

CONVEX GROUP LIMITED

Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Expressed in thousands of U.S. dollars)





Report of Independent Auditors

To the Board of Directors and Shareholders of Convex Group Limited

Opinion

We have audited the accompanying consolidated financial statements of Convex Group Limited and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income and comprehensive income, of shareholders' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the required supplemental information pertaining to Short-Duration Contracts disclosures labelled as "Unaudited" within Note 8 on pages 22 to 25 be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

March 31, 2026



CONVEX GROUP LIMITED

Consolidated Balance Sheets

As of December 31, 2025 and 2024

(Expressed in thousands of U.S. dollars, except for share information)

Assets	2025	2024
Investments		
Fixed maturity investments trading, at fair value (amortized cost: \$6,501,033, 2024: \$5,658,184)	\$ 6,552,950	\$ 5,605,862
Short-term investments trading, at fair value (amortized cost: \$196,377, 2024: \$29,473)	196,466	29,350
Other investments, at fair value (amortized cost: \$659,872, 2024: \$422,627)	754,232	486,178
Total investments	\$ 7,503,648	\$ 6,121,390
Cash and cash equivalents	434,857	327,912
Accrued investment income	61,637	50,725
Insurance receivables (net of allowance for credit losses of \$12,875, 2024: \$9,683)	3,048,682	2,359,864
Prepaid reinsurance premiums	957,193	797,766
Deferred acquisition costs	507,845	407,597
Reserves recoverable	1,769,795	1,321,833
Receivable for securities sold	1,604	29,754
Deferred tax asset	82,101	75,980
Other assets	239,139	175,930
Total assets	\$ 14,606,501	\$ 11,668,751
Liabilities		
Reserve for losses and loss adjustment expenses	5,390,266	4,049,486
Unearned premiums	3,334,161	2,772,739
Reinsurance payables	1,166,662	938,481
Other liabilities	313,701	235,618
Total liabilities	\$ 10,204,790	\$ 7,996,324
Shareholders' equity		
Common A shares (\$0.01 par; authorized: 2,885,102,243; issued and outstanding: 2,507,446,820)	25,074	25,032
Common B shares (\$0.01 par; authorized: 2,600,000; issued and outstanding: 2,571,660)	26	26
Preference shares (\$1.00 par; authorized, issued and outstanding: 500,000,000; fully paid-up: 500,000,000)	500,000	500,000
Additional paid-in capital	2,679,052	2,661,159
Retained earnings	1,197,559	486,210
Total shareholders' equity	\$ 4,401,711	\$ 3,672,427
Total liabilities and shareholders' equity	\$ 14,606,501	\$ 11,668,751

The accompanying notes are an integral part of these consolidated financial statements.



CONVEX GROUP LIMITED

Consolidated Statements of Income and Comprehensive Income
For the years ended December 31, 2025 and 2024

(Expressed in thousands of U.S. dollars)

	2025	2024
Revenues		
Gross premiums written	\$ 5,878,621	\$ 5,166,388
Reinsurance premiums ceded	(1,803,890)	(1,633,307)
Net premiums written	4,074,731	3,533,081
Change in net unearned premiums	(401,995)	(462,652)
Net premiums earned	3,672,736	3,070,429
Other income	6,566	—
Net investment return	397,677	272,490
Foreign currency gains/(losses)	39,317	(39,668)
Total revenues	\$ 4,116,296	\$ 3,303,251
Expenses		
Losses and loss adjustment expenses	1,980,487	1,624,013
Policy acquisition costs	761,127	582,818
Operating expenses	529,692	475,298
Finance charges	4,229	3,142
Other expenses	132	4,046
Total expenses	\$ 3,275,667	\$ 2,689,317
Net income before tax	840,629	613,934
Tax expense	(77,405)	(55,781)
Net income and comprehensive income	\$ 763,224	\$ 558,153
Dividends paid to preference shareholders	51,875	51,875
Net income and comprehensive income attributable to common shareholders	\$ 711,349	\$ 506,278

The accompanying notes are an integral part of these consolidated financial statements.

CONVEX GROUP LIMITED

Consolidated Statements of Shareholders' Equity
For the years ended December 31, 2025 and 2024

(Expressed in thousands of U.S. dollars)

2025

	Common A shares	Common B shares	Preference shares	Additional paid-in capital	Retained earnings	Total shareholders' equity
At January 1, 2025	\$ 25,032	26	500,000	2,661,159	486,210	3,672,427
Common shares issued	42	—	—	9,059	—	9,101
Stock-based compensation	—	—	—	8,834	—	8,834
Income for the year	—	—	—	—	763,224	763,224
Preference shares dividends paid	—	—	—	—	(51,875)	(51,875)
At December 31, 2025	\$ 25,074	26	500,000	2,679,052	1,197,559	4,401,711

2024

	Common A shares	Common B shares	Preference shares	Additional paid-in capital	Retained (deficit)/ earnings	Total shareholders' equity
At January 1, 2024	24,986	26	500,000	2,652,499	(20,068)	3,157,443
Common shares issued	46	—	—	8,660	—	8,706
Income for the year	—	—	—	—	558,153	558,153
Preference shares dividends paid	—	—	—	—	(51,875)	(51,875)
At December 31, 2024	\$ 25,032	26	500,000	2,661,159	486,210	3,672,427

The accompanying notes are an integral part of these consolidated financial statements.

CONVEX GROUP LIMITED

Consolidated Statements of Cash Flows
For the years ended December 31, 2025 and 2024

(Expressed in thousands of U.S. dollars)

	<u>2025</u>	<u>2024</u>
Cash flows provided by/(used in) operating activities		
Net income	\$ 763,224	\$ 558,153
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,508	3,334
Stock-based compensation	8,834	—
Fair value adjustment to derivatives	8,082	22,597
Movement in allowance for expected credit losses	3,192	572
Change in net realized and unrealized gains/(losses) on investments	(109,340)	(26,613)
Foreign exchange losses included in income from operations	(39,758)	25,426
Amortization on fixed maturity investments	(22,985)	(44,869)
Change in operational balance sheet items:		
Accrued investment income	(10,912)	(16,255)
Insurance receivables	(692,010)	(470,310)
Prepaid reinsurance premiums	(159,427)	(162,112)
Deferred acquisition costs	(100,248)	(96,847)
Reserves recoverable	(447,962)	(447,941)
Reserve for losses and loss adjustment expenses	1,340,780	1,214,972
Unearned premiums	561,422	624,764
Reinsurance balances payable	228,181	151,870
Other operational balance sheet items, net	8,372	(25,462)
Net cash provided by operating activities	\$ 1,340,953	\$ 1,311,279
Cash flows provided by/(used in) investing activities		
Proceeds on maturities of fixed maturity investments	538,307	305,121
Purchases of fixed maturity investments	(4,716,010)	(4,107,455)
Sales and paydowns of fixed maturity investments	3,365,820	2,568,633
Proceeds on maturities of short-term investments	136,444	88,270
Purchases of short-term investments	(464,750)	(63,654)
Sales of short-term investments	161,992	88,254
Purchases of other investments	(395,706)	(191,614)
Sales of other investments	167,060	51,289
Net cash used in investing activities	\$ (1,206,843)	\$ (1,261,156)
Cash flows provided by/(used in) financing activities		
Capital raised from common share issuances	8,852	8,458
Preference share dividends paid	(51,875)	(51,875)
Net cash used in financing activities	\$ (43,023)	\$ (43,417)
Effect of foreign currency rate changes on cash and cash equivalents	15,858	(13,548)
Net increase/(decrease) in cash and cash equivalents	106,945	(6,842)
Cash and cash equivalents - beginning of the year	327,912	334,754
Cash and cash equivalents - end of the year	\$ 434,857	\$ 327,912
Supplemental information		
Income taxes paid	\$ 93,838	\$ 60,758

The accompanying notes are an integral part of these consolidated financial statements.

CONVEX GROUP LIMITED

Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024

(Expressed in thousands of U.S. dollars)

1. Organization

Convex Group Limited (the "Company" or "CGL"), a company incorporated in Bermuda in October 2018, is registered as a Group insurer under the Insurance Act 1978 of Bermuda, amendments thereto and related Regulations (the "Act"). The Company provides a diversified range of specialty insurance and reinsurance coverage to the global insurance market.

Convex Re Limited ("CRL"), a company incorporated in Bermuda in November 2018, is a wholly owned subsidiary of CGL and is registered as a Class 4 insurer under the Act.

Convex Insurance UK Limited ("CIL"), a company incorporated in England & Wales in January 2019, is a wholly owned subsidiary of CRL and is authorized and licensed by the Prudential Regulation Authority ("PRA") and Financial Conduct Authority ("FCA").

Convex UK Services Limited ("CSL"), a company incorporated in England & Wales in February 2019, is a wholly owned subsidiary of CGL and its principal activity is to provide support services to other companies within the Group.

Convex Europe S.A ("CES"), a company incorporated in Luxembourg in March 2021, is a wholly owned subsidiary of CIL, is supervised by the Luxembourg Commissariat aux Assurances ("CAA") and has a United Kingdom branch ("CES UK Branch") approved by the PRA and FCA.

Convex Guernsey Limited ("CGU"), a company incorporated in Guernsey in May 2021, is a wholly owned subsidiary of CRL.

Convex North America Insurance Services LLC ("CUS"), a company incorporated in Delaware, United States of America in June 2021, is a wholly owned subsidiary of CIL and is a managing general agent.

Convex Corporate Services Limited ("CCS"), a company incorporated in England & Wales in May 2025, is a wholly owned subsidiary of CGL and is an insurance intermediary authorized by the FCA.

Convex Nominee Limited, ("CNL") a company incorporated in Bermuda, is a wholly owned subsidiary of CGL and is the trustee for the CGL employee share purchase scheme.

2. Basis of preparation and consolidation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of the Company and its subsidiaries, comprising CRL, CIL, CSL, CCS, CES, CGU, CUS, and CNL (collectively, "the Group"), as well as any variable interest entity deemed to require consolidation. All intercompany accounts and transactions have been eliminated.

The preparation of these consolidated financial statements in conformity with U.S. GAAP requires management 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 financial statements and the reported amounts of revenues and expenses during the reporting period. While the amounts included in the consolidated financial statements reflect management's best estimates and assumptions, actual results could differ from those estimates. The Group's principal estimates include:

- reserve for losses and loss adjustment expenses;
- loss reserves recoverable, including the allowance for expected credit losses;
- gross premiums written and net premiums earned; and
- fair value measurements of invested assets and other financial instruments.

The term "ASC" used in these notes refers to Accounting Standard Codification issued by the United States Financial Accounting Standards Board (the "FASB").

CONVEX GROUP LIMITED

Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024

(Expressed in thousands of U.S. dollars)

3. Significant accounting policies

The following is a summary of significant accounting policies adopted by the Group:

(a) Premiums*Insurance and Assumed Reinsurance Premiums*

Direct insurance premiums are recorded as written at the inception of each policy and are earned over the exposure period. Direct insurance premiums on binders are estimated at inception and are recognized by applying a writing pattern to the total estimated premium on the binder.

Premiums on assumed reinsurance contracts are estimated based on information provided by ceding companies, and are recorded at the inception of the policy.

For contracts with estimated premiums, the amount of premium ultimately received may differ from the amounts initially estimated in the consolidated financial statements. These estimates are reviewed regularly and as new information becomes known, the recorded premiums are adjusted as necessary. These adjustments can lead to an increase or decrease in premiums recognized. Adjustments to premium estimates, if any, are recorded in the period in which they become known.

Written premiums are earned over the contract period commensurate with the underlying risk. For assumed reinsurance contracts written on a risk-attaching basis, the earning period is based on the terms of the underlying policies attached to that contract. This period extends past the expiry of the reinsurance contract and as a result premiums on assumed risk-attaching reinsurance policies are generally earned over the contract period plus 12 months.

Unearned premiums in respect of the above premiums represent the portion of premiums written which is applicable to the unexpired terms of policies in force.

Reinstatement Premiums

Reinstatement premiums are calculated for all events by applying coverage limits for the remaining life of the contract as per the predefined contract terms. The accrual of reinstatement premiums is based on an estimate of losses and loss adjustment expenses, which reflect management's judgment, as described in Note 3(c), "Reserve for losses and loss adjustment expenses". Reinstatement premiums are fully earned when accrued.

Reinsurance

The Group enters into ceded reinsurance and retrocession agreements in order to mitigate its accumulation of loss, reduce its liability on individual risks, enable it to underwrite policies with higher limits and increase its aggregate capacity. Ceded reinsurance premiums are accounted for on bases consistent with those used in accounting for the underlying premiums assumed.

Prepaid reinsurance premiums represent the portion of premiums ceded applicable to the unexpired terms of policies in force.

Reserves recoverable are estimated in a manner consistent with the claim liability associated with the reinsured policies and represent amounts that will be collectible from reinsurers once the losses are paid and includes an explicit allowance for expected credit losses, as appropriate.

CONVEX GROUP LIMITED

Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024

(Expressed in thousands of U.S. dollars)

3. Significant accounting policies (continued)**(b) Policy acquisition costs**

Policy acquisition costs are costs that vary with, and are directly related to, the successful production of new and renewal business and consist principally of commissions and brokerage expenses. Policy acquisition costs are shown net of commissions earned on reinsurance ceded. These costs are deferred and amortized over the periods in which the related premiums are earned.

A premium deficiency exists if the sum of expected losses and loss adjustment expenses and deferred acquisition costs exceed the related unearned premiums (and, if appropriate, expected future premium) and anticipated investment income. In this event, deferred acquisition costs are immediately expensed to the extent necessary to eliminate the premium deficiency. If the premium deficiency exceeds deferred acquisition costs, then a liability is accrued for the excess deficiency. No premium deficiency was recorded for the years ended December 31, 2025 and December 31, 2024.

(c) Reserve for losses and loss adjustment expenses

The reserve for losses and loss adjustment expenses includes reserves for unpaid reported losses ("case reserves"), losses incurred but not reported ("IBNR"), and unallocated loss adjustment expenses ("ULAE"). Case reserves are established by management based on reports from brokers, ceding companies and insureds and represents the unpaid portion of the estimated ultimate cost of events or conditions that have been reported to, or specifically identified by, the Group, including allocated loss adjustment expenses ("ALAE"). IBNR reserves are established by management based on actuarially determined estimates of ultimate losses and loss expenses. Inherent in the estimate of ultimate losses and loss expenses are expected trends in claim severity and frequency and other factors which may vary significantly as claims are settled.

The period of time from the occurrence of a loss to the reporting of a loss to the Group and to the settlement of the Group's liability may be several months or years. During this period, additional facts and trends may be revealed. Accordingly, losses and loss adjustment expenses ultimately paid may differ materially from the amounts recorded in the financial statements. These estimates are reviewed regularly and, as experience develops and new information becomes known, the reserves are adjusted as necessary. These adjustments sometimes lead to an increase or decrease in ultimate losses. Adjustments to ultimate loss estimates, if any, are recorded in earnings in the period in which they become known.

(d) Investments

The Group classifies its fixed maturity and short-term investments as trading. As such, all investments are carried at fair value with the change in unrealized gains and losses included in net income. All investment transactions are recorded on a first-in-first-out basis and realized gains and losses on the sale of investments are determined on the basis of amortized cost (or cost). Interest on fixed maturity securities is recorded in net investment income when earned and includes amortization of premium or accretion of discount.

Short-term investments comprise investments with a maturity of less than one year at date of purchase.

Other investments consist of investments in externally managed funds, carried at fair value. Fair value is principally determined using the net asset value ("NAV") as a practical expedient.

(e) Leases

The Group classifies any new and existing leases as operating or finance leases. For all types of leases, the Group calculates a lease liability and a corresponding right of use asset using an appropriate discount rate considering the type of lease, and its duration. The Group does not have any finance leases. For operating leases, the Group recognizes interest expense on the lease liability and depreciation of the right of use asset in the consolidated statements of income and comprehensive income, straight line over the life of the lease.

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For the years ended December 31, 2025 and 2024

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3. Significant accounting policies (continued)**(f) Variable interest entities**

The Group accounts for variable interest entities (“VIEs”) in accordance with FASB ASC Topic 810, *Consolidation*, which requires the consolidation of all VIEs by the primary beneficiary i.e. the investor that has the power to direct the activities of the VIE and that will absorb a portion of the VIE’s expected losses or residual returns that could potentially be significant to the VIE.

When the Group determines it has a variable interest in a VIE, it determines whether it is the primary beneficiary of that VIE by performing an analysis that principally considers: (i) the VIE’s purpose and design, including the risks the VIE was designed to create and pass through to its variable interest holders; (ii) the VIE’s capital structure; (iii) the terms between the VIE and its variable interest holders and other parties involved with the VIE; (iv) which variable interest holders have the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance; (v) which variable interest holders have the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE; and (vi) related party relationships.

The Group reassesses its determination of whether the Group is the primary beneficiary of a VIE upon changes in facts and circumstances that could potentially alter the Group’s assessment. Refer to Note 14, “Variable interest entities” for further details on the Group’s treatment of Hypatia Ltd. and Nameco (No. 1407) Limited, which are the only entities identified as a variable interest entities.

(g) Fair value of financial instruments

Fair value is defined as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date reflecting the highest and best use valuation concepts. ASC Topic 820, *Fair Value Measurement and Disclosure*, provides a framework for measuring fair value by creating a hierarchy of fair value measurements that distinguishes market data between observable independent market inputs and unobservable market assumptions by the reporting entity. The guidance further expands disclosures about such fair value measurements. The guidance applies broadly to most existing accounting pronouncements that require or permit fair value measurements (including both financial and non-financial assets and liabilities) but does not require any new fair value measurements. The Group has adopted all authoritative guidance in effect as of the balance sheet date regarding certain market conditions that allow for fair value measurements that incorporate unobservable inputs where active market transaction-based measurements are unavailable.

(h) Derivative instruments

From time to time, the Group may enter into derivative instruments such as foreign currency forward or option contracts, industry loss warrants, or other derivative contracts. These derivative instruments are used to manage exposures to currency fluctuations or provide protection against the Group’s financial exposure to industry loss events. All the Group’s outstanding derivative financial instruments are recognized in the consolidated balance sheets at their fair values. Changes in the fair values of derivative instruments are reported in earnings. Refer to Note 6(a), “Derivatives not designated as hedging instruments,” for further details.

CONVEX GROUP LIMITED

Notes to the Consolidated Financial Statements
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(Expressed in thousands of U.S. dollars)

3. Significant accounting policies (continued)
(i) Property and equipment

Property and equipment are carried at historical cost, less accumulated depreciation and any impairment in value. Depreciation is calculated to write off the cost over the estimated useful economic life on a straight-line basis.

Leasehold improvements	5 years
Furniture/fixtures/fittings	2 years
Computer hardware	2 years
Computer equipment	2 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. An item of property or equipment is derecognized on disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Gains and losses on the disposal of property and equipment are determined by comparing proceeds with the carrying amount of the asset and are included in the consolidated statements of income and comprehensive income. Costs for repairs and maintenance are expensed as incurred.

Property and equipment are included in other assets in the consolidated balance sheets.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash at bank in hand, deposits held on call with banks, and all investments and money market funds (including those held at the Group's investment managers) with a maturity of ninety days or less at the time of purchase.

(k) Foreign exchange

The U.S. dollar is the functional currency of the Group. Monetary assets and liabilities denominated in foreign currencies are revalued at the exchange rates in effect at the balance sheet date and revenues and expenses denominated in foreign currencies are valued at the prevailing exchange rate on the transaction date with the resulting foreign exchange gains and losses included in earnings. Non-monetary assets and liabilities denominated in foreign currencies are valued at the exchange rate in effect at the time of the underlying transaction.

(l) Income taxes and uncertain tax provisions

Deferred tax assets and liabilities are recorded in accordance with ASC Topic 740, *Income Taxes*. Consistent with ASC 740, the Group records deferred income taxes which reflect operating losses and tax credits carried forward and the tax effect of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases.

The Group recognizes the tax benefits of uncertain tax positions only where the position is more likely than not to be sustained upon examination by tax authorities based upon the technical merits of the position. Based on the more-likely-than-not recognition threshold, the Group must presume that the tax position will be subject to examination by a taxing authority with full knowledge of all relevant information. If the recognition threshold is met, then the tax position is measured at the largest amount of benefit that is more than 50% likely of being realized upon ultimate settlement. The Group classifies all interest and penalties related to uncertain tax positions in income tax expenses.

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Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024

(Expressed in thousands of U.S. dollars)

3. Significant accounting policies (continued)**(m) Current expected credit losses**

The Group uses a current expected credit loss (“CECL”) model, based on future expected losses, to measure credit losses on insurance receivables and reinsurance recoverable balances. The CECL model takes relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts to arrive at the respective instrument’s probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”).

Changes in expected credit losses are recorded as a change in the “Insurance receivables” asset in the consolidated balance sheet and “Operating expenses” in the consolidated statements of income and comprehensive income. Amounts are charged off against the allowance when management believes the uncollectibility of a balance is confirmed. Expected recoveries typically do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

The allowance for credit losses is measured on a collective pool basis when similar risk characteristics exist. Refer to Notes 9(b) and 13(a) for further information.

(n) Stock-based compensation

Stock-based compensation expense includes share-settled awards. The compensation cost is measured at the fair value at grant date and is expensed over the requisite service period. The Company recognizes forfeitures when they occur.

(o) Recently issued accounting standards not yet adopted***Income Taxes (Topic 740)***

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. The amendments in this Update provide more transparency and decision usefulness of income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. While early adoption is permitted, the amendments are effective for annual periods beginning after December 15, 2025, for entities other than public business entities. The Group is currently evaluating the impact of this standard on the Group’s consolidated financial statements and related disclosures.

CONVEX GROUP LIMITED

Notes to the Consolidated Financial Statements
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(Expressed in thousands of U.S. dollars)

4. Investments

The amortized cost (or cost) and fair value of the Group's investments as at December 31, 2025 and December 31, 2024 are as follows:

	2025	
	Amortized Cost or Cost	Fair Value
U.S. government securities	\$ 2,126,347	\$ 2,133,789
Agency residential mortgage-backed securities	923,084	932,445
Non-agency residential mortgage-backed securities	117,145	117,352
U.S. corporate	1,886,205	1,904,944
Non-U.S. corporate	423,793	435,746
Non-U.S. government and government agency	120,400	120,812
Asset-backed securities	859,003	862,512
Commercial mortgage-backed securities	45,056	45,350
Total fixed maturities	6,501,033	6,552,950
Short-term investments	196,377	196,466
Other investments	659,872	754,232
Total investments	\$ 7,357,282	\$ 7,503,648
	2024	
	Amortized Cost or Cost	Fair Value
U.S. government securities	\$ 2,171,593	\$ 2,157,923
Agency residential mortgage-backed securities	691,137	676,116
Non-agency residential mortgage-backed securities	31,185	31,004
U.S. corporate	1,455,617	1,452,744
Non-U.S. corporate	426,791	416,212
Non-U.S. government and government agency	91,993	88,511
Asset-backed securities	771,470	765,238
Commercial mortgage-backed securities	18,398	18,114
Total fixed maturities	5,658,184	5,605,862
Short-term investments	29,473	29,350
Other investments	422,627	486,178
Total investments	\$ 6,110,284	\$ 6,121,390

CONVEX GROUP LIMITED

Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024

(Expressed in thousands of U.S. dollars)

4. Investments (continued)
(a) Fixed maturity investments

The following table sets forth certain information regarding credit quality ratings (weighted average rating methodology using Standard & Poor's and other recognized rating agencies) of the Group's fixed maturity investments as at December 31, 2025 and December 31, 2024:

	2025	
	Fair Value	% of Total
AAA	\$ 924,948	14.1%
AA	3,372,377	51.5%
A	1,372,677	20.9%
BBB	796,157	12.1%
Total investment grade fixed maturities	6,466,159	98.6%
BB	77,921	1.3%
NR	8,870	0.1%
Total non-investment grade fixed maturities	86,791	1.4%
Total fixed maturities	\$ 6,552,950	100.0%

	2024	
	Fair Value	% of Total
AAA	\$ 680,902	12.1%
AA	3,229,034	57.6%
A	1,256,720	22.4%
BBB	424,201	7.6%
Total investment grade fixed maturities	5,590,857	99.7%
BB	3,469	0.1%
NR	11,536	0.2%
Total non-investment grade fixed maturities	15,005	0.3%
Total fixed maturities	\$ 5,605,862	100.0%

The amortized cost and fair values for the Group's fixed maturity investments held at December 31, 2025 and December 31, 2024 are shown below by effective maturity. Actual maturity may differ from final maturity due to prepayment rights associated with certain investments.

	2025	
	Amortized Cost	Fair Value
Due in one year or less	\$ 988,456	\$ 992,016
Due after one year through five years	2,948,385	2,982,796
Due after five years through ten years	619,904	620,479
	4,556,745	4,595,291
Asset-backed and mortgage-backed securities	1,944,288	1,957,659
Total fixed maturities	\$ 6,501,033	\$ 6,552,950

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4. Investments (continued)

	2024	
	Amortized Cost	Fair Value
Due in one year or less	\$ 415,728	\$ 413,674
Due after one year through five years	3,417,328	3,395,207
Due after five years through ten years	312,938	306,509
	4,145,994	4,115,390
Asset-backed and mortgage-backed securities	1,512,190	1,490,472
Total fixed maturities	\$ 5,658,184	\$ 5,605,862

(b) Net investment return

Net investment return was derived from the following sources for the years ended December 31, 2025 and December 31, 2024.

	2025	2024
Fixed maturities, short-term and other investments	\$ 261,958	\$ 193,812
Cash and cash equivalents	16,168	15,305
Total gross investment income	278,126	209,117
Accretion on fixed maturity investments	22,985	43,149
Investment expenses	(4,820)	(3,901)
Total net investment income	296,291	248,365
Realized gains/(losses)	17,775	(1,337)
Change in unrealized gains	83,611	25,462
Net investment return	\$ 397,677	\$ 272,490

(c) Pledged assets

The Group holds restricted assets comprising cash and cash equivalents, short-term investments and fixed maturity investments that are pledged and held in trust during normal course of business. These include collateral for letter of credit facilities as described in Note 15 and deposits with regulatory authorities including the NAIC and Lloyd's of London. At December 31, 2025 \$721,967 (2024: \$855,178) of assets were on deposit with custodians in respect of letter of credit facilities and trust accounts.

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5. Fair value measurements**(a) Classification within the fair value hierarchy**

Fair value is defined as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Under U.S. GAAP, an entity must determine the appropriate level in the fair value hierarchy for each fair value measurement. The fair value hierarchy prioritizes the inputs, which refer broadly to assumptions market participants would use in pricing an asset or liability, into three levels. It gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The three levels of the fair value hierarchy are described below:

Level 1 - Fair values are measured based on unadjusted quoted prices in active markets for identical assets or liabilities that the Group has the ability to access.

Level 2 - Fair values are measured based on quoted prices in active markets for similar assets or liabilities, quoted prices for identical assets or liabilities in inactive markets, or for which significant inputs are observable (e.g. interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.

Level 3 - Fair values are measured based on unobservable inputs that reflect the Group's own judgments about assumptions where there is little, if any, market activity for that asset or liability that market participants might use.

The availability of observable inputs can vary from financial instrument to financial instrument and is affected by a wide variety of factors including, for example, the type of financial instrument, whether the financial instrument is new and not yet established in the marketplace, and other characteristics particular to the instrument. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires significantly more judgment.

Accordingly, the degree of judgment exercised by management in determining fair value is greatest for instruments categorized in Level 3. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This may lead the Group to change the selection of the valuation technique (for example, from market to cash flow approach) or to use multiple valuation techniques to estimate the fair value of a financial instrument. These circumstances could cause an instrument to be reclassified between levels within the fair value hierarchy.

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5. Fair value measurements (continued)

At December 31, 2025 and December 31, 2024, the Group's investments were allocated between Levels 1, 2 and 3 as follows:

	2025				
	Level 1	Level 2	Level 3	NAV practical expedient (a)	Total
U.S. government securities	\$ 2,133,789	\$ —	\$ —	\$ —	\$ 2,133,789
Agency residential mortgage-backed securities	—	932,445	—	—	932,445
Non-agency residential mortgage-backed securities	—	117,352	—	—	117,352
U.S. corporate	—	1,904,944	—	—	1,904,944
Non-U.S. corporate	—	435,746	—	—	435,746
Non-U.S. government/government agency	—	120,812	—	—	120,812
Asset-backed securities	—	849,645	12,867	—	862,512
Commercial mortgage-backed securities	—	45,350	—	—	45,350
Total fixed maturities	2,133,789	4,406,294	12,867	—	6,552,950
Short-term investments	162,112	34,354	—	—	196,466
Other investments	—	—	35,109	719,123	754,232
Total investments	\$ 2,295,901	\$ 4,440,648	\$ 47,976	\$ 719,123	\$ 7,503,648

	2024				
	Level 1	Level 2	Level 3	NAV practical expedient (a)	Total
U.S. government securities	\$ 2,157,923	\$ —	\$ —	\$ —	\$ 2,157,923
Agency residential mortgage-backed securities	—	676,116	—	—	676,116
Non-agency residential mortgage-backed securities	—	31,004	—	—	31,004
U.S. corporate	—	1,452,744	—	—	1,452,744
Non-U.S. corporate	—	416,212	—	—	416,212
Non-U.S. government/government agency	—	88,511	—	—	88,511
Asset-backed securities	—	750,233	15,005	—	765,238
Commercial mortgage-backed securities	—	18,114	—	—	18,114
Total fixed maturities	2,157,923	3,432,934	15,005	—	5,605,862
Short-term investments	3,532	25,818	—	—	29,350
Other investments	—	—	28,245	457,933	486,178
Total investments	\$ 2,161,455	\$ 3,458,752	\$ 43,250	\$ 457,933	\$ 6,121,390

(a) In accordance with ASC Topic 820, *Fair Value Measurements*, investments measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets.

There were no transfers into or out of Level 3 during the years ended December 31, 2025, or December 31, 2024.

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5. Fair value measurements (continued)

The following tables present a reconciliation of the beginning and ending balances for all financial assets measured at fair value on a recurring basis using Level 3 inputs:

2025						
	Beginning Balance		Net Purchases (Sales)		Net Realised / Unrealised Gains and (Losses) ⁽¹⁾	Ending Balance
Asset-backed securities	\$ 15,005	\$	\$ —	\$	\$ (2,138)	\$ 12,867
Other investments	28,245		(859)		7,723	35,109
Total level 3 investments	\$ 43,250	\$	(859)	\$	5,585	\$ 47,976
2024						
	Beginning Balance		Net Purchases (Sales)		Net Realised / Unrealised Gains and (Losses) ⁽¹⁾	Ending Balance
Asset-backed securities	\$ 16,465	\$	\$ —	\$	\$ (1,460)	\$ 15,005
Other investments	—		25,419		2,826	28,245
Total level 3 investments	\$ 16,465	\$	25,419	\$	1,366	\$ 43,250

(1) Realized and unrealized gains and losses on level 3 investments are included in net investment return in the consolidated statements of income and comprehensive income.

(b) Valuation techniques

There have been no material changes in the Group's valuation techniques during the period represented by these consolidated financial statements. The following methods and assumptions were used in estimating the fair value of each class of financial instrument recorded in the consolidated balance sheets.

Fixed maturity investments

In general, valuation of the Group's fixed maturity investment portfolio is provided by pricing services, such as index providers and pricing vendors, as well as broker quotations. The pricing vendors provide valuations for a high volume of liquid securities that are actively traded. For securities that do not trade on an exchange, the pricing services generally utilize market data and other observable inputs in matrix pricing models to determine month end prices. Prices are generally verified using third party data. Index providers generally utilize centralized trade reporting networks, available market makers and statistical techniques.

In general, broker-dealers value securities through their trading desks based on observable inputs. The methodologies include mapping securities based on trade data, bids or offers, observed spreads, and performance on newly issued securities. Broker-dealers also determine valuations by observing secondary trading of similar securities. Prices obtained from broker quotations are considered non-binding, however, they are based on observable inputs and by observing secondary trading of similar securities obtained from active, non-distressed markets.

The Group considers these Level 2 inputs as they are corroborated with other market observable inputs. The techniques generally used to determine the fair value of the Group's fixed maturity investments are detailed below by asset class.

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5. Fair value measurements (continued)**U.S. government securities**

U.S. government securities consist of debt securities issued by the U.S. Treasury. U.S. government securities are priced based on unadjusted market prices in active markets. As all of the inputs used to price these securities are observable and measured based on quoted prices in active markets, the fair value of these investments are classified as Level 1.

Agency residential mortgage-backed securities

Agency residential mortgage-backed securities consist primarily of mortgage pass-through agencies such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Government National Mortgage Association. Agency residential mortgage-backed securities are primarily priced by pricing services. When evaluating these securities, the pricing services gather information from market sources and integrate other observations from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The fair value of each security is individually computed using analytical models which incorporate option adjusted spreads and other daily interest rate data. As the significant inputs used to price these securities are observable, the fair value of these investments are classified as Level 2.

Non-agency residential mortgage-backed securities

The Group's non-agency mortgage-backed investments include non-agency prime residential mortgage-backed fixed maturity investments. The Group has no non-agency residential mortgage securities classified as sub-prime held in its fixed maturity investments portfolio. Securities held in these sectors are primarily priced by pricing services using an option adjusted spread model or other relevant models, which principally utilize inputs including benchmark yields, available trade information or broker quotes, and issuer spreads. The pricing services also review collateral prepayment speeds, loss severity and delinquencies among other collateral performance indicators for the securities valuation, when applicable. As the significant inputs used to price these securities are observable, the fair value of these investments are classified as Level 2.

U.S. corporate

U.S. corporate debt securities consist primarily of investment-grade debt of a wide variety of U.S. corporate issuers and industries. The Group's corporate fixed maturity investments are primarily priced by pricing services.

When evaluating these securities, the pricing services gather information from market sources regarding the issuer of the security and obtain credit data, as well as other observations, from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The pricing services also consider the specific terms and conditions of the securities, including any specific features which may influence risk. In certain instances, securities are individually evaluated using a spread which is added to the U.S. treasury curve or a security specific swap curve as appropriate. As the significant inputs used to price these securities are observable, the fair value of these investments are classified as Level 2.

Non-U.S. corporate

Non-U.S. corporate debt securities consist primarily of investment-grade debt of a wide variety of non-U.S. corporate issuers and industries. The Group's non-U.S. corporate fixed maturity investments are primarily priced by pricing services. When evaluating these securities, the pricing services gather information from market sources regarding the issuer of the security and obtain credit data, as well as other observations, from markets and sector news. Evaluations are updated by obtaining broker dealer quotes and other market information including actual trade volumes, when available. The pricing services also consider the specific terms and conditions of the securities, including any specific features which may influence risk. As the significant inputs used to price these securities are observable, the fair value of these investments are classified as Level 2.

Non-U.S. government and government agency securities

Non-U.S. government and government agency securities valuations are provided by independent pricing services, with prices typically provided through index providers and pricing vendors. The fair values of these securities are generally based on international indices or valuation models which include daily observed yield curves, cross-currency basis index spreads and country credit spreads. As the significant inputs used in the pricing process for non-U.S. government securities are observable market inputs, the fair value of these securities are classified within Level 2.

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5. Fair value measurements (continued)**Asset-backed securities**

Asset backed securities include mostly investment-grade debt securities backed by pools of loans with a variety of underlying collateral, including automobile loan receivables, student loans, credit card receivables, and collateralized loan obligations originated by a variety of financial institutions. Securities held in these sectors are primarily priced by pricing services. The pricing services apply dealer quotes and other available trade information such as bids and offers, prepayment speeds which may be adjusted for the underlying collateral or current price data, the U.S. treasury curve and swap curve as well as cash settlement. The pricing services determine the expected cash flows for each security held in this sector using historical prepayment and default projections for the underlying collateral and current market data. In addition, a spread is applied to the relevant benchmark and used to discount the cash flows noted above to determine the fair value of the securities held in this sector. As the significant inputs used to price these securities are observable, the fair value of these investments are classified as Level 2. There are a small number of collateralized loan obligations held in the portfolio that are generally illiquid in nature with inputs used to price these securities not directly observable and as such these are classified as Level 3. Third party valuations are used for some of these Level 3 securities where the agent has made assumptions around the inputs for credit, collateral, default and recovery items to project and discount the cashflow profile under the Income Approach using the Direct Method to estimate the Fair Value of these securities.

Commercial mortgage-backed securities

Commercial mortgage backed securities are investment-grade debt primarily priced by pricing services. The pricing services apply dealer quotes and other available trade information such as bids and offers, prepayment speeds which may be adjusted for the underlying collateral or current price data, the U.S. treasury curve and swap curve as well as cash settlement. The pricing services determine the expected cash flows for each security held in this sector using historical prepayment and default projections for the underlying collateral and current market data. In addition, a spread is applied to the relevant benchmark and used to discount the cash flows noted above to determine the fair value of the securities held in this sector. As the significant inputs used to price these securities are observable, the fair value of these investments are classified as Level 2.

Short-term investments

Short-term investments consist primarily of highly liquid securities, all with maturities of less than one year from the date of purchase. For securities that are actively traded, such as highly liquid money market-type funds, the fair value of these investments are classified as Level 1. To the extent that the remaining securities are not actively traded due to their approaching maturity, the fair value of these investments are classified as Level 2.

Other investments – measured at fair value

Other investments include common shares, preferred shares, and convertible notes. These investments are initially valued at cost, which approximates fair value. In subsequent measurement periods, the fair values of these investments may be derived from one or a combination of valuation methodologies which consider factors including recent capital raises by the investee companies, comparable precedent transaction multiples, comparable publicly traded multiples, third-party valuations, discounted cash-flow models, and other techniques that consider the industry and development stage of each investee company. In order to assess the reasonableness of the information received from investee companies, the Company maintains an understanding of current market conditions, historical results, and emerging trends that may impact the results of operations, financial condition or liquidity of these companies. In addition, the Company engages in regular communication with management at investee companies. As the significant inputs used to price these investments are unobservable, the fair values of such other investments are classified as Level 3.

Other investments – measured using net asset valuation (“NAV”) as a practical expedient

Other investments also consists of investments in externally managed funds, carried at fair value, where their fair value is established through the net asset value (NAV) practical expedient. The fair value is generally established on the basis of the net valuation criteria determined by the manager of the investment; these criteria are established in accordance with the governing documents of the investment. Realized and unrealized gains and losses on other investments are included in net investment return.

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5. Fair value measurements (continued)

The Group's fund managers are occasionally unable to provide final fund valuations as of the Group's current reporting date. In circumstances where there is a reporting lag between the current year end reporting date and the reporting date of the latest fund valuation, the Group estimates the fair value of these funds by starting with the latest available month-end valuations, adjusting these valuations for actual capital calls, redemptions or distributions, as well as the impact of changes in foreign currency exchange rates. Actual final fund valuations may differ, perhaps materially so, from the Group's estimates and these differences are recorded in net income in the year in which they are reported as a change in estimate.

At December 31, 2025, the Group had \$719,123 (2024: \$457,934) of investment in independently managed external funds and \$409,202 (2024: \$232,042) of unfunded commitments. The funds are primarily focused on equity, credit and alternative investment opportunities with a mixture of open and closed end fund structures.

6. Derivative instruments
(a) Derivatives not designated as hedging instruments

The table below sets out the fair valuation and nominal principle amount of derivatives not designated as hedging instruments within the Group's consolidated balance sheets as at December 31, 2025 and December 31, 2024:

	2025		
	Notional exposure	Asset Derivative at Fair Value ^(a)	Liability Derivative at Fair Value ^(a)
Derivatives not designated as hedging instruments:			
Average rate options	\$ 354,900	\$ 3,148	\$ —
Foreign currency options	—	—	—
Credit default options	329,670	1	—
Interest rate options	—	—	—
Equity index options	166,665	26	—
Inflation caps	800,000	1	—
	\$ 1,651,235	\$ 3,176	\$ —
	2024		
	Notional exposure	Asset Derivative at Fair Value ^(a)	Liability Derivative at Fair Value ^(a)
Derivatives not designated as hedging instruments:			
Average rate options	\$ 300,864	\$ 445	\$ —
Foreign currency options	103,870	1,784	—
Credit default options	910,000	652	—
Interest rate options	930,000	285	—
Equity index options	64,815	545	—
Inflation caps	1,000,000	534	—
	\$ 3,309,549	\$ 4,245	\$ —

(a) Derivatives are classified within Other Assets & Other Liabilities on the consolidated balance sheets.

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6. Derivative instruments (continued)

The following table summarizes information on the classification and net impact on earnings, recognized in the Group's consolidated statements of income and comprehensive income relating to derivatives that were not designated as hedging instruments during the years ended December 31, 2025 and December 31, 2024:

Derivatives not designated as hedging instruments:	Classification of gains (losses) recognized in net income	2025	2024
Average rate options	Foreign currency losses	\$ (385)	\$ (13,360)
Foreign currency options	Foreign currency gains	257	1,784
Credit default options	Net investment return	(3,469)	(1,411)
Interest rate options	Net investment return	(285)	(2,855)
Equity index options	Net investment return	(3,666)	(1,116)
Industry loss warranties	Other (expenses)	—	89
Inflation caps	Net investment return	(534)	(8,192)
		\$ (8,082)	\$ (25,061)

(b) Balance sheet offsetting

There was no balance sheet offsetting activity as at December 31, 2025 and December 31, 2024.

Derivative instruments are generally traded under International Swaps and Derivatives Association master agreements, which establish terms that apply to all transactions. Daily margining takes place above a defined threshold and the amounts receivable from or payable to the counterparties are settled in cash.

7. Insurance receivables

Insurance receivables are composed of premiums, net of commissions and brokerage, premiums accrued but unbilled, net of commissions and brokerage, and paid losses recoverable. The following is a breakdown of the components of insurance receivables as at December 31, 2025 and December 31, 2024:

	2025		
	Paid losses recoverable	Insurance receivables	Total
Paid losses recoverable & Insurance receivables, beginning of year	\$ 126,124	\$ 2,243,423	\$ 2,369,547
Change during the year	42,196	649,814	692,010
Paid losses recoverable & Insurance receivables, end of year	\$ 168,320	\$ 2,893,237	\$ 3,061,557
Allowance for expected credit losses			(12,875)
Insurance receivables including credit impairment allowance, end of year			\$ 3,048,682
	2024		
	Paid losses recoverable	Insurance receivables	Total
Paid losses recoverable & Insurance receivables, beginning of year	\$ 123,784	\$ 1,775,453	\$ 1,899,237
Change during the year	2,340	467,970	470,310
Paid losses recoverable & Insurance receivables, end of year	\$ 126,124	\$ 2,243,423	\$ 2,369,547
Allowance for expected credit losses			(9,683)
Insurance receivables including credit impairment allowance, end of year			\$ 2,359,864

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7. Insurance receivables (continued)

Insurance receivables includes the following allowance for expected credit losses:

	2025	2024
At 1 January	\$ 9,683	\$ 9,111
Movement during the year	3,192	572
At 31 December	\$ 12,875	\$ 9,683

8. Reserve for losses and loss adjustment expenses

The following table summarizes the Group's reserve for losses and loss adjustment expenses, gross of reinsurance recoveries, as at December 31, 2025 and December 31, 2024:

	2025	2024
Case reserves	\$ 1,642,601	\$ 1,147,187
IBNR	3,747,665	2,902,299
Reserve for losses and loss adjustments expenses	\$ 5,390,266	\$ 4,049,486

The following table represents an analysis of paid and unpaid losses and loss adjustment expenses and a reconciliation of the beginning and ending unpaid losses and loss expenses for the years ended December 31, 2025 and December 31, 2024:

	2025	2024
Reserve for losses and loss adjustment expenses, beginning of year	\$ 4,049,486	\$ 2,834,514
Less: Reserves recoverable, beginning of year	(1,321,833)	(873,892)
Net reserve for losses and loss adjustment expenses, beginning of year	2,727,653	1,960,622
Increase (decrease) in net losses and loss adjustment expenses incurred in respect of losses occurring in:		
Current year	2,134,010	1,694,066
Prior year	(153,523)	(70,053)
Total incurred losses and loss adjustment expenses	1,980,487	1,624,013
Foreign exchange gain/(loss)	66,691	(39,098)
Net losses and loss adjustment expenses paid in respect of losses occurring in:		
Current year	(443,964)	(263,311)
Prior year	(710,396)	(554,573)
Total net paid losses	(1,154,360)	(817,884)
Net reserve for losses and loss adjustment expenses, end of year	3,620,471	2,727,653
Add: Reserves recoverable, end of year	1,769,795	1,321,833
Reserve for losses and loss adjustment expenses, end of year	\$ 5,390,266	\$ 4,049,486

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8. Reserve for losses and loss adjustment expenses (continued)***Reserving methodology / process used to decide on assumptions***

The Group's reserving methodology for each reserving class uses a combination of loss reserving processes that result in the Group's best estimate for its ultimate settlement and administration costs for losses and loss adjustment expenses. The Group records its best estimate of additional case reserves and IBNR in the consolidated financial statements. The Group does not discount any of its reserves for losses and loss adjustment expenses.

A full analysis of claims reserves is performed on a quarterly basis. The Group considers and evaluates inputs from many sources, including actual claims data, the performance of prior reserve estimates, observed industry trends, the views of third-party actuarial firms, discussion with underwriters, actuaries, claims and finance personnel. These inputs are assessed and form the basis for the recommendations from the Reserving Committee, which includes members of the Group's senior management. The Reserving Committee's remit is to review the estimated claims reserves and to critically assess the claims reserving.

The claims reserves established can be more or less than adequate to meet individual claims arising. The level of uncertainty varies significantly from class to class but can arise from inadequate reserves for known large losses and catastrophes, from inadequate provision for unknown losses, or from inadequate provision for the deterioration of existing notified losses. The prior year favorable development in the reserves is \$153,523 (2024: \$70,053). This was primarily related to improvements in loss estimate within the Insurance Property and Energy lines of business, along with Reinsurance Property. These were partially offset by worsening within Aerospace and Casualty Insurance lines of business. Additionally, there were improvements in loss estimates for some of the industry events within both Insurance and Reinsurance segments.

Claims development tables by accident year

The following tables present the Group's total losses and loss adjustment expenses incurred, net of reinsurance and paid losses and loss adjustment expenses by accident year, net of reinsurance. The information has been presented separately for Insurance and Reinsurance portfolios of business.

Incurred and paid accident year claims denominated in foreign currency, have been remeasured using the current year end exchange rate for material underlying currencies. Fluctuations in foreign currency exchange rates may cause material shifts in loss development.

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8. Reserve for losses and loss adjustment expenses (continued)
Insurance
Incurred Loss and Loss Adjustment Expenses, Net of reinsurance

Cumulative incurred claims at end of accident year	For the years ended 31 December							2025	IBNR plus expected development on reported claims
	2019 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2025		
2019	\$ 4,927	\$ 2,422	\$ 1,741	\$ 2,610	\$ 5,378	\$ 4,824	\$ 4,609	\$ 15	
2020		139,082	107,729	110,438	96,371	101,575	101,927	6,261	
2021			331,300	283,504	285,587	292,519	286,145	37,786	
2022				460,158	428,295	437,934	429,975	73,900	
2023					595,305	571,370	585,969	172,089	
2024						854,378	813,605	329,250	
2025							1,070,754	686,619	
							Total \$ 3,292,984	\$ 1,305,920	

Paid Loss and Loss Adjustment Expense, Net of reinsurance

Paid claims at end of accident year	For the years ended 31 December							2025
	2019 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2025	
2019	\$ 114	\$ 502	\$ 1,051	\$ 1,119	\$ 4,788	\$ 4,446	\$ 4,464	
2020		16,356	39,928	45,379	69,648	76,724	82,916	
2021			51,821	112,810	167,830	196,133	213,257	
2022				80,961	198,429	265,545	304,227	
2023					93,297	233,830	321,691	
2024						124,428	308,208	
2025							185,993	
							Total \$ 1,420,756	

Liabilities for loss and loss adjustment expenses, net of reinsurance \$ 1,872,228

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8. Reserve for losses and loss adjustment expenses (continued)
Reinsurance
Incurred Loss and Loss Adjustment Expenses, Net of reinsurance

Cumulative incurred claims at end of accident year	For the years ended 31 December							2025	IBNR plus expected development on reported claims
	2019 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2025		
2019	\$ 766	\$ 2,423	\$ 891	\$ 1,077	\$ 730	\$ 229	\$ 227	\$ 56	
2020		217,778	268,947	255,676	233,444	224,583	224,454	9,846	
2021			433,935	414,295	406,575	404,404	397,156	22,544	
2022				661,333	681,024	647,990	656,522	83,116	
2023					689,463	672,305	634,764	120,745	
2024						850,962	774,197	307,391	
2025							1,077,102	653,363	
							Total \$ 3,764,422	\$ 1,197,061	

Paid Loss and Loss Adjustment Expense, Net of reinsurance

Paid claims at end of accident year	For the years ended 31 December						
	2019 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2025
2019	\$ —	\$ 583	\$ 306	\$ 324	\$ 700	\$ 163	\$ 166
2020		34,674	105,635	118,015	169,704	173,534	191,875
2021			114,081	194,280	281,743	326,111	347,255
2022				184,437	325,973	432,131	493,003
2023					133,354	307,676	417,474
2024						133,151	299,732
2025							266,674
							Total \$ 2,016,179

Liabilities for loss and loss adjustment expenses, net of reinsurance **\$ 1,748,243**

Historical loss duration

The following table is unaudited supplementary information which presents the average annual percentage payout of incurred loss and loss adjustment expense, by age, net of reinsurance:

	Year 1 (Unaudited)	Year 2 (Unaudited)	Year 3 (Unaudited)	Year 4 (Unaudited)	Year 5 (Unaudited)	Year 6 (Unaudited)	Year 7 (Unaudited)
Insurance	16.0%	24.5%	15.9%	13.1%	5.5%	6.8%	18.2%
Reinsurance	22.0%	21.8%	20.4%	12.1%	7.4%	1.7%	14.6%

Claims frequency

The nature, size, terms and conditions of contracts that the Group enters into can vary from one accident year to the next. In addition, as a result of varying contractual or policy limits from one year to the next, the potential loss and loss expense associated with reported claims can range. For some contracts, such as proportional treaties, binders, and bulking lineslips, the Group may not have access to consistent claims frequency information. As a result of the nature of the business, it is not practicable to determine claims frequency.

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8. Reserve for losses and loss adjustment expenses (continued)

The following table reconciles the loss development information to the Group's reserves for losses and loss adjustment expenses for the year ended December 31, 2025:

	<u>2025</u>
Reserve for losses and loss adjustment expenses, net of reinsurance	
Insurance	\$ 1,872,228
Reinsurance	1,748,243
Total reserve for losses and loss adjustment expenses, net of reinsurance	<u>3,620,471</u>
Reserves recoverable	
Insurance	1,265,801
Reinsurance	503,994
Total reserves recoverable	<u>1,769,795</u>
Total gross reserves for loss and loss adjustment expenses	<u>\$ 5,390,266</u>

9. Reinsurance

The Group's reinsurance balances recoverable at December 31, 2025 and December 31, 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Reserves recoverable on unpaid:		
Case reserves	\$ 525,142	\$ 327,317
IBNR	1,244,653	994,516
Total reserves recoverable	<u>\$ 1,769,795</u>	<u>\$ 1,321,833</u>

Reserves recoverable includes an explicit allowance for expected credit losses of \$nil (2024: \$nil).

(a) Effects of reinsurance on premiums written and earned

The effects of reinsurance on net premiums written and earned, and on losses and loss adjustment expenses for the years ended December 31, 2025 and December 31, 2024* were as follows:

	<u>2025</u>	<u>2024*</u>
Premiums written:		
Direct	\$ 2,427,043	\$ 2,156,520
Assumed	3,451,578	3,009,868
Ceded	(1,803,890)	(1,633,307)
Net premiums written	<u>\$ 4,074,731</u>	<u>\$ 3,533,081</u>
Premiums earned:		
Direct	\$ 2,202,975	\$ 1,847,551
Assumed	3,114,225	2,694,073
Ceded	(1,644,464)	(1,471,195)
Net premiums earned	<u>\$ 3,672,736</u>	<u>\$ 3,070,429</u>
Loss and loss adjustment expenses:		
Direct	\$ 1,162,089	\$ 1,002,477
Assumed	1,760,597	1,437,097
Ceded	(942,199)	(815,561)
Loss and loss adjustment expenses	<u>\$ 1,980,487</u>	<u>\$ 1,624,013</u>

*The comparative table has been re-presented to align with current year presentation.

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9. Reinsurance (continued)
(b) Credit risk

The cession of reinsurance does not legally discharge the Group from its primary liability for the full amount of the reinsurance policies it writes, and the Group is required to pay the loss and bear collection risk regarding reinsurers' obligations under reinsurance and retrocession agreements. The Group recognizes provisions for expected credit losses for uncollectible reinsurance recoverable when collection becomes unlikely due to the reinsurer's inability to pay.

To the extent the creditworthiness of the Group's reinsurers were to deteriorate due to adverse events affecting the reinsurance industry, such as a large number of major catastrophes, actual uncollectible amounts could be significantly greater than the Group's provision. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying loss reserves.

The Group evaluates the financial condition of its reinsurers and monitors concentration of credit risk arising from its exposure to individual reinsurers. The reinsurance program is generally placed with reinsurers whose rating, at the time of placement, was A- or better as rated by Standard & Poor's or the equivalent with other rating agencies. Exposure to a single reinsurer is also controlled with restrictions dependent on rating. During the year ended December 31, 2025, the Group placed 99% (2024: 99%) of its business with reinsurers rated A- or above. Reinsurers with less than A- rating are fully collateralized.

In assessing the provision for expected credit losses for reinsurance recoverable balances, the Group considers historical information, financial strength and credit ratings of reinsurers, collateralization amounts and the remaining expected life of reinsurance recoverable balances to determine the appropriateness of the allowance. Historically, the Group has not experienced material credit losses from retrocessional agreements. In assessing future default for reinsurance recoverable balances, the Group evaluates the valuation allowance under the probability of default and loss given default method and utilizes counterparty credit ratings from major rating agencies, as well as assesses the current market conditions and reasonable and supportable forecasts for the likelihood of default. At December 31, 2025 and December 31, 2024, an assessment was undertaken and an allowance for credit losses on its reinsurance recoverable balance was not deemed necessary.

10. Share capital
Class A Shares

The Company's authorized share capital is 2,885,102,243 (2024: 2,885,102,243) Class A common shares ("Class A shares") with a par value of \$0.01 each. The holders of Class A shares are entitled to receive dividends and are allocated one vote per share. At December 31, 2025, there were 2,507,446,820 (2024: 2,503,213,781) Class A shares outstanding.

Class B Shares

Certain members of the management team of the Group were invited to participate in a Management Incentive Plan ("MIP") through the purchase of Class B common shares ("Class B shares") at fair value. The purpose of the MIP is to incentivize key members of the Group's management team by providing an equity incentive the value of which is linked to the performance of the business. The Company's authorized share capital is 2,600,000 Class B shares with a par value of \$0.01 each. At December 31, 2025, there were 2,571,660 (2024: 2,571,660) Class B shares outstanding.

In 2025, the Company did not issue Class B shares (2024: 18,460 at \$23.93).

The holders of Class B shares are not entitled to receive dividends but are allocated one vote per share. Class B shares are subject to transfer restrictions based on employee tenure at the Company, and vest over the period from the grant date to October 27, 2028. The Class B shares include a put option where the shareholder can request the Company to repurchase shares. The puts are exercisable for a 12-month period beginning on April 29, 2029. On a return of capital, completion of a sale or listing the Class B shares will participate in the distribution of surplus assets the extent to which is determined with reference to the internal rate of return achieved by the Class A shareholders.

The Class B shares will only participate after the Class A shares have received amounts equal to or greater than the Class A shares investment cost. Class B shares are accounted for in accordance with ASC 718-10, *Stock Compensation*, due to the vesting conditions containing the requisite service periods. Fair value of the shares at

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10. Share capital (continued)

issuance date was estimated using a Monte Carlo model, which requires certain inputs and assumptions including a risk-free interest rate, expected term, and internal rate of return.

Share Options

On May 1, 2025, the Company granted 24,654,220 employee share options, which vest four-years from the grant date and are subject to an employment service condition. The options were granted at fair value and are exercisable by employees at no cost upon vesting. As of December 31, 2025, no share options had been forfeited, and the fair value of share options expected to vest was \$53 million. The fair value at grant date is being recognized on a straight-line basis over the four-year vesting period.

Preference Shares

In 2020, the Company issued 500,000,000 perpetual cumulative Preference Shares. The Preference Shares have no stated maturity date and will remain outstanding in perpetuity unless, and until, the Company elects to redeem them, in part or in whole, solely at the Company's option. The aggregate gross initial acquisition price was \$100,000 for 100,000,000 fully paid-up shares and 400,000,000 Nil-paid shares. Redemptions occurring prior to November 2027 are subject to a penalty ranging from 2.5% to 5.5%, depending on the timing of the redemption. No penalties apply to redemptions occurring after that period.

Fully-paid shares have a liquidation preference equal to the applicable acquisition price per share (initially \$1.00 per share) plus accrued and unpaid dividends (even if such dividends have not been declared by the Board). Nil-paid shares are Preference Shares of the Company that have been issued and allotted, but for which the acquisition price has not been fully paid. Each Nil-paid share generally has a liquidation preference of \$0.00 and does not accrue or accumulate dividends.

Holders of the Preference Shares have no voting rights, except with respect to certain fundamental changes in the terms of the Preference Shares and in the case of certain dividend non-payments or as otherwise required by Bermuda law or the Company's byelaws.

Dividends

The Company did not declare dividends on common shares during the year ended December 31, 2025 (2024: \$nil).

Cumulative dividends on the Preference Shares, when, as and if declared by the Company's Board of Directors ("the Board"), will accrue and be payable quarterly in arrears at an annual fixed rate of 10.375% of the liquidation preference (subject to any adjustments) until the seventh anniversary of the initial issue date. Subsequent to that, floating rate payments will be at the rate of the 3-month SOFR (or at a "Fallback" or "Replacement" rate, per the issuance agreement) plus a margin of 9.3% of the liquidation preference.

The Board is not required to declare and pay dividends on the Preference Shares. However, dividends are accrued, regardless of Board declaration, for purposes of the calculation of the liquidation preference. Dividend payments of \$51,875 were authorized and declared to preference shareholders in 2025 (2024: \$51,875).

11. Pension contributions

The Group provides pension benefits to eligible employees through various plans which are managed externally and sponsored by the Group. The Group's contributions are expensed as incurred. The Group's expenses for its defined contribution plans for the year ended December 31, 2025 were \$11,669 (2024: \$10,923).

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12. Income taxes

The Group provides for income taxes based upon profits/losses reported in the financial statements and the provisions of currently enacted tax laws. The Company is registered in Bermuda and is subject to Bermuda law with respect to taxation. On December 27, 2023, the Bermuda Corporate Income Tax Act ("CIT Act") received Royal Assent, applicable to periods beginning on or after January 1, 2025.

Under the CIT Act, Bermuda corporate income tax will be chargeable at a rate of 15% and will apply only to Bermuda entities that are part of Multinational Enterprise ("MNE") Groups with revenues of €750m or more in at least two of the four fiscal years immediately preceding the fiscal year in question. The CIT Act overrides the previous undertaking provided by the Minister of Finance, exempting the Company from taxes pursuant to the Exempted Undertakings Tax Protection Act 1966.

The CIT Act includes an exemption from the application of the rules for Groups within their 'initial phase of their international activity'. The Company has met the requirements for the exemption as of December 31, 2025 and December 31, 2024, and expects to continue meeting such requirements to benefit from the 5-year deferral to January 1, 2030.

The Company's subsidiaries that operate outside of Bermuda are subject to tax in the jurisdictions in which they operate.

The Group's net income before tax for the years ended December 31, 2025 and December 31, 2024 was generated in the following domestic and foreign jurisdictions:

	2025	2024
Domestic	\$ 533,702	\$ 394,765
Foreign	306,927	219,169
Net income before tax	\$ 840,629	\$ 613,934
Current taxation:		
Bermuda current tax at 0% (2024: 0%)	—	—
Bermuda corporation tax	\$ —	\$ —
Foreign taxation – current year	\$ (74,055)	\$ (52,025)
Foreign taxation – adjustment in respect of prior years	(9,471)	324
Foreign taxation – expense	\$ (83,526)	\$ (51,701)
Total current tax expense	\$ (83,526)	\$ (51,701)
Deferred taxation:		
Origination and reversal of timing differences	\$ (1,768)	\$ (4,286)
Adjustments in respect of prior periods	7,889	206
Total deferred tax expense	\$ 6,121	\$ (4,080)
Total tax expense	\$ (77,405)	\$ (55,781)

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12. Income taxes (continued)

The table below is a reconciliation of the actual income tax (charge)/benefit for the years ended December 31, 2025 and December 31, 2024 to the amount computed by applying the effective tax rate of 0% under Bermuda law to income before taxes:

	<u>2025</u>	<u>2024</u>
Expected tax expense at local rate of tax	\$ —	\$ —
Effects of:		
Expected tax expense on foreign profits	(78,112)	(56,752)
Prior year adjustment – current tax	(9,471)	324
Prior year adjustment – deferred tax	7,889	206
Permanent differences	(407)	(887)
Deferred tax not recognized	2,702	1,352
Other foreign taxes	(6)	(24)
Actual tax expense	\$ (77,405)	\$ (55,781)

Deferred tax assets primarily represent the tax effect of temporary differences between the carrying value of assets and liabilities for financial statements purposes and such values as measured by tax laws and regulations in countries in which the operations are taxable. Deferred tax assets may also represent the tax effect of tax losses carried forward.

The components of the Group's net deferred tax asset as of December 31, 2025 and December 31, 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Deferred tax asset related to:		
Tax losses carried forward at local tax rates	\$ 3,917	\$ 8,211
Deferred bonuses	7,333	1,166
Equity Awards	1,714	—
GAAP differences	(349)	4,154
Foreign Tax Credits	4,432	—
Capital allowances in excess of depreciation	3,119	3,233
Pension contributions	194	—
Other items	(6)	350
Bermuda Economic Transition Adjustment	67,700	67,700
Total deferred tax assets	\$ 88,054	\$ 84,814
Less: valuation allowances	(5,953)	(8,834)
Total net deferred income tax assets	\$ 82,101	\$ 75,980

The Group had \$18,400 (\$4,000 tax effected) and \$35,300 (\$7,500 tax effected) carried forward net operating losses ("NOLs") as at December 31, 2025 and December 31, 2024, respectively.

As at December 31, 2025, the Company had a full valuation allowance against the carryforward balance of CUS NOLs of \$15,897 (2024: \$32,800) and CES UK Branch NOLs of \$2,320 (2024: \$2,500). There are no other loss carryforward balances remaining.

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12. Income taxes (continued)

The movement in the deferred tax asset for the years ended December 31, 2025 and December 31, 2024 can be explained as follows:

	2025	2024
Balance at beginning of the year	\$ 75,980	\$ 80,059
Movement of tax losses carried forward	(3,239)	(5,141)
Movement of deferred tax on capital allowances	210	424
Movement of deferred tax on equity awards	1,714	—
Movement of deferred tax on deferred bonuses	1,347	(3,381)
Movement of GAAP differences	(4,503)	2,462
Prior year adjustment	7,889	206
Movement on deferred tax asset on losses not recognized	2,702	1,351
Balance at end of the year	\$ 82,100	\$ 75,980

The MNE Group is within the scope of the Pillar Two rules. However, as the MNE Group is within its initial phase of international activity, the exemption from the under-taxed payment rule (within the Pillar Two rules) is expected to apply until January 1, 2030 in relation to the Bermuda entities in the group such that the 15% minimum tax does not apply.

Further, the MNE Group does not expect any Pillar Two tax liabilities to arise from the implementation of an income inclusion rule or qualifying domestic minimum top up tax as a consequence of legislation adopted in any country where the MNE operates. This is on the basis that the transitional safe harbour is expected to apply in those jurisdictions and that no Pillar Two top up tax would arise in a full calculation in any case. Therefore, the MNE Group has not recognized any tax exposures or liabilities in relation to Pillar Two for the period ended December 31, 2025.

13. Commitments and contingencies
(a) Concentrations of credit risk

The Group has exposure to credit risk as it relates to its business written through brokers, if any of the Group's brokers is unable to fulfill their contractual obligations with respect to payments to the Group. In addition, in some jurisdictions, if the broker fails to make payments to the insured under the Group's policy, the Group might remain liable to the insured for the deficiency. These brokerage companies are large and well established, and there are no indications they are financially distressed. The Group's exposure to such credit risk is somewhat mitigated in certain jurisdictions by contractual terms.

The following table shows the brokers that accounted for more than 10% of gross premiums written for the years ended December 31, 2025 and December 31, 2024:

Broker	2025	2024
Marsh & McLennan Companies, Inc.	23.8 %	26.0 %
Aon Benfield	19.8 %	19.6 %
Arthur J. Gallagher	12.8 %	10.4 %

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13. Commitments and contingencies (continued)

The Group also has exposure to credit risk related to reinsurance balances receivable, reinsurance recoverable on paid and unpaid losses, and funds held by reinsured companies. The credit risk exposure related to these balances is mitigated by several factors, including but not limited to, credit checks performed as part of the underwriting process, monitoring of aged receivable balances and, in certain cases, the contractual right to offset amounts payable by the Group to the counterparty against amounts due to the Group from the counterparty.

In assessing future default for reinsurance balances receivable, the Group evaluates the valuation allowance under the probability of default and loss given default method and utilizes historic loss activity, adjusted for its assessment of current market conditions and reasonable and supportable forecasts on loss rates. At December 31, 2025 and December 31, 2024, the Group's allowance for credit losses for its reinsurance balances receivable was \$nil.

(b) Employment agreements

The Group has entered into employment agreements with certain individuals that provide for executive benefits and severance payments under certain circumstances.

(c) Operating leases

The Group leases office space and office equipment under various operating leases. All of these leases, the expiration of which range from 2024 to 2031, are for the rental of office space across the U.K, the US, Luxembourg, Bermuda, and Guernsey.

In line with ASC 842, *Leases*, the Group has recognized a lease liability, and a corresponding right of use asset.

The lease liability recognized is the total of the present value of the fixed payments in line with the signed lease agreements across the various jurisdictions. The fixed payments were discounted using the treasury rates in each jurisdiction for the duration of the lease term.

The right of use asset recognized is the present value of the lease liability adjusted for the payment holiday received at the inception of the lease. The payment holiday is amortized over the remaining life of the lease.

The following table summarizes the operating lease charge for the years ended December 31, 2025 and December 31, 2024:

	2025	2024
Amortization charge on right-of-use operating leased assets	\$ 7,295	\$ 6,487
Interest on operating lease liabilities	323	666
Release of lease incentive	(1,032)	32
Operating lease charge	\$ 6,586	\$ 7,185

The following table presents the lease balances within the consolidated balance sheets as of December 31, 2025 and December 31, 2024:

	2025	2024
Operating lease right-of-use assets	\$ 19,391	\$ 26,649
Operating lease liabilities	\$ 22,028	\$ 28,973
Weighted average lease term (years)	4	4
Weighted average discount rate	2.0 %	1.8 %

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13. Commitments and contingencies (continued)

Future minimum rental commitments as of December 31, 2025 and December 31, 2024 under these leases are expected to be as follows:

	2025	2024
Payment due:		
Not later than one year	\$ 6,301	\$ 7,242
Not later than two years	4,587	5,995
Not later than three years	4,475	4,614
Not later than four years	2,843	4,276
Later than five years	1,575	4,318
Total future annual minimum rental payments	19,781	26,445
Less: present value discount	(277)	(863)
Add: lease incentive	2,524	3,391
Total operating lease liability	\$ 22,028	\$ 28,973

14. Variable interest entities
Hypatia Ltd.

Hypatia Ltd. (“Hypatia”) is licensed as a Bermuda domiciled special purpose insurer to provide reinsurance capacity to the Group through derivatives agreements which are collateralized and funded by Hypatia through the issuance of one or more tranches of principal-at-risk variable rate catastrophe bonds to third-party investors.

Upon issuance of a tranche of bonds by Hypatia, all of the proceeds are deposited into collateral accounts, separated by tranche, to fund any potential obligation under the agreements entered into with the Group and its subsidiaries underlying the tranche. The outstanding principal of each tranche generally will be returned to holders of the bonds upon the expiration of the risk period underlying each tranche, unless an event occurs, which causes a loss under the applicable tranche, in which case the amount returned will be reduced by such bondholder’s pro rata share of such loss, as specified in the applicable governing documents of such bonds. In addition, holders of the bonds are generally entitled to interest payments, payable quarterly, as determined by the applicable governing documents of each tranche of bonds.

Hypatia meets the definition of a VIE because it does not have sufficient equity at risk to finance its activities without additional financial support. The Group has evaluated its relationship with Hypatia and concluded that the Group is not the primary beneficiary because it does not have an obligation to absorb losses or receive benefits that could potentially be significant to the VIE. As a result, the Group does not consolidate the financial position or results of operations of Hypatia. The Group has not provided any financial or other support to Hypatia that it was not contractually required to provide.

The transactions related to Hypatia that are recorded in the Group’s consolidated financial statements are the payments made to Hypatia in respect of contracts purchased. As of December 31, 2025 and December 31, 2024, all contracts purchased from Hypatia are accounted for as reinsurance contracts.

Nameco (No. 1407) Limited

Nameco (No. 1407) Limited (“Nameco”) is a company established as a corporate capital member in the Lloyd’s insurance market.

While the Group does not own any of the share capital of Nameco, it is considered a VIE as Nameco does not have sufficient equity at risk to finance its activities without additional financial support. Nameco was established to facilitate the Group’s participation in the 2025 year of account of Lloyd’s Syndicate 1984. The Group is considered the primary beneficiary as it has both (i) the power to direct the activities of the VIE that most significantly affect the entity’s economic performance and (ii) the obligation to absorb losses or the right to receive benefits that could be potentially significant to the VIE. As a result, this entity is consolidated as part of the Group.

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15. Credit facilities

In the normal course of its operations the Group enters into agreements with financial institutions to obtain secured and unsecured credit facilities. These facilities contain certain restrictive covenants customary for facilities of this type. The subsidiaries which are party to the agreements listed below were in compliance with all covenants contained therein at December 31, 2025.

- Letter of Credit Agreement with Citibank Europe plc: Provides for a secured, uncommitted facility under which letters of credit may be issued from time to time. As at December 31, 2025, there were \$203,770 (2024: \$240,188) of letters of credit outstanding under this agreement, secured by collateral in the amount of \$270,421 (2024: \$325,519).
- Letter of Credit Facility with Lloyds Bank plc (expiring December 31, 2026): Provides a \$200,000 secured tranche and a \$100,000 unsecured tranche. As at December 31, 2025, there were letters of credit outstanding under this facility totalling \$95,433 (2024: \$231,331), secured by collateral in the amount of \$83,099 (2024: \$240,388).
- Letter of Credit Facility with Barclays Bank plc (expiring December 31, 2026): Provides a \$100,000 secured tranche and a \$50,000 unsecured tranche. As at December 31, 2025, there were letters of credit outstanding under this facility totalling \$68,544 (2024: \$90,412), secured by collateral in the amount of \$89,129 (2024: \$85,901).
- Letter of Credit Facility with ING Bank N.V. (expiring December 31, 2026): Provides a \$150,000 unsecured capacity. As at December 31, 2025, there were letters of credit outstanding under this facility totalling \$24,666 (2024: \$23,612).
- Credit Facility with J.P. Morgan SE (terminated on January 26, 2026): Provided \$600,000 unsecured bridge financing. As at December 31, 2025, there were no borrowings outstanding under this facility.

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16. Related party transactions

Included in "Operating expenses" in the consolidated statements of income and comprehensive income are expenses which relate to professional services, accommodation, travel and entertainment which were provided by various related parties of the Group and amounted to \$1,815 for the year ended December 31, 2025 (2024: \$1,709). There were \$nil balances in accounts payable at December 31, 2025 (2024: \$nil) relating to these transactions.

Included in "Gross premium written" in the consolidated statements of income and comprehensive income are gross premiums written with various related parties of the Group and amounted to \$605,702 (2024: \$527,980). The primary related party was Howden UK Group Limited which produced \$390,342 of the gross premium written (2024:\$361,517).

Included in "Losses and loss adjustment expenses" in consolidated statements of income and comprehensive income are losses paid to related parties of the Group which amounted to \$128,716 (2024: \$92,988). The primary related party was Howden UK Group Limited to which settlement of losses paid were \$96,134 (2024: \$70,764).

Kelly Lyles, a director of the Company, serves as a director for Howden UK Group Limited. There was a balance of \$38,100 in insurance receivables at December 31, 2025 (2024: \$34,800) related to Howden UK Group Limited.

Nicholas Lyons, a director of the Company, serves as a director for Miller Insurance Services. There was a balance of \$17,500 in insurance receivables at December 31, 2025 related to Miller Insurance Services (2024: \$47,600).

17. Statutory and regulatory requirements

The Group has operations which are subject to laws and regulations in Bermuda, United Kingdom, Luxembourg, Guernsey and the United States of America.

The Group's subsidiaries prepare their statutory financial statements in conformity with statutory accounting practices prescribed or permitted by the applicable local laws and relevant regulatory authority. The statutory financial statements may vary materially from statements prepared in accordance with U.S. GAAP.

The Company and its subsidiaries are required to maintain certain measures of solvency and liquidity which provide restrictions on declaring dividends and distributions. Statutory capital and surplus as of December 31, 2025 and statutory net income for the year ended December 31, 2025 will not be filed with the BMA until April 2026. Statutory capital and surplus as at December 31, 2025 and statutory net income for the year ended December 31, 2025 for (re)insurance subsidiaries in Bermuda, United Kingdom, Luxembourg, and Guernsey were as follows:

	2025		
	Statutory capital and surplus		Statutory net income/(loss)
	Required	Actual	
Bermuda	1,171,870	3,833,761	819,970
United Kingdom	1,499,154	2,220,132	194,844
Luxembourg	82,674	115,815	(1,864)
Guernsey	1,277	5,671	(4,778)
	2024		
	Statutory capital and surplus		Statutory net income/(loss)
	Required	Actual	
Bermuda	1,017,651	3,145,143	597,335
United Kingdom	1,394,313	2,100,683	176,619
Luxembourg	60,035	88,163	2,490
Guernsey	492	5,671	(2,293)

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 For the years ended December 31, 2025 and 2024

(Expressed in thousands of U.S. dollars)

17. Statutory and regulatory requirements (continued)
(a) Bermuda

As a Class 4 reinsurer, the Company's Bermuda based insurance subsidiary, CRL, is required to maintain minimum statutory capital and surplus equal to the greater of a minimum solvency margin ("MSM") and the Enhanced Capital Requirement ("ECR"), where applicable. The ECR is equal to the higher of the MSM or the Bermuda Solvency Capital Requirement ("BSCR") model or approved internal capital model. The BSCR for the relevant insurer for the year ended December 31, 2025 will not be filed with the BMA until the end of April 2026. As a result, the required statutory capital and surplus as at December 31, 2025 is being estimated based on the MSM. It is likely that the ECR will exceed the MSM once the BSCR model has been completed. At the prior period December 31, 2024, the ECR filed with the BMA was \$1,285,699, as compared to the MSM of \$1,017,651.

It is expected that at December 31, 2025 the actual statutory capital and surplus of the Bermuda based insurance subsidiary will exceed the relevant regulatory requirements once finalized.

The ability of the insurance subsidiary to pay dividends to the Company is limited under Bermuda law and regulations. The Insurance Act provides that the Class 4 Bermuda insurance subsidiary may not declare or pay, in any financial year, dividends of more than 25% of its total statutory capital and surplus (as shown on its statutory balance sheet in relation to the previous financial year) unless it files with the BMA at least seven days prior to the payment, an affidavit signed by at least two directors and such insurance subsidiary's principal representative, stating that in their opinion, such subsidiary will continue to satisfy the required margins following declaration of those dividends, however, there is no additional requirement for BMA approval.

In addition, before reducing its total statutory capital by 15% or more, the Class 4 Bermuda insurance subsidiary must make application to the BMA for permission to do so. Such application shall consist of an affidavit signed by at least two directors and such insurance subsidiary's principal representative stating that in their opinion the proposed reduction in capital will not cause such subsidiary to fail to meet its relevant margins, and such other information as the BMA may require.

The Group's primary restrictions on net assets of insurance subsidiaries consist of regulatory requirements placed upon the regulated insurance subsidiaries to hold minimum amounts of total statutory capital and surplus. There were no other material restrictions on net assets in place as of December 31, 2025.

(b) United Kingdom

The required and actual statutory requirements in the United Kingdom category in the table above relate to CIL. Under the jurisdiction of the United Kingdom's Prudential Regulation Authority ("PRA"), the Group's London based subsidiary, CIL must always maintain a margin of solvency under the Solvency II Directive from the European Insurance and Occupational Pensions Authority which was effective January 1, 2016 and grandfathered into domestic legislation post the United Kingdom's exit from the European Union. The regulations stipulate that insurers are required to calculate their minimum capital requirement ("MCR") and solvency capital requirement ("SCR"). Insurers can either apply for approval of an internal model to calculate the SCR or adopt the standard formula. CIL utilizes the standard formula for the SCR. As of December 31, 2025, the expected SCR of CIL was \$1,499,154 (2024: \$1,394,313) and there was surplus capital of \$720,978 (2024: \$706,370) with actual Own Funds Available of \$2,220,132 (2024: \$2,100,683).

The PRA regulatory requirements impose no explicit restrictions on CIL's ability to pay a dividend, but the Group would have to notify the PRA twenty-eight days prior to any proposed dividend payment. Dividends may only be distributed from profits available for distribution. At December 31, 2025, CIL had \$383,968 (2024: \$189,124) retained profits available for distribution.

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For the years ended December 31, 2025 and 2024

(Expressed in thousands of U.S. dollars)

17. Statutory and regulatory requirements (continued)**(c) Luxembourg**

The required and actual statutory requirements in the Luxembourg category in the table above relate to CES. Under the jurisdiction of Luxembourg's Commissariat aux Assurances ("CAA"), the Group's Luxembourg based subsidiary, CES must always maintain a margin of solvency under the Solvency II Directive from the European Insurance and Occupational Pensions Authority which was effective January 1, 2016. The regulations stipulate that insurers are required to calculate their minimum capital requirement ("MCR") and solvency capital requirement ("SCR"). Insurers can either apply for approval of an internal model to calculate the SCR or adopt the standard formula. CES utilizes the standard formula for the SCR. As of December 31, 2025, the expected SCR of CES was \$82,674 (2024: \$60,035) and there was surplus capital of \$33,141 (2024: \$28,128), with actual Own Funds Available of \$115,815 (2024: \$88,163).

The CAA regulatory requirements impose no explicit restrictions on CES's ability to pay a dividend, but the Group would have to notify the CAA twenty-eight days prior to any proposed dividend payment. Dividends may only be distributed from profits available for distribution.

(d) Guernsey

The required and actual statutory requirements in the Guernsey category in the table above relate to CGU. Under the jurisdiction of the Guernsey Financial Services Commission ("GFSC"), the Group's Guernsey based subsidiary, CGU must always maintain a margin of solvency under the Insurance Business (Solvency) Rules and Guidance, 2021. The regulations stipulate that insurers are required to calculate their minimum capital requirement ("MCR") and prescribed capital requirement ("PCR"). As of December 31, 2025, the expected MCR of CGU was \$135 (2024: \$125) and the expected PCR was \$1,277 (2024: \$492) and there was surplus capital of \$5,366 (2024: \$5,179), with actual Regulatory Capital Available of \$5,671 (2024: \$5,671).

The GFSC regulatory requirements impose no explicit restrictions on CGU's ability to pay a dividend. Dividends may only be distributed from profits available for distribution. At December 31, 2025, CGU had \$nil (2024: \$nil) retained profits available for distribution.

18. Subsequent events

On January 21, 2026, the Group raised \$600,000 in capital via the issuance of U.S. dollar denominated subordinated bonds by CGL. The debt securities are 20 year maturity (with a 10 year non-call clause) and are listed on the London Stock Exchange's International Securities Market.

On February 6, 2026, the Group announced the successful closure of a transaction establishing a new long-term ownership structure led by Onex Corporation ("Onex") with American International Group, Inc. ("AIG"). Facilitating this change, the Group bought \$535,671 worth of its own shares from investors and the amount paid will be reflected as a reduction in equity.

On March 31, 2026 the Group agreed to redeem 100 million preference shares by CGL, classified as equity instruments, from existing cash resources for \$105,500 and the amount paid will be reflected as a reduction in equity.

The Group has completed a review of events occurring after the balance sheet date and up to the date the financials were available to be issued, and concluded that, other than those discussed above, there are no subsequent events requiring recognition or disclosure.



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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, which includes the following regulated entities: Convex Re Limited, a company incorporated in Bermuda which is licensed and supervised by the Bermuda Monetary Authority; Convex Insurance UK Limited, a company incorporated in England & Wales authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the PRA; Convex North America Insurance Services LLC, a company incorporated in Delaware which is a managing general underwriter and licensed excess and surplus lines insurance broker; Convex Corporate Services Limited, a company incorporated in England & Wales authorised by the FCA; Convex Europe S.A. a company incorporated in Luxembourg which is supervised by the Commissariat aux Assurances (CAA); and Convex Europe S.A. UK Branch which is authorised and regulated by the CAA and authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA. Details about the extent of its regulation by the PRA are available from us on request.