

CONVEX UK SERVICES LIMITED

Registered Number 11828675

Annual Report
For the year ended 31 December 2024



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Business Review and Future Developments

Convex UK Services Limited (“the Company”) is a subsidiary of Convex Group Limited (“CGL”). The principal activity of the Company is to provide support services to CGL and its subsidiaries (the “Convex Group”).

Strategy and Objectives

The Company's strategy is to provide staff and administrative services to other Convex Group companies in the most cost-effective manner and recharge these costs plus a mark-up as agreed upon in the service level agreements.

Results and Performance

The Company's profit on ordinary activities before taxation for the financial year was \$5.3 million (2023: \$8.0 million) with shareholder's funds of \$34.4 million (2023: \$29.5 million) at the year end. The key driver of Company performance, given turnover is a factor of operating expenses plus mark up, is operating expenses. Operating expenses have increased significantly in 2024 compared to 2023 as a result of the overall growth of the Convex Group, and increases in the underlying drivers of costs such as employee numbers.

Financial Key Performance Indicators

The Directors review certain financial key performance indicators (“KPIs”) in order to assess the performance of the Company and make decisions on allocating resources.

Key performance indicator	Description	2024 \$m	2023 \$m
Turnover		355.0	291.7
Operating expenses		350.7	284.3
Operating margin	Ratio of operating profit to turnover	1.2%	2.5%
Net current assets		40.8	33.5
Net assets		34.4	29.5

Timing differences in the attribution and recharge of costs to Convex Group entities can give rise to fluctuations in the operating margin recognised in the *Profit and Loss Account* in any one year, but there has been no change in the mark up margin applied, the nature of the costs incurred or the cost allocation methodology in 2024.

Non-Financial Key Performance Indicators

In addition to financial KPIs, the Directors also monitor certain non-financial KPIs across a number of areas of the business, including employee engagement and IT. At this stage of the Convex Group's business development, the Directors monitor non-financial KPIs at the Convex Group level, rather than at the Company level.

Key Performance Indicator	Description	2024	2023
People and Culture	Employee response rate to annual survey (launched in 2021): The Company is focused on creating a culture where employees feel empowered and have a sense of belonging. A strong response rate is indicative of employee empowerment, as well as engagement in providing feedback.	93%	93%
IT	IT tickets closed within two business days: Efficient handling of IT issues improves operational efficiency.	96%	95%

Future Outlook

As noted above, the Company provides support services to other Convex Group companies and this will continue to be its principal activity for the foreseeable future.

Principal Risks and Uncertainties

Overall organisational risks

Management monitor the Company's risks on an ongoing basis and maintain appropriate safeguards to mitigate risk. Set out below are the main risks to which the Company is exposed.

Financial risk

Financial risk refers to the risk of financial loss due to a change in the value of the Company's assets, or a change of market risk factors that affect the value of such assets. The Company has identified the following as its main sources of financial risks: foreign exchange risk, credit risk and liquidity risk - see Note 4 for further details.

Operational risk

This is the risk that the Company will not be able to operate in a fashion whereby the objectives of the Company can be met due to inadequate or failed processes, people and systems, or from external events. It arises out of actions undertaken within Convex Group Companies. The Company seeks to manage this risk through operational procedures and controls which are monitored on a regular basis. The Company is exposed to the risk that the demand for its services could deteriorate if trading activities of Convex Group Companies were to decline. Given the current forecasts of Convex Group Companies, this risk is currently deemed remote.

Strategic risk

Strategic risk is the risk to earnings arising from adverse business decisions or improper implementation of those decisions, inability to act in response to business opportunities, or to adapt to changes in its operating environment.

Given the Company's role within the Convex Group is charge other Convex Group companies for support services with a mark-up to expenses, there are no plans to change this arrangement and no liquidity concerns in respect of these entities, this risk is currently deemed remote.

In addition, the Company's principal source of capital is its parent company CGL, which in turn has various sources of capital available to it and seeks to optimise its capital usage to consistently optimise shareholder returns.

Section 172(1) Statement

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in Section 172 (1)(a) to (f) of the UK Companies Act 2006 which is summarised as follows:

"A director of a company must act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole, and in doing so have regard (amongst other matters) to:

- *The likely consequences of any decisions in the long-term;*
- *The interests of the company's employees;*
- *The need to foster the company's business relationships with suppliers, customers, and others;*
- *The impact of the company's operations on the community and environment;*
- *The desirability of the company maintaining a reputation for high standards of business conduct; and*
- *The need to act fairly as between shareholders of the Company."*

The following paragraphs summarise how the Directors fulfil their responsibilities under Section 172 (1)(a) to (f) in alignment with the Company's core values. Key stakeholders of the business are: Employees, Customers (primarily other Convex Group entities), Community and Charity, and Environment.

Section 172(1) Statement (continued)

Employees

The Convex Group's employees are one of our most important assets and ensuring they are happy, engaged and well-informed is key to our success. Creating a values-driven culture and being honest and transparent helps engage employees and results in a greater contribution to the Company's goals and objectives. During 2024 we continued to hold regular all-employee town hall meetings hosted by the Convex Group Executive Chairman and CEO. We also held the fourth annual Convex Festivals in Bermuda and the UK for all Convex employees ("Convexians") and their family members, providing them with an opportunity to relax, have fun and meet the wider Convex family.

We continue to think about our employee value proposition and in January 2024 launched our enhanced secondary parental/paternity leave, increasing it from 8 weeks to 6 months at full pay, no matter how Convexians become a parent.

Our Dream Pitch initiative, which allows employees to pitch for support in achieving a dream goal - i.e. something they might not otherwise have the time, money or resource to achieve, continued over 2024. The 2020 winner completed her Dream Pitch in August 2024 by producing and performing her show 'Girlhood' at the Edinburgh Fringe Festival.

Our 2024 employee engagement survey achieved a 93% response rate. In their responses, employees continued to highlight how the culture is innovative and progressive, as well as noting the high quality of colleagues with whom they work. Convex were also very proud to be awarded one of the Sunday Times' "Best Places to Work 2024" awards, where we were included in the Top Ten 'Highflyers' in the big organisations category.

Over 2024, as we entered our 5th year as a business, we focused on how we nurture, retain and engage Convexians and where they can learn and grow. As a result, we launched our Talent & Growth strategy, which had at its centre the idea of authentic, quality career conversations. Convex's pipeline of talent also remained critical and we welcomed a range of students via our graduate and school leaver programme, and via our summer internship. We also hosted a number of diversity and inclusion events including co-hosting with LINK, the LGBTQ+ cross insurance group, a great event at the Queer Britain museum in London in April.

As a Disability Confident Committed Employer Convex is committed to:

- Ensuring our recruitment process is inclusive and accessible;
- Communicating and promoting vacancies;
- Offering an interview to disabled people who meet the minimum criteria for the job;
- Anticipating and providing reasonable adjustments as required;
- Supporting any existing employee who acquires a disability or long term health condition, enabling them to stay in work; and
- At least one activity that will make a difference for disabled people.

Customers (Convex Group and its subsidiaries)

The Company engages with other Convex Group entities to provide support services and staff. Given the organisational structure of the Convex Group, the Company's management have open and regular communications with stakeholders within the business.

Section 172(1) Statement (continued)

Community and Charity

Supporting our local community is a fundamental part of Convex's Corporate Responsibility ("CR") and is being embedded into our CR principles. The Convex Group strengthened ties with our community over 2024, with activities led and managed by employees via our London and Bermuda Charity, Outreach, Diversity & Engagement ("CODE") Committees, which in turn reports into the Convex Group's Corporate Responsibility Committee.

We engaged in a number of initiatives over the year, as set out below:

- In 2024, we continued to offer 3 volunteering days to each employee to use with charitable organisations of their choice. Some teams chose to volunteer together: for example, our Claims team hosted a beach clean in Brighton with a group of Brokers in partnership with the Marine Conservation Society.
- Convex also continue to fund-match all charitable endeavours up to \$500, supporting countless employees to run, climb, swim and cycle to raise money for charities. In recognition of Convex's 5th Birthday we initiated a volunteering initiative in London to help prepare 5,000 meals in 8 hours, working with the Thomas Franks Foundation and their partners City Harvest, who distributed into their network of 470 local charities and community organisations.
- In 2024 Convex continued working with Alzheimer's Research UK ("ARUK") as our corporate charity partner to educate employees, brokers and clients about dementia and Alzheimer's. One highlight was an employee visit to one of the world's leading research centres. The work of the London & Bermuda CODE Committees, which are made up of volunteers from across Convex Group, has continued in 2024. These Committees aim to support our local communities through charitable giving and outreach, building open dialogue and initiatives relating to diversity, as well as being a forum for social engagement within the local offices.
- In 2024, the London CODE committee chose our next local charity partner for the year as the Childhood Trust. This is a charity dedicated to alleviating the impact of poverty on children in London. The partnership involved both a monetary donation and opportunities for Convexians to volunteer. Convex also supports the London Youth Choir, a charity working to transform young lives through singing; through 10 choirs and free programmes in schools, helping thousands of young Londoners each year access the joys and benefits of singing.
- Convex Allies, a group of employees from across the business linked to the CODE Committee, met regularly throughout 2024 to promote inclusion within Convex. They hosted a number of events including a panel on 'inspiring inclusion' for International Women's Day and one on 'movement for mental health' later in the year. The team also initiated an internal podcast series called 'Convex Journeys', featuring interviews with Convexians from across the organisation, talking about their personal and career journeys.
- In 2024, Convex also continued our partnership with Haverstock School in Camden. As part of this we began sponsorship of our third student to provide fees to cover all university fees and accommodation. We also continued to mentor sixth form students and hosted masterclasses to teach students about the insurance industry.
- The Convex Seascape Survey ("CSS") has had a significant impact this year, with a progress report presented to an esteemed audience at COP 28, Dubai and further elaboration by lead scientist, Professor Callum Roberts, at the Economist World Ocean Summit in Lisbon. The project's educational value was exhibited through the release of globally accessible, free lessons on Ocean and Climate, contributing to the formal integration of the ocean's role in the carbon cycle into the UK school curriculum. Additionally, we hosted events such as the CSS Kids Science Day in London and an 'Introduction to Convex Seascape Survey' at the Bermuda Underwater Exploration Institute.

Section 172(1) Statement (continued)

Environment

Our approach to sustainability is integral to and integrated in Convex's strategy, and is underpinned by Convex's values. We are clear that we will only deliver on our ambition to be the partner of choice for the insurance and reinsurance of complex specialty risks if we fully integrate environmental, social and governance considerations into how we run our organisation. Over the last few years, the Convex Group has undertaken several activities to actively participate and advance in our sustainability journey:

- CGL's Executive Chairman, Stephen Catlin, leads the Convex Group's engagement in climate change risk and the broader sustainability agenda.
- The Convex Sustainability Strategy is set out in our Sustainability Statement which can be found on our website. This strategy was developed with active engagement from Convex Group entity Boards and members of senior management, demonstrating a clear acknowledgement of the importance of climate related matters in the Convex Group's overall strategy. Our Sustainability Strategy includes a Board approved commitment to net zero by 2050, with actions identified to develop interim targets and milestones.
- There is an active Sustainability Engagement Plan which has seen our Group Head of Sustainability undertake a series of engagements with our insurer, broker and client community in order to foster good communications and action on sustainability and, in particular, decarbonisation.
- Our engagement with Climatewise, an industry-led organisation convened by the University of Cambridge Institute for Sustainability Leadership, continues to be strong: Stephen Catlin, has been a Climatewise Council member since its inception and our Group Head of Sustainability is an active member of the Management Committee. In 2024 the Convex Group continued to report against the Climatewise Principles, which are aligned to UK climate and sustainability reporting, and this was subject to independent review.
- This year has seen the completion of another Convex Seascope Survey, a global, five year research programme into carbon stored in the seascape, aiming to create open access data together with a notable education programme. The work, led by University of Exeter and a number of other institutions, is advancing global understanding of the ocean's function as a carbon sink, improving our knowledge of how the ocean and the atmosphere interact in transferring carbon dioxide and the role of animal life above and within the seabed and the carbon they lock away. The progress of CSS is overseen by the CSS Steerco which includes the Convex Group Executive Chairman, Group Head of Sustainability and Group Head of Marketing, together with representatives of Blue Marine Foundation and University of Exeter.
- Convex's Impact Investment strategy seeks to target attractive investment opportunities which contribute to specific environmental or social outcomes. To date we have executed on two transactions and are actively reviewing a number of additional opportunities.
- Convex has continued to expand our sustainable insurance offerings through support of multiple offshore wind programs, aiding battery recycling facilities, and promoting sustainable aviation.
- Convex has supported climate change research and initiatives by sponsoring the development of the 'Magniphi' climate change loss sampler tool by Maximum Information and being actively involved with Oasis, an open-source catastrophe modelling platform. Additionally, Convex has contributed to the Insurance Development Forum and the Geneva Association, enhancing risk modelling and supporting the transition to a resilient, low-carbon economy.
- Convex Group has purchased carbon offsets from a number of entities to offset 2024 emissions.

Suppliers

Our suppliers help Convex deliver the service excellence for which we strive, and as such we try to work in a partnership with them. We have maintained and developed our relationships with suppliers as follows:

- In 2024, the Company continued to have ongoing and periodic discussions with our key suppliers. Updates on these regular meetings were provided to the Board.

Principle Decisions of the Board 2024

The Board of Directors continued to act and make strategic decisions in line with the Company's and the Convex Group's objectives to promote the continued growth and operation of the Company. The following key decisions were made in 2024:

- approval of the 2023 financial results.
- approval of Going Concern Memorandum
- approval of Dividend Policy

Approved by the Board of Directors on 24 March 2025 and signed on its behalf by:

Brian Bissett

Brian Bissett (10 April 2025)
Director

CONVEX UK SERVICES LIMITED

Directors' Report

For the year ended 31 December 2024

Directors

The following individuals served as Directors during the financial year, and up to the approval date of this report:

Brian Bissett

Paul Brand

Adrian Spieler

Matthew Wilson

Employees

Details of the Company's approach to dealing with its employees, including the approach to employing disabled people, is included in the *Section 172(1) Statement* section of the *Strategic Report*.

Directors' Indemnification

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. Convex Group Limited also purchased and maintained Directors' and Officers' liability insurance in respect of group companies and their Directors.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and this re-appointment is ongoing.

Future Outlook

The main features of the Company's future development can be found in the Strategic Report. The future development forms part of this Directors' Report and is incorporated by cross-reference.

Going Concern

The Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future given the Company's net asset position and liquidity at the year end. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Dividends Paid and Declared

No dividends were paid or proposed for the year (2023: nil).

Financial Instruments

The financial risk management objectives and policies for the Company can be found within the Strategic Report, with details of exposures being found in Note 4. Financial risk management objectives and policies form part of this Directors' Report and is incorporated into it by cross-reference.

Subsequent Events

The Company has completed a review of events occurring after 31 December 2024 and before the date the financial statements were authorised for issue. There were no events that required either disclosure in, or adjustment to, the financial statements.

CONVEX UK SERVICES LIMITED

Directors' Report

For the year ended 31 December 2024

Streamlined Energy and Carbon Reporting

The table below shows the Company's operational energy and carbon footprint in line with the reporting requirements of the UK government's Streamlined Energy and Carbon Reporting ("SECR") framework. Our carbon emissions are reported using the Greenhouse Gas Protocol, a widely used international reporting tool. Greenhouse gas ("GHG") emissions are categorised into three scopes:

- Scope 1 covers direct emissions from owned or controlled sources. The Company consumes gas in the use of its office buildings.
- Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling which the Company consumes. Electricity for our UK office is certified from renewable sources.
- Scope 3 includes all other indirect emissions that occur in the Company's value chain. In 2024, our reporting of Scope 3 emissions has been updated to include employee commuting as well as business travel and business waste.

Greenhouse Gas Emissions ("GHG") 2024

Scope	Description	Metric	2024 tCO₂e*	2023 tCO₂e*
Scope 1	Natural Gas	kwH	3.6	4.1
Scope 2	Electricity (location-based)	kwH	12.5	13.3
Scope 3	Travel (Flights, rail, taxi, and hotel) and waste	Mile	8.9	0.1
Total Emissions			25.1	17.5
Intensity ratio	Average tCO ₂ e per employee		0.58	0.44
Carbon Offsets			(25.1)	(17.5)
Total Net Emissions			—	—

* tCO₂e – defined as a metric tonne of carbon dioxide, or equivalent thereof for other greenhouse gasses. Figures are calculated by multiplying the relevant metric by the UK Government conversion factors for greenhouse gas reporting.

The Company has a number of initiatives to reduce its carbon footprint, including 100% of the electricity for our UK offices certified as from renewable sources.

Our objective to build a sustainable operation will form a significant part of our journey to net-zero. However, a significant proportion of our reported emissions is from corporate travel which will remain hard to abate for some time to come. For this reason, the purchase of carbon offsets forms part of Convex's transition strategy alongside the development of targets and strategies to reduce such emissions. Convex has purchased offsets from a range of projects, including carbon avoidance and carbon removal, that are registered with leading standards such as Gold Standard, Plan Vivo and Verra. Further details on our carbon offsets can be found in our ClimateWise Report, published on the Convex website <https://convexin.com/about-us/sustainability/>.

CONVEX UK SERVICES LIMITED

Directors' Report

For the year ended 31 December 2024

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

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

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

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

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

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approved by the Board of Directors on 24 March 2025 and signed on its behalf by:

Brian Bissett

Brian Bissett (10 April 2025)
Director

Independent auditors' report to the members of Convex UK Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Convex UK Services Limited's financial statements:

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

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2024; the Profit and Loss Account; the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Independent auditors' report to the members of Convex UK Services Limited

Strategic report and Directors' report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Companies Act 2006, and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journals. Audit procedures performed by the engagement team included:

- Discussions with the Board, management, internal audit, the risk and compliance functions and the company's legal function, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessment of matters reported on the whistleblowing helpline and the results of investigations of such matters;
- Identifying and testing journal entries based on our criteria;
- Reviewing relevant company meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of Convex UK Services Limited

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Siobhán Byrne

Siobhan Byrne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 April 2025

CONVEX UK SERVICES LIMITED
Profit and Loss Account
For the year ended 31 December 2024

(Expressed in thousands of U.S. Dollars)	Notes	2024	2023
Turnover	5	354,971	291,681
Administrative expenses	6	(350,679)	(284,283)
Operating profit		4,292	7,398
Interest income		1,004	643
Profit before tax		5,296	8,041
Tax on profit	8	(364)	(2,381)
Profit for the year		4,932	5,660

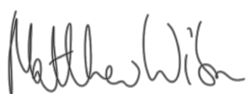
Other comprehensive income for the year is \$nil (2023: \$nil).

CONVEX UK SERVICES LIMITED
Statement of Financial Position
As at 31 December 2024

(Expressed in thousands of U.S. Dollars)	Notes	2024	2023
FIXED ASSETS			
Tangible assets	9	690	2,996
Investment in Joint Venture	10	55	55
CURRENT ASSETS			
Debtors	11	95,404	97,350
Cash at bank and in hand		28,412	19,707
		<u>123,816</u>	<u>117,057</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(82,991)	(83,509)
NET CURRENT ASSETS		<u>40,825</u>	<u>33,548</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>41,570</u>	<u>36,599</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	(7,141)	(7,102)
NET ASSETS		<u>34,429</u>	<u>29,497</u>
CAPITAL AND RESERVES			
Called up share capital	14	5,000	5,000
Profit and loss account		29,429	24,497
TOTAL SHAREHOLDER'S FUNDS		<u>34,429</u>	<u>29,497</u>

The accompanying notes on pages 18 to 28 are an integral part of these financial statements.

Approved by the Board of Directors on 24 March 2025 and signed on its behalf by:



Matthew Wilson (10 April 2025)
Director

Convex UK Services Limited
Registered number 11828675

CONVEX UK SERVICES LIMITED

Statement of Changes in Equity

For the year ended 31 December 2024

(Expressed in thousands of U.S. Dollars)	Called-up share capital	Profit and loss account	Total shareholder's funds
At 1 January 2024	5,000	24,497	29,497
Profit for the financial year	—	4,932	4,932
At 31 December 2024	5,000	29,429	34,429

	Called-up share capital	Profit and loss account	Total shareholder's funds
At 1 January 2023	5,000	18,837	23,837
Profit for the financial year	—	5,660	5,660
At 31 December 2023	5,000	24,497	29,497

(Expressed in thousands of U.S. Dollars except where indicated)

1. General Information

Convex UK Services Limited (“the Company”) is a subsidiary of Convex Group Limited (“CGL”). The principal activity of the Company is to provide support services to CGL and its subsidiaries (“the Convex Group”).

The address of the Company’s registered office is 52 Lime Street, London, EC3M 7AF, United Kingdom.

2. Statement of Compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland* (“FRS 102”), and in accordance with the requirements of applicable law, primarily the *Companies Act 2006* (“the Act”) and the *Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008* (“the Regulations”).

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies adopted are consistent with those of the previous financial year.

a. Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, and cover the year ended 31 December 2024.

b. Going concern

Having assessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

c. Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

The most significant estimates made by management are in respect of assessing the useful economic lives of tangible assets, as discussed in section j below.

d. Statement of Cash Flows and Statement of Other Comprehensive Income

The Company has taken advantage of the exemption under FRS 102 paragraph 1.12(b), from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and its immediate and ultimate parent company, Convex Group Limited, includes the Company’s cash flows in its publicly available consolidated financial statements.

The Company had no “other comprehensive income” in either the current or prior period so has not presented a separate Statement of Other Comprehensive Income.

e. Revenue

Revenue comprises service fee income derived from intergroup service level agreements plus a mark-up appropriate for the value of these services. These service level agreements allow for the centralised provision of staff and services to Group entities.

Revenue is recognised on an accruals basis in the accounting period in which the services are rendered and in accordance with the substance of the service level agreement.

(Expressed in thousands of U.S. Dollars)

3. Summary of Significant Accounting Policies (continued)

k. Cash

Cash includes cash at bank and in hand and deposits held at call with banks.

l. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m. Distributions to equity shareholders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the year in which the dividends and other distributions are approved by the Company's shareholder. These amounts are recognised in the Statement of Changes in Equity.

4. Risk Management

The Company identifies material risks inherent in its business through its risk management function and Risk Committee. This includes identifying and assessing existing and emerging risks, and then using controls and processes in place to mitigate and manage these risks appropriately.

The objectives of the Company's risk management function are to ensure that:

- all material risks are proactively identified;
- the probability and impact of each risk are quantified on a pre-mitigation and post-mitigation basis;
- the potential to cause losses or generate profits is understood and assessed;
- appropriate action is taken to manage the assumption of each risk based on that assessment and the Company's stated risk appetite; and
- an appropriate level of capital is held to cover financial and non-financial risks from all sources.

Whilst risk management is the responsibility of the Board, there is additional oversight of the Company's Risk Management Function by the Group Executive Risk Committee ("GERC"), a sub-committee of the Group Executive Committee which reports to the Group Board of Directors. The GERC pays particular attention to the maintenance and oversight of the Group Risk Management Framework by the Risk Management Function.

The Company is exposed to risks from several sources. These fall into the broad categories of financial risk (comprising foreign exchange, credit and liquidity), operational risk, and strategic risk.

Financial risk

Financial risk refers to the risk of financial loss due to a change in the value of the Company's assets, or a change of market risk factors that affect the value of such assets. The Company has identified the following as its main sources of financial risks: foreign exchange risk, credit risk and liquidity risk.

a. Financial risk – foreign exchange

Although the Company's functional and reporting currency is USD, it operates internationally and its exposures to foreign exchange risk arise from several currencies when these exchange rates fluctuate against USD. This impacts the non-USD denominated transactions, assets and liabilities. The Company's approach to mitigating foreign exchange risk is linked to, and managed by, its ultimate parent company, CGL. CGL is party to foreign currency forward contracts which hedge against fluctuations in foreign exchange rate between GBP and USD. The Company's principal source of capital is CGL and it therefore participates in the benefits of CGL's hedging against foreign exchange rate fluctuations, as required. This enables the Company to hold sufficient capital in the relevant currencies to meet its obligations.

(Expressed in thousands of U.S. Dollars)

4. Risk Management (continued)

Currency exposures are as follows:

	2024			Total
	USD	GBP	Other	
Assets	101,636	22,755	170	124,561
Liabilities	(6,989)	(83,099)	(44)	(90,132)
Total equity	94,647	(60,344)	126	34,429

	2023			Total
	USD	GBP	Other	
Assets	92,137	27,653	318	120,108
Liabilities	(13,268)	(76,931)	(412)	(90,611)
Total equity	78,869	(49,278)	(94)	29,497

b. Financial risk – credit

Credit risk is the risk of potential financial loss due to unexpected default, or deterioration in the credit ratings of asset counterparties - causing a loss in asset values. An analysis of exposures by counterparty credit ratings is as follows:

Credit Rating	2024		Total
	Debtors	Cash at bank and in hand	
AA	8,677	—	8,677
AA-	—	27,871	27,871
A+	—	541	541
A-	86,727	—	86,727
	95,404	28,412	123,816

Credit Rating	2023		Total
	Debtors	Cash at bank and in hand	
AA	14,748	—	14,748
AA-	—	12,324	12,324
A+	—	7,383	7,383
A-	82,602	—	82,602
	97,350	19,707	117,058

(Expressed in thousands of U.S. Dollars)

4. Risk Management (continued)

c. Financial risk – liquidity

Liquidity risk is the risk that the Company is unable to meet its contractual obligations in a timely manner. The Company aims to keep liquidity risk as low as possible and holds a significant amount of its cash as bank deposits. The maturity dates of debtors and cash at bank and in hand are as follows:

	2024				Total
	0-1 year	1-3 years	3-5 years	> 5 years	
Cash at bank and in hand	28,412	—	—	—	28,412
Debtors	91,841	1,869	610	1,084	95,404
	120,253	1,869	610	1,084	123,816

	2023				Total
	0-1 year	1-3 years	3-5 years	> 5 years	
Cash at bank and in hand	19,707	—	—	—	19,707
Debtors	92,648	3,071	512	1,119	97,350
	112,355	3,071	512	1,119	117,057

Strategic risk

Strategic risk is the risk to earnings arising from adverse business decisions or improper implementation of those decisions, inability to act in response to business opportunities, or to adapt to changes in its operating environment. The following are examples of strategic risks facing the Company:

- The Convex Group faces liquidity issues and no longer operates as a going concern, rendering the Company's ability to charge for services redundant.
- Failure of large information technology and infrastructure projects to achieve specified goals.

The responsibility for strategic risk control and mitigation rests with senior management under the oversight of the Board of Directors. In addition, the Company's principal source of capital is its parent company which in turn has various sources of capital available to it and seeks to optimise its capital usage to consistently optimise shareholder returns.

Operational risk

Operational risk refers to the risk of financial or other loss, or potential damage to the Company's reputation resulting from inadequate or failed internal processes, people and systems or from external events. The following are some examples of operational risks facing the Company:

- Legal and compliance risk;
- Information technology risk;
- Loss of key officers or employees;
- System failure and business interruption;
- Execution errors;
- Employment practice liability; and
- Internal and external fraud.

These risks are managed through internal control processes and monitoring tools such as the risk register.

The Company has a low appetite for operational risk. Operational risk is difficult to quantify but can only be controlled through appropriate corporate governance and internal control measures. The Company has developed a number of policies and procedures aimed to control or mitigate the negative impact that may potentially result from operational risk events.

(Expressed in thousands of U.S. Dollars)

5. Turnover

The Company's activities consist solely of the provision of services to companies in the Convex Group. The geographical analysis of turnover is set out below:

	<u>2024</u>	<u>2023</u>
Services rendered to Group companies incorporated in:		
United Kingdom	249,973	206,661
Bermuda	79,136	71,980
Luxembourg	20,188	10,053
United States of America	2,618	466
Guernsey	3,056	2,521
Turnover	<u>354,971</u>	<u>291,681</u>

Services rendered to Convex Guernsey Limited are paid for by its parent, Convex Re Limited.

6. Administrative Expenses

	<u>2024</u>	<u>2023</u>
Administrative expenses include:		
Wages and salaries	126,289	103,886
Social security costs	20,622	15,253
Other pension costs	7,896	6,570
Staff costs	<u>154,807</u>	<u>125,709</u>
	<u>2024</u>	<u>2023</u>
Auditors' remuneration:		
Fees payable to the external auditors for the audit of the financial statements	156	134

(Expressed in thousands of U.S. Dollars)

7. Employees and Directors

Employees

The average monthly number of persons (including Executive Directors) employed by the Company during the year was:

By activity:	2024	2023
	Number of employees	Number of employees
Administration	241	229
Management	8	5
Underwriting claims	186	165
	435	399

The Directors of the Company are remunerated for their services to the Convex Group Companies.

During the year, no Directors' emoluments or compensation were paid to Directors or key management personnel of the Company for services performed in relation to their role as Directors of the Company (2023: nil).

8. Income Tax

Tax on profit

	2024	2023
United Kingdom corporation tax at 25% (2023: 23.5%)		
Current tax on income for the year	837	(2,899)
Adjustments in respect of previous financial years	(1,022)	790
Total current tax charge	(185)	(2,109)
Foreign taxation – adjustment in respect of prior years	—	(2)
Foreign taxation	—	(2)
Total current tax charge	(185)	(2,111)
United Kingdom deferred tax movements		
Origination and reversal of timing differences	(2,709)	334
Adjustments in respect of previous financial years	2,530	(604)
Total deferred tax expense	(179)	(270)
Tax on profit	(364)	(2,381)

(Expressed in thousands of U.S. Dollars)

Factors impacting the tax charge for the year

The tax assessed on the profit before tax for the year is different than that resulting in applying the standard rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are reconciled below:

	<u>2024</u>	<u>2023</u>
Profit before tax	5,296	8,041
Profit before tax multiplied by the standard rate of UK corporation tax of 25% (2023: 23.5%)	(1,324)	(1,890)
Factors affecting change		
Rate change adjustment	—	17
Adjustments in respect of prior years - current tax	(1,022)	790
Adjustments in respect of prior years - deferred tax	2,530	(604)
Permanent differences	(548)	(692)
Other foreign taxes	—	(2)
	<u>960</u>	<u>(491)</u>
Tax on profit	<u>(364)</u>	<u>(2,381)</u>

Factors that may impact future tax changes

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. The current year corporation tax has been calculated at a rate of 25%.

The deferred tax included in the statement of financial position is as follows:

	<u>2024</u>	<u>2023</u>
Capital allowances in excess of depreciation	3,233	2,823
Pension costs	—	143
Deferred bonus cost	1,114	1,561
Deferred tax asset	<u>4,347</u>	<u>4,527</u>

An analysis of the movement in deferred tax is as follows:

	<u>2024</u>	<u>2023</u>
At 1 January	4,527	4,797
Prior year adjustment	2,530	(604)
Current year movement	(2,710)	334
At 31 December	<u>4,347</u>	<u>4,527</u>

UK legislation has been enacted that introduces the Organisation for Economic Co-operation and Development (“OECD”) Pillar Two Model Rules into UK law. Although this legislation was substantively enacted in 2023, it was not in effect and therefore no current tax impacts were recognised for the year ended 31 December 2023. For the year ended 31 December 2024 the legislation is in effect and the Company is within the scope of the UK domestic top-up tax rules. However, no additional current tax has been recognised in the 31 December 2024 numbers as the impact of applying these rules has been calculated to be nil. In accordance with the requirements of FRS 102, Pillar Two impacts have not been considered in the recognition or measurement of deferred tax.

(Expressed in thousands of U.S. Dollars)

9. Tangible Assets

	Furniture & Equipment	Computer Equipment (Hardware)	Leasehold improvements	Total
2024				
Book cost				
At beginning of year	1,042	1,022	11,962	14,026
Additions during the year	—	—	—	—
At end of the year	1,042	1,022	11,962	14,026
Accumulated depreciation				
At beginning of year	(1,008)	(1,011)	(9,011)	(11,030)
Charge for the year	(34)	(11)	(2,261)	(2,306)
At end of the year	(1,042)	(1,022)	(11,272)	(13,336)
Net book value				
At beginning of year	34	11	2,951	2,996
At end of the year	—	—	690	690
2023				
Book cost				
At beginning of year	1,042	1,022	11,962	14,026
Additions during the year	—	—	—	—
At end of the year	1,042	1,022	11,962	14,026
Accumulated depreciation				
At beginning of year	(962)	(974)	(6,617)	(8,553)
Charge for the year	(46)	(37)	(2,394)	(2,477)
At end of the year	(1,008)	(1,011)	(9,011)	(11,030)
Net book value				
At beginning of year	80	48	5,345	5,473
At end of the year	34	11	2,951	2,996

(Expressed in thousands of U.S. Dollars)

10. Investment in Joint Venture

The Company holds 20% (2023: 20%) of the ordinary shares of Chrysalis Management Limited (“CML”), a corporation established in the United Kingdom with registered office Melbury House, 34 Southborough Road, Bromley, Kent, BR1 2EB.

11. Debtors

	<u>2024</u>	<u>2023</u>
<i>Amounts falling due within one year</i>		
Amounts owed by Group undertakings	68,587	69,852
Prepayments and accrued income	13,596	7,996
Value added tax recoverable	8,677	14,748
Deferred tax (refer to Note 8)	957	—
Sundry assets	24	52
	<u>91,841</u>	<u>92,648</u>
<i>Amounts falling due in more than one year</i>		
Deferred tax (refer to Note 8)	3,390	4,527
Rent deposits	173	175
Total debtors	<u>95,404</u>	<u>97,350</u>

Amounts owed by Group undertakings are unsecured, interest free and receivable on demand.

12. Creditors

	<u>2024</u>	<u>2023</u>
<i>Amounts falling due within one year</i>		
Taxation and social security	1,142	3,008
Accrued bonuses	58,412	46,176
Accrued operating expenses	23,005	27,829
Other creditors	432	6,496
	<u>82,991</u>	<u>83,509</u>
<i>Amounts falling due after more than one year</i>		
Accrued bonuses deferred	6,477	6,309
Lease liabilities	664	793
	<u>7,141</u>	<u>7,102</u>

13. Post Employment Benefits

The Company operates a defined contribution scheme. The costs for the financial year, which represents the contributions payable by the Company, amounted to \$7,896 (2023: \$6,570). As at 31 December 2024 \$775 (2023: \$707) in respect of contributions to this scheme was included in creditors.

(Expressed in thousands of U.S. Dollars except for nominal value of shares which are expressed in U.S. Dollars)

14. Called up Share Capital

	<u>2024</u>	<u>2023</u>
Allotted, called up and fully paid:		
100,000,025 (2023: 100,000,025) ordinary shares of \$0.05 each	5,000	5,000

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 52 Lime Street, London, EC3M 7AF.

15. Operating Leases

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	<u>2024</u>	<u>2023</u>
Payment due		
Not later than one year	5,061	5,143
Later than one year and not later than five years	10,677	11,854
Later than five years	—	4,140
	<u>15,738</u>	<u>21,137</u>

16. Related Party Transactions

See Note 7 for disclosure of the Directors' remuneration and key management compensation.

Included within Administrative Expenses in the Profit and Loss Account are \$1,941 of professional service expenses (2023: \$1,216) and \$1,075 of consultancy and licensing fee expenses (2023: \$398) provided by related parties of the Company. The Company is exempt from disclosing related party transactions with other companies that are wholly owned within the Convex Group.

17. Immediate and Ultimate Parent Undertakings

The immediate and ultimate parent undertaking, and the smallest and largest group to consolidate these financial statements, is Convex Group Limited.

Copies of the Convex Group Limited consolidated financial statements can be obtained from Point House (6th Floor), 6 Front Street, Hamilton HM11, Bermuda.

18. Events after the End of the Reporting Period

There were no events occurring between the end of the reporting period and the date the financial statements were authorised for issue that had a material impact on the financial results of the Company for the year ending 31 December 2024 or the financial position of the Company on that date.

**Convex Re Limited**

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Convex Group is the trading name of Convex Group Limited, a company incorporated in Bermuda, and the ultimate parent company of the Convex Group of companies, as follows: Convex Re Limited, a company incorporated in Bermuda, which is a wholly-owned subsidiary of Convex Group Limited and licensed and supervised by the Bermuda Monetary Authority; Convex Insurance UK Limited, a company incorporated in England & Wales, which is a wholly-owned subsidiary of Convex Re Limited and authorised by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); Convex Europe S.A. a company incorporated in Luxembourg, which is a wholly-owned subsidiary of Convex Insurance Limited authorised and supervised by the Commissariat aux Assurances (CAA). Convex Europe S.A. UK Branch is a branch of Convex Europe S.A. and authorised by the FCA. Convex Guernsey Limited, a company incorporated in Guernsey, which is a wholly owned subsidiary of Convex Re Limited and licensed and regulated by Guernsey Financial Services Commission. Convex North America Insurance Services LLC, a company incorporated in Delaware, USA, which is a wholly owned subsidiary of Convex Insurance UK Limited and is a managing general agent; and Convex UK Services Limited, a company incorporated in England & Wales, which is a wholly-owned subsidiary of Convex Group Limited.