Merger shall be borne fifty percent (50%) by Seller and fifty percent (50%) by Parent; provided, however, that, for the avoidance of doubt, any Transfer Taxes arising out of or in connection with any assignment, transfer, delivery, distribution or other conveyance from the Company to the Seller before the Merger (including any transfers described in Section 3.06 or Section 5.01 of the Company Disclosure Schedule) shall be borne entirely by Seller. All necessary documentation and Tax

Returns required to be filed with respect to such Transfer Taxes and be prepared and timely filed by the party responsible therefore under applicable Law, and the other party shall promptly provide the preparing party with such other party's share of any Transfer Tax due. The preparing party shall promptly provide the other party with copies of any such documentation and Tax Returns. The parties shall cooperate in good faith in the filing of such Tax Returns and in attempting to minimize the amount of such Transfer Taxes to the extent permitted under applicable Law.

**Section 6.02 Straddle Period; S Termination; Closing of the Books.**

(a) To the extent it is necessary for purposes hereof to determine the allocation of Taxes with respect to a Straddle Period, the portion of any such Taxes that is allocable to the pre-Closing portion of the Straddle Period shall (i) in the case of property Taxes and other similar Taxes imposed on a periodic basis for a Straddle Period, the amounts that are attributable to the portion of the Straddle Period ending on the Closing Date shall be determined by multiplying the Taxes for the entire Straddle Period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period) by a fraction, the numerator of which is the number of calendar days in the portion of the Straddle Period ending on the Closing Date and the denominator of which is the number of calendar days in the entire Straddle Period; (ii) in the case of Taxes in the form of interest or penalties, all such Taxes shall be treated as attributable to a Pre-Closing Tax Period to the extent relating to a Tax for a Pre-Closing Tax Period whether such items are incurred, accrued, assessed or similarly charged on, before or after the Closing Date; (iii) in the case of Taxes imposed on the Company or Parent or any of their respective Affiliates as a result of income of any entity, plan, or arrangement treated as a partnership, disregarded entity, or Subchapter S corporation for Tax purposes (a "Flow-Thru Entity") realized prior to the Closing Date (such income being computed assuming the Flow-Thru Entity had a year that ends on the Closing Date and elected to close its books), such Taxes shall be treated as Taxes of the Company for a Pre-Closing Tax Period; and (iv) in the case of all other Taxes for a Straddle Period (including income Taxes, franchise/capital Taxes and withholding Taxes) the amount attributable to the portion of the Straddle Period ending on the Closing Date shall be determined as if the Company filed a separate Tax Return with respect to such Taxes for the portion of the Straddle Period ending as of the end of the day on the Closing Date using a "closing of the books methodology"; provided that exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated between the period ending on the Closing Date and the period beginning after the Closing Date in proportion to the number of days in each period.

(b) The parties acknowledge and agree that as a result of the Merger, (i) pursuant to Section 1362(d)(2) of the Code, the Company's status as a qualified S Corporation (within the meaning of Sections 1361 and 1362 of the Code) will terminate on the Closing Date; and (ii) pursuant to Treas. Reg. § 1.1362-3(c)(1) and Section 706(c)(2) of the Code, the taxable year of 2WJ for U.S. federal income tax purposes will close with respect to the Company's interest in such entity as of the last day in the Company's short S corporation year.

Section 6.03 Tax Returns. Except as otherwise provided in Section 6.01, the Seller shall prepare or cause to be prepared and timely file or cause to be timely filed at the Seller's sole cost and expense, and with reasonable assistance from the Company and Parent, the final S corporation returns for the Company on IRS Form 1120-S and any analogous state income Tax Returns (the "Final S Corp Returns"). The Seller shall prepare the Final S Corp Returns in accordance with the past practice of the Company and shall provide a draft of the Final S Corp Returns to Parent for its review and comment no later than thirty (30) days prior to the filing of the Final S Corp Returns. The Seller shall consider in good faith any comments to the Final S Corp Returns that are provided to the Seller no later than fifteen (15) days prior to the due date for such Final S Corp Returns, taking into account applicable extensions. The Seller shall timely pay or cause to be timely paid all Taxes due with respect to the Final S Corp Returns. Parent shall prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company that are required to be filed after the Closing Date other than the Final S Corp Returns.

Section 6.04 Assistance and Cooperation. After the Closing, Parent and the Seller shall, and shall cause their respective Affiliates (including the Company) to, reasonably cooperate with respect to the preparing of any Tax Returns and for any audits of, or disputes with any Tax Authority. Such cooperation shall include the retention of all books and records with respect to Tax matters pertinent to the Company relating to any Tax period beginning before the Closing Date until the later of the expiration of the statute of limitations (and, to the extent notified by Parent or the Seller, any extensions thereof) of the respective Tax periods or six (6) years, abiding by all record retention agreements entered into with any Tax Authority, and each party shall make itself and its employees reasonably available on a mutually convenient basis to provide additional information and explanation of any material provided under this Section 6.04.

Section 6.05 Tax Sharing Agreements. All Tax indemnity, Tax sharing, Tax allocation agreements, and any other similar agreements (excluding for this purpose, agreements entered into in the ordinary course of business the primary purpose of which is not related to Taxes, such as leases, licenses or credit agreements) shall be terminated as of immediately before the Closing, and, after the Closing, the Company shall not be bound by or have any liabilities under any such agreements (whether for the current year, a past year or a future year).

Section 6.06 Refunds. Any Tax refunds that are received by or credited to the Surviving Company that relate to Pre-Closing Tax Periods of the Company (as determined in accordance with Section 6.02) shall be for the account of Seller. In the event that any such Tax refund is received by or credited to the Surviving Company and at such time the Company or Surviving Company is subject to any ongoing or pending Tax audit, examination, assessment, litigation or other Tax proceeding related to Pre-Closing Tax Periods (a "Pending Tax Contest"), the Surviving Company or Parent, as applicable, shall not be required to pay over to Seller any such refund or the amount of any such credit unless and until such Pending Tax Contest is finally resolved. In the event that any such Tax refund is received by or credited to the Surviving Company and at such time there is no Pending Tax Contest, the Surviving Company or Parent, as applicable, shall pay over (or cause to be paid over) to Seller the amount of any such refund or the amount of any such credit (net of any costs or expenses (including income Taxes) of the Surviving Company, Parent or their respective Affiliates attributable to such refund or credit)

within fifteen (15) Business Days of the receipt thereof or entitlement thereto; provided that the Surviving Company or Parent, as applicable, shall be entitled to offset any such amount otherwise owed to Seller pursuant to this Section 6.06 by the amount of any unpaid claim for Losses (including Indemnified Taxes) by a Parent Indemnitee pursuant to Section 9.02.

Section 6.07 Conflicts. To the extent of any inconsistencies between any provision of Article VI and Article IX, the provisions of Article VI shall control.

## ARTICLE VII

### CONDITIONS TO CLOSING

Section 7.01 Conditions to the Obligations of the Parties. The obligations of the parties to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver by Parent and the Company, as applicable) as of the Closing of the following conditions:

(a) No Injunction or Prohibition. No Governmental Authority of competent jurisdiction shall have enacted, enforced or entered any Law or issued a Governmental Order that is in effect on the Closing Date and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(b) Regulatory Approvals. The approval set forth in Schedule I shall have been made or obtained and shall be in full force and effect.

Section 7.02 Conditions to the Obligations of Parent and Merger Sub. The obligations of Parent and Merger Sub to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver by Parent) as of the Closing of the following conditions:

(a) Representations and Warranties. (i) The Company Fundamental Representations and the representations and warranties set forth in Section 3.07(b) shall be true and correct (other than de minimis inaccuracies) in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent they refer to another date, in which case they shall be true and correct as though made on and as of such other date) and (ii) the representations and warranties set forth in Article III (other than Company Fundamental Representations and the representation and warranty set forth in Section 3.07(b)) shall be true and correct (without giving effect to any exception or qualification in such representations and warranties relating to “material,” “materiality” or “Material Adverse Effect” in any such representations and warranties) in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent they refer to another date, in which case they shall be true and correct as though made on and as of such other date as may be qualified below), except where the failure of such representations and warranties in this clause (ii) to be so true and correct would not, individually or in the aggregate, have a Material Adverse Effect.

(b) Covenants of the Company. The covenants and agreements of the Company set forth in this Agreement to be performed or complied with at or prior to the Closing shall have been duly performed or complied with in all material respects.

(c) No Material Adverse Effect. No Material Adverse Effect shall have occurred, and there shall be no event, change, circumstance, effect, development, condition or occurrence that, individually or in the aggregate, with or without the lapse of time, would reasonably be expected to have a Material Adverse Effect.

(d) Qualified Initial Public Offering. Parent shall have consummated a Qualified Initial Public Offering.

(e) Officer's Certificate. Parent shall have received a certificate dated as of the Closing Date of a duly authorized officer of the Company certifying as to the matters set forth in Sections 7.02(a), (b) and (c).

Section 7.03 Conditions to the Obligations of the Company. The obligations of the Company and the Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver by the Company) as of the Closing of the following conditions:

(a) Representations and Warranties. (i) The Parent Fundamental Representations shall be true and correct in all respects (other than de minimis inaccuracies) as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent they refer to another date, in which case they shall be true and correct as though made on and as of such other date) and (ii) the representations and warranties set forth in Article IV (other than the Parent Fundamental Representations) shall be true and correct in all respects (without giving effect to any exception or qualification in such representations and warranties relating to "material," "materiality" or "Parent Material Adverse Effect" in any such representations and warranties) as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent they refer to another date, in which case they shall be true and correct as though made on and as of such other date as may be qualified below), except where the failure of such representations and warranties in this clause (ii) to be so true and correct would not, individually or in the aggregate, have a Parent Material Adverse Effect.

(b) Covenants. The covenants and agreements of Parent and Merger Sub set forth in this Agreement to be performed or complied with at or prior to the Closing shall have been duly performed or complied with in all material respects.

(c) Officer's Certificate. The Company shall have received a certificate dated as of the Closing Date of a duly authorized officer of Parent certifying as to the matters set forth in Sections 7.03(a) and (b).

## ARTICLE VIII

### TERMINATION

Section 8.01 Termination. This Agreement may be terminated, and the transactions contemplated hereby abandoned, at any time prior to the Closing as follows:

- (a) by mutual written consent of Parent and the Company;
- (b) by Parent or the Company if the Closing has not occurred on or before September 30, 2025 (the “Outside Date”);
- (c) by Parent if a Qualified Initial Public Offering has not occurred, or is not reasonably expected to occur, on or before the Outside Date;
- (d) by Parent or the Company if (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable;
- (e) by Parent if (i) Parent and Merger Sub are not in material breach of any of its representations, warranties, covenants or agreements hereunder and (ii) the Company is in material breach of any of its representations, warranties, covenants or agreements hereunder that renders or would render the conditions set forth in Section 7.02(a) or Section 7.02(b) incapable of being satisfied on the Outside Date, and such breach is either (A) not capable of being cured prior to the Outside Date or (B) if curable, is not cured within the earlier of (x) thirty (30) days after the giving of written notice by Parent to the Company and (y) two (2) Business Days prior to the Outside Date; or
- (f) by the Company if (i) the Company is not in material breach of any of its representations, warranties, covenants or agreements hereunder and (ii) Parent or Merger Sub is in material breach of any of its representations, warranties, covenants or agreements hereunder that renders or would render the conditions set forth in Section 7.03(a) or Section 7.03(b) incapable of being satisfied on the Outside Date, and such breach is either (A) not capable of being cured prior to the Outside Date or (B) if curable, is not cured within the earlier of (x) thirty (30) days after the giving of written notice by the Company to Parent and (y) two (2) Business Days prior to the Outside Date.

Section 8.02 Procedure Upon Termination. In the event of termination and abandonment of this Agreement by the Company or Parent, or both, pursuant to Section 8.01, written notice thereof shall forthwith be given to the other party, and this Agreement shall terminate, without further action by any of the parties hereto.

Section 8.03 Effect of Termination. If this Agreement is terminated in accordance with Section 8.01, this Agreement shall thereafter become void and have no effect, and no party shall

have any Liability to any other party, its Affiliates or any of their respective directors, officers, employees, equityholders, partners, members, agents or representatives in connection with this Agreement, except that (a) the obligations of the parties contained in this Section 8.03 and Article X shall survive and (b) termination will not relieve any party from Liability for any intentional and material breach of this Agreement or Fraud prior to such termination.

## ARTICLE IX

### INDEMNIFICATION

Section 9.01 Survival. Except in connection with Fraud (any claim for which will survive indefinitely or for the maximum period permitted by Law), the representations and warranties set forth Article III and Article IV shall survive the Closing and shall remain in full and force and effect until the date that is eighteen (18) months following the Closing Date; provided that (a) the Company Fundamental Representations and the Parent Fundamental Representations shall survive indefinitely (or until the latest date permitted by applicable Law) and (b) the representations and warranties set forth in Section 3.10 shall survive the Closing until sixty (60) days following the expiration of the applicable statute of limitations. All covenants and agreements of the parties set forth in this Agreement shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from a non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

Section 9.02 Indemnification by Seller. Subject to the other terms and conditions of this Article IX, from and after the Closing, the Seller shall indemnify and defend each of Parent and its Affiliates (including the Company) and their respective representatives (collectively, the “Parent Indemnitees”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Parent Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any Company Fundamental Representation, as of the date of this Agreement or as of the Closing Date as though made on and as of the Closing Date (except to the extent they refer to another date, the inaccuracy in or breach of which will be determined with reference to such other date);

(b) any inaccuracy in or breach of any of the representations or warranties set forth in Article III (other than any Company Fundamental Representation or any representation or warranty set forth in Section 3.10), as of the date of this Agreement or as of the Closing Date as though made on and as of the Closing Date (except to the extent they refer to another date, the inaccuracy in or breach of which will be determined with reference to such other date);

(c) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Company pursuant to this Agreement;

- (d) any Indemnified Taxes; or
- (e) any Transaction Expenses.

Section 9.03 Indemnification by Parent. Subject to the other terms and conditions of this Article IX, from and after the Closing, Parent shall indemnify and defend the Seller against, and shall hold the Seller harmless from and against, and shall pay and reimburse for, any and all Losses incurred or sustained by, or imposed upon, Seller based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any Parent Fundamental Representation, as of the date of this Agreement or as of the Closing Date as though made on and as of the Closing Date (except to the extent they refer to another date, the inaccuracy in or breach of which will be determined with reference to such other date);
- (b) any inaccuracy in or breach of any of the representations or warranties set forth in Article IV (other than any Parent Fundamental Representation), as of the date of this Agreement or as of the Closing Date as though made on and as of the Closing Date (except to the extent they refer to another date, the inaccuracy in or breach of which will be determined with reference to such other date); or
- (c) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Parent or Merger Sub pursuant to this Agreement.

Section 9.04 Limitations; Effect of Investigation. Except in connection with Fraud, the indemnification provided for in Section 9.02 and Section 9.03 shall be subject to the following limitations:

- (a) The Seller shall have no Liability with respect to the matters described in Section 9.02(b) unless and until the total of all Losses with respect to such matters exceeds two hundred thousand dollars (\$200,000) (the “Basket”), at which point the Seller shall only be obligated to indemnify the Parent Indemnities for Losses in excess of the Basket; provided, however, that any claim relating to any Company Fundamental Representation or any representation or warranty set forth in Section 3.10 will not be subject to the Basket.
- (b) Parent shall have no Liability with respect to the matters described in Section 9.03(b) unless and until the total of all Losses with respect to such matters exceeds the Basket, at which point Parent shall only be obligated to indemnify Seller for Losses in excess of the Basket; provided, however, that any claim relating to any Parent Fundamental Representation will not be subject to the Basket.
- (c) The aggregate amount of all Losses for which the Seller shall be liable pursuant to Section 9.02(b) shall not exceed thirty three million dollars (\$33,000,000) (the “Cap”).
- (d) Notwithstanding anything to the contrary set forth above, in the case of the representations or warranties related to 2WJ set forth in Section 3.07, Section 3.08 and Section

3.09 the Seller's Liability with respect to the matters described in Section 9.02(b) shall be limited to twenty-five percent (25%) of any Losses incurred or sustained by, or imposed upon, the Parent Indemnitees.

(e) The aggregate amount of all Losses for which Parent shall be liable pursuant to Section 9.03(b) shall not exceed the Cap.

(f) For purposes of this Article IX, the amount of any Loss resulting from any inaccuracy in or breach of any representation or warranty shall be determined without regard to any materiality, Material Adverse Effect, Parent Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

(g) The representations, warranties, covenants and agreements of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its representatives) or by reason of the fact that the Indemnified Party or any of its representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition set forth in Section 7.02 or Section 7.03, as the case may be; provided, however, that in the case of the representations or warranties related to 2WJ set forth in Section 3.07, the Seller shall not be liable under this Article IX for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of the Seller or the Company contained in this Agreement if Parent had knowledge of such inaccuracy or breach prior to the Closing.

(h) Notwithstanding anything to the contrary contained herein or in any organizational documents of the Company, the Seller shall not be entitled to exculpation, indemnification or contribution from Parent or, after the Closing, the Company for or in connection with any facts or circumstances that are the subject matter of or related to an indemnification claim under this Article IX brought by any Parent Indemnitees.

(i) Except with respect to Taxes, Parent and each Parent Indemnitee shall take all reasonable steps to mitigate Losses for which indemnification may be claimed by them pursuant to this Agreement upon and after becoming aware of any event that could reasonably be expected to give rise to any such Losses.

Section 9.05 Exclusive Remedy. Except as provided in Article VI or Section 10.07 or the last sentence of this Section 9.05, the indemnification provisions of Article IX shall be the sole and exclusive remedy of the parties following the Closing for any and all breaches or alleged breaches of any representations, warranties, covenants or agreements of the parties, or any other provision or otherwise relating to the subject matter of this Agreement. Nothing in this Section 9.05 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled pursuant to Section 10.07 or to seek any remedy on account of any party's Fraud.

## ARTICLE X

### MISCELLANEOUS

Section 10.01 Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Section 10.02 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (a) when delivered personally by hand (with written confirmation of receipt by other than automatic means, whether electronic or otherwise), (b) when sent by email (with written confirmation of receipt) or (c) one (1) Business Day following the day sent by an internationally recognized overnight courier (with written confirmation of receipt), in each case, at the following addresses and email addresses (or to such other address or email address as a party may have specified by notice given to the other parties pursuant to this provision):

to the Company or Seller (prior to the Closing):

with a copy (which shall not constitute notice to the Company for the purposes of this Section 10.02) to:

Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, L.L.P.  
150 Fayetteville Street, Suite 2300  
Raleigh, North Carolina 27601  
Attention: Alexander M. Bowling

to Parent, Merger Sub or the Company (following the Closing):

Accelerant Holdings  
PO Box 309  
Ugland House, Grand Cayman  
KY1-1104, Cayman Islands  
Attention: Legal Department, Nancy Hasley, David Pelsue

with a copy (which shall not constitute notice to the Company for the purposes of this Section 10.02) to:

Skadden, Arps, Slate, Meagher & Flom LLP  
One Manhattan West  
New York, New York 10001  
Attention: Elena M. Coyle

Section 10.03 Amendment; Modification and Waiver. Any provision of this Agreement may be amended, modified or waived if, and only if, such amendment, modification or waiver is in writing and signed, in the case of an amendment or modification, by Parent and (a) prior to the Closing, the Company and (b) following the Closing, the Seller, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 10.04 Successors and Assigns. Neither this Agreement nor any of the rights, interests or obligations under it may be directly or indirectly assigned, delegated, sublicensed or transferred by any of the parties, in whole or in part, to any other Person (including any bankruptcy trustee) by operation of Law or otherwise, whether voluntarily or involuntarily, without the prior written consent of the other parties, and any attempted or purported assignment in violation of this Section 10.04 will be null and void; provided, however, that Parent shall be entitled to assign any or all of its rights or obligations hereunder without prior written consent to one or more of its Affiliates (which assignment shall not relieve Parent of its obligations hereunder). Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by each of the parties and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns (including, with respect to any trust, any additional or successor trustees of any such trust).

Section 10.05 No Third-Party Beneficiaries. Nothing expressed or implied in this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities upon any Person other than the parties and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.

#### Section 10.06 Governing Law; Jurisdiction; WAIVER OF JURY TRIAL.

(a) This Agreement, and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arising out of or relating to this Agreement or the negotiation, execution and delivery or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) shall be governed by and construed in accordance with the Laws of the State of Delaware, without respect to its applicable principles of conflicts of laws that might require the application of the laws of another jurisdiction.

(b) Each of the parties hereby irrevocably and unconditionally (i) submits, for itself and its property, to the exclusive jurisdiction and venue of the Delaware Court of Chancery (or, only if the Delaware Court of Chancery does not have jurisdiction over a particular matter, the Superior Court of the State of Delaware (and the Complex Commercial Litigation Division thereof if such division has jurisdiction over the particular matter), or if the Superior Court of the State of Delaware does not have jurisdiction, any federal or state court of the United States of America sitting in the State of Delaware) (“Delaware Courts”), and any appellate court from any decision thereof, in any Action that may be based upon, arising out of or relating to this Agreement or the negotiation, execution and delivery or performance of this Agreement and

agrees that all claims in respect of any such Action shall be heard and determined in the Delaware Courts, (ii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any Action that may be based upon, arising out of or relating to this Agreement or the negotiation, execution and delivery or performance of this Agreement in the Delaware Courts, including any objection based on its place of incorporation, formation or domicile, (iii) waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such Action in any such court and (iv) agrees that a final judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law. Each of the parties consents and agrees that service of process, summons, notice or document for any action permitted hereunder may be delivered by registered mail addressed to it at the applicable address set forth in Section 10.02 or in any other manner permitted by applicable Law.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY BE BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY FOR ANY DISPUTE BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH, TERMINATION OR VALIDITY THEREOF OR ANY TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NONE OF THE OTHER PARTIES NOR THEIR REPRESENTATIVES, AGENTS OR ATTORNEYS HAVE REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTIES WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS OF THIS SECTION 10.06(c). ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 10.07 Specific Performance. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached or threatened to be breached and that money damages or other legal remedies would not be an adequate remedy for any such failure to perform or breach. It is accordingly agreed that without posting bond or other undertaking, the parties shall be entitled to seek injunctive or other equitable relief to prevent breaches or threatened breaches of this Agreement and to seek to enforce specifically the terms and provisions of this Agreement in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. In the event that any such action is brought in equity to enforce the provisions of this Agreement, no party will allege, and each party hereby waives the defense or

counterclaim, that there is an adequate remedy at law. The parties further agree that (a) by seeking any remedy provided for in this Section 10.07, a party shall not in any respect waive its right to seek any other form of relief that may be available to such party under this Agreement and (b) nothing contained in this Section 10.07 shall require any party to institute any action for (or limit such party's right to institute any action for) specific performance under this Section 10.07 before exercising any other right under this Agreement.

Section 10.08 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to constitute an original, but all of which shall constitute one and the same agreement, and may be delivered by facsimile or other electronic means intended to preserve the original graphic or pictorial appearance of a document.

Section 10.09 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is found by a court or other Governmental Authority of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

Section 10.10 Public Disclosure. The parties shall agree on the form and content of any press release and, except with the prior written consent of the Seller and Parent (which consent shall not be unreasonably withheld, delayed or conditioned), shall not issue nor shall any Affiliate of such party issue any other press release or other public statement or public communication with respect to this Agreement or the transactions contemplated hereby; provided that the Company, Parent, Parent's Affiliates and the Seller may, without the prior written consent of such other parties, make such public statement or issue such public communication (a) as may be required by applicable Law and, if practicable under the circumstances, after reasonable prior consultation with such other parties, or (b) to enforce its rights or remedies under this Agreement. Parent and its Affiliates may also, without the consent of the Seller, (x) make announcements and communications to (i) its employees, (ii) the investment community and (iii) its representatives or rating agencies, in each case, that are not inconsistent with prior press releases or public statements made in accordance with this Section 10.10 and (y) contact employees, consultants, agents, advisors, customers, clients and suppliers to inform them of the acquisition.

Section 10.11 Expenses. Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated by this Agreement are consummated, all direct and indirect costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the party incurring such expenses.

*[The remainder of this page is intentionally left blank.]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**ACCELERANT HOLDINGS**

By: /s/ Jeff Radke  
Name: Jeff Radke  
Title: CEO

**ARU MERGER SUB, LLC**

By: /s/ Ryan Schiller  
Name: Ryan Schiller  
Title: VP

*[Signature Page to Agreement and Plan of Merger]*

Confidential

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**THERE'S A WAY, LLC**

By: /s/ William G. Johnson III  
Name: William G. Johnson III  
Title: Member

/s/ William G. Johnson III  
**WILLIAM G. JOHNSON III**

*[Signature Page to Agreement and Plan of Merger]*

Confidential

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**SCHEDULE I**  
**REQUIRED REGULATORY APPROVALS**

1. Change of control filing with the Texas Department of Insurance related to the acquisition of control of 2WJ.

Confidential

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jeff Radke, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of Accelerant Holdings;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Paragraph omitted pursuant to Rule 13a-14;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 28, 2025

By: \_\_\_\_\_

/s/ Jeff Radke

**Jeff Radke  
Chief Executive Officer**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jay Green, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of Accelerant Holdings;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Paragraph omitted pursuant to Rule 13a-14;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 28, 2025

By:

/s/ Jay Green

**Jay Green**  
**Chief Financial Officer**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Accelerant Holdings (the "Company") on Form 10-Q for the period ending June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 28, 2025

By:

/s/ Jeff Radke

**Jeff Radke**  
**Chief Executive Officer**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Accelerant Holdings (the "Company") on Form 10-Q for the period ending June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 28, 2025

By: \_\_\_\_\_ */s/ Jay Green*  
**Jay Green**  
**Chief Financial Officer**