

CONVEX INSURANCE UK LIMITED

Registered Number 11796392

Annual Report
For the year ended 31 December 2025



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Convex Insurance UK Limited

Strategic Report

For the year ended 31 December 2025

Business Model

Convex Insurance UK Limited (“the Company”) is authorised by the Prudential Regulation Authority (“PRA”) and regulated by the Financial Conduct Authority (“FCA”). The Company is included on the National Association of Insurance Commissioners (“NAIC”) Quarterly Listing of Alien Insurers, ensuring that it can write United States business through surplus lines eligibilities, and is approved by the NAIC and the California Department of Insurance to operate as a reciprocal jurisdiction reinsurer. The Company’s ultimate parent is Convex Group Limited (“CGL”) and it forms part of the group made up of CGL and its controlled entities (“the Group”).

The Company has two wholly owned subsidiaries: Convex Europe S.A. (“CES”), a non-life insurance company incorporated in Luxembourg with a UK branch approved by the PRA and regulated by the FCA; and Convex North America Insurance Services LLC (“CUS”) a managing general agent and licensed excess and surplus lines insurance broker operating in the United States. The Company has taken the option available under UK law to present the results of its operations at a Company standalone basis only given the results of its subsidiaries are included in the CGL consolidated annual report.

The Company continues in its mission to be:

- a global reinsurance player with a focus on property, casualty and specialty;
- a specialty and London wholesale insurance market for complex risks; and
- increasingly, a carrier using its digital underwriting capability to access less complex specialty business (where the Company has the appropriate licences).

It is our ambition to become our clients’ favourite insurer, providing service levels that differentiate us from the competition and allow us to further build on our reputation. Our clients are at the centre of what we do.

Strategy and Objectives

The Company’s strategy aligns with the Group’s strategy, which is underpinned by our three strategic pillars:

- 1. Attracting the finest talent and creating a values-driven culture to become our clients’ favourite insurer.** Building a team of talented people where employees feel their talent is recognised.
- 2. Deliver operational excellence, through strong execution and high-quality outcomes with a market-leading low expense ratio.** Deliver excellent business and client outcomes at a lower cost than our competitors
- 3. Use of data and technology for enhanced decision-making.** Make informed underwriting decisions using data and analytics, which will give us a competitive advantage over peers and competitors.

Environment, Social, and Governance Strategy (“ESG”)

The Group’s Sustainability Strategy enables us to address the challenges and opportunities presented as the world decarbonises, tackles the impacts of a changing climate and manages evolving societal expectations and responsibilities. This strategy, shaped with significant input from senior leadership, informs and contributes to our overall group strategy, and is comprised of three Guiding Principles: Building Resilience, Leading from our Culture and Advancing Transition.

Our Sustainability strategy and progress in meeting our goals can be found in the Convex Group Limited Sustainability Statement and ClimateWise report at <https://convexin.com/about-us/sustainability/>.

Convex believes strongly in the importance of behaving in a responsible manner to promote environmental and social sustainability both within, and beyond, our organisation. In this ever-changing world, our approach to sustainability is continuing to develop as we reflect and assess current and emerging ESG issues.

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Business Review

Financial KPIs

The Directors review certain financial key performance indicators (“KPIs”) in order to assess the performance of the Company and make strategic decisions to achieve the Company’s objectives.

Key performance indicators	Description	2025 \$000	2024 \$000
Gross premiums written	Written premiums, gross amount	4,026,406	3,606,050
Net premiums written	Written premiums, net of reinsurance	1,654,098	1,426,323
Net premiums earned	Earned premiums, net of reinsurance	1,513,529	1,232,932
Underwriting result	Balance on technical account (before investment income)	76,539	97,072
Investment return	Investment income, plus gains/losses, net of direct expenses	183,810	138,859
Capital and reserves	Total capital including accumulated profit	2,170,816	1,975,972
Own funds	Total capital and reserves as calculated under Solvency II rules	2,220,132	2,100,683
SCR	Solvency Capital Requirement	1,499,154	1,394,313
		%	%
Net loss ratio	Ratio of net claims incurred to net earned premiums	45.6%	46.1%
Expense ratio	Ratio of net operating expenses to net earned premiums	49.4%	46.1%
Net combined ratio	Sum of net loss ratio and expense ratio	95.0%	92.1%
Solvency ratio	Ratio of SCR to Own Funds	148.1%	150.7%

Some of the KPIs that the Company uses to measure performance are not based on UK accounting standard requirements. Specifically, the Company is regulated under the UK Prudential Regulation Authority (“PRA”) Solvency II regime (“Solvency II”) and therefore metrics under these regulations, such as *Own Funds* and the *Solvency Capital Requirement* (“SCR”), are monitored.

Own Funds represent the available capital resources determined under the Solvency II regime, and consist of the Company’s ordinary share capital and profit on the Solvency II balance sheet. The SCR is the amount of Own Funds that the Company is required to hold under Solvency II requirements. The SCR is calculated using the Standard Formula, which is a prescribed approach to calculating the SCR under Solvency II and is calibrated by the PRA to ensure that all quantifiable risks are taken into account.

Results and performance

In 2025 the Company focused on continued business growth, which has resulted in an increase in gross premiums written to \$4,026,406k (2024:\$3,606,050k), and maintained its prudent approach to risk retention which led to significant use of reinsurance protection, resulting in net premiums written of \$1,654,098k (2024: \$1,426,323k).

Underwriting results continued to grow in 2025, and the Company reported net underwriting profit for a third consecutive year. In addition to expected attritional losses, the Company was exposed to a number of events from both man-made and natural perils, including the California Wildfires, Hurricane Melissa and Air India losses. However, the claims arising from these events were in line with expectations given the Company’s market share. The Company also benefited from favourable development on many of the large claims relating to events incurred in prior years. The Company continues to assess the propensity for inflationary pressures to impact each class of business, and applies what it believes are appropriate assumptions considering the latest inflationary outlook. The investment result benefited from steady coupon throughout 2025 on the fixed income portfolio despite volatile moves in risk-free yields, and was complemented by returns on risk asset mandates across credit, alternatives and impact related exposures.

Expenses were higher in 2025, due to a combination of the continued growth of the Company, higher overall acquisition costs as a proportion of premium and an increased investment in strategic projects. As a result, the expense ratio increased from 46.1% to 49.4% over the year, with the higher rate of acquisition costs partially offset by administrative expenses increasing more slowly than net premiums earned.

As a result of these factors, the Company made a net profit of \$194,844k in 2025 (2024: net profit of \$176,619k).

Convex Insurance UK Limited

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Business Review (continued)

Non-financial KPIs

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

The Group makes use of external benchmarking and market ratings surveys to assess our performance and direction of travel against our strategic pillars. Convex has developed ESG related goals, the monitoring of which are included in the Convex Sustainability Report and the Climatewise Report, available on our website at convexin.com/about-us/sustainability/.

Outlook

The Company will look to continue to grow its portfolio and remains focused on creating underwriting solutions for an ever-increasingly complex world, with a best in class claims service that delights as we continue on our journey to become our clients' favourite insurer.

Principal Risks and Uncertainties

Overall organisational risks

The Risk Management function oversees the management of all organisational risks and continues to enhance the mechanisms used to identify, quantify and manage accumulated exposures within the limits of the Company's risk appetite. The steering of the overall risk strategy is directed by the Board of Directors and the Risk Committee, which provides more granular oversight and monitoring of the Company's risk profile. For further details on Risk Management, refer to Note 4 in the Notes to the Financial Statements.

Underwriting risk

Underwriting risk includes risks arising from uncertainty around current and future underwriting exposure, and the risk that current reserves are insufficient to cover claims liabilities as they fall due. These specifically include:

- inadequate pricing in the underwriting process;
- fluctuations in the timing, frequency and severity of claims and claim settlements relative to expectations;
- unexpected claims arising from a single source;
- inadequate claims reserves; and
- inadequate reinsurance protection.

The Company seeks to manage underwriting risk through:

- regular monitoring of premium and claims by line of business against the business plan;
- enforcing strict adherence to the Company's underwriting guidelines, which are in line with the Board's risk appetite;
- review of the adequacy of Company's general insurance reserve by the Reserving Committee, and approval from the Board of Directors. The Reserving Committee uses externally sourced market benchmark data to monitor and manage the increased uncertainty of the Company's reserves in order to supplement the relatively limited proprietary experience data; and
- an effective and high-quality reinsurance programme.

Financial risk

Financial risk arises through the Company's financial assets, financial liabilities, insurance/reinsurance assets and policyholder/cedant liabilities. The key financial risk is that proceeds from financial assets are insufficient to fund obligations as they fall due. The most important drivers of financial risk are interest rate risk, currency risk, credit risk, and liquidity risk. Compliance against risk limits is monitored on a continuous basis, with escalation to the Risk Committee and mitigation processes in place where breaches are identified.

The Company manages its investment portfolio in line with the PRA's "prudent person principle" as set out in supervisory statement SS1/20 by applying the requirements and principles described in the Financial Market Risk Framework and the Investment Guidelines. These requirements and guidelines help ensure that risks in the current portfolio and in new investment proposals can be identified, measured, monitored, managed, and controlled.

Operational risk

Operational risk is defined as the risk of greater than expected losses due to the failure of internal processes, people or systems, or from external events. In addition, as the market transitions to low-carbon economies, this could potentially lead to a decline in asset values, higher cost of doing business, or disrupt the ways of working.

Whilst operational risk is managed by function in a variety of ways across the Company, the main mechanism in place is the Company's risk and control framework. These controls continue to evolve and are reviewed periodically. They are assessed for operating effectiveness within each function to ensure that risks identified are being mitigated as expected.

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Principal Risks and Uncertainties (continued)

Strategic risk

As the aim of the Company is to remain a scale player in the P&C market, there is a degree of inherent risk in the operating plans set to achieve this goal. Strategic risk is mitigated in part by the expertise of a wide array of industry veterans within the Company, and on the Board, who continually review the strategy being enacted, whilst being aware of current market developments. In this phase of business growth, it is essential to remain agile and be able to react positively to latest developments. The Company also has a robust business planning process, which considers the evolution of the business over a multi-year period.

Key risks

The following were the specific key risks monitored over 2025.

Inflation risk

Convex has continued to consider the impacts of inflation on the business including claims, reserving and pricing.

The Company observed increases in claims inflation, most significantly social inflation in US casualty business, but also in other lines. The Incurred but not Reported ("IBNR") reserving methodology included a class of business assessment of the propensity for inflationary pressures, and applied an appropriate change to initial expected loss ratios for the relevant classes. The business plan loss ratios and pricing models have also been adjusted to reflect our expected view of inflation. The achieved rate change is also monitored closely against the Company view of inflation to make sure that prices are keeping pace with inflation.

Climate risk

The Company defines climate risks into the following categories:

- Physical risk – An increase in the frequency and severity of specific weather events which occur as a result of climate change, e.g. floods, heatwaves and wildfires; or longer term shifts in the climate such as a rising sea levels or mean temperatures.
- Transition risk – Risks arising from the process of adjustment towards a low carbon economy e.g. the impact on business models from the emergence of disruptive technology, changing risk profiles of our insureds, asset price volatility and changes in government policy and consumer preferences.
- Liability risk – The risk of parties who suffer loss from climate change seeking to recover those losses from those who they believe may have been responsible, and risks associated with decarbonisation / environmental statements and commitments.

The Company takes a multifaceted approach to identifying, assessing and responding to the risks associated with climate change, outlined in the Company's Climate Risk Management Framework. This framework is underpinned by a robust governance structure and utilises defined risk appetite statements, climate scenario analysis and risk analytics to assess climate exposures.

Operational risk, Outsourcing

Operational risk refers to the risk of financial or other loss, or potential damage to the Company's reputation resulting from inadequate or failed internal processes, people and systems, or from external events. Convex has a long-established outsourcing programme that delivers cost efficiency and provides access to specialised knowledge and technology that complements the Company's strategic objectives.

There is a formal Governance structure in place, with defined contingency plans, to manage these arrangements and these are subject to close oversight by the Board of Directors.

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Section 172(1) Statement

The Directors of the Company must act in accordance with a set of general requirements that are detailed in section 172 (1) (a) to (f) of the UK Companies Act 2006 as follows:

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

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

The following paragraphs summarise how the Directors fulfil their responsibilities under Section 172 (1)(a) to (f) in alignment with our core values. Key stakeholders of the business are: employees, external parties (reinsurance partners, suppliers, and regulators), customers (clients and brokers), community and charity, and environment.

Employees

The Company does not have any employees as it operates through an outsourcing and recharge arrangement with another member of the Group, Convex UK Services Limited (“CSL”), that employs the staff that support the Company’s operations.

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

We continue to focus on our culture as we consider it to be a key differentiator for us. Our employee value proposition includes enhanced parental leave, where either parent receives six months’ leave on full pay, and we continue to offer all Convexians a Learning & Wellbeing wallet to invest in their personal development through learning, wellbeing, or both. In the last year we have launched a number of new exciting benefits including Convex funded dental cover, annual health screenings for partners and “Wellhub” a wellbeing platform that grants access to thousands of solutions to support all areas of wellbeing.

Now in its sixth year, the Convex Dream Pitch gives employees the opportunity to pitch for support in achieving a dream goal – i.e. something they might not otherwise have the time, money or resource to achieve.

Our 2025 employee engagement survey achieved a 94% participation rate and our results continue to rival best in class. This year, following our success in 2024, the Group has again been recognised, across all industries, in the Sunday Times Best Places to Work survey, which is voted for entirely by our employees. We have also achieved second place in the Gracechurch Employer Brand Monitor for the second year running.

We continue to invest in our Talent and Growth strategy. In 2024 we launched Career Conversations and this continued to develop through 2025. This allows Convexians to complete an annual Career Playbook that sets out their career aspirations, the skills and experience required to achieve their aspirational role and identify other Convexians who could be seen as successors for their role in the future. This is then used as a basis for the Career Conversation with their manager.

We have also been focusing on development and in particular how we lead as a business. This year we launched our Take the Lead Programme, which used immersive theatre set in Hoxton Docks in the 1930s to allow our leaders to role play and shape the outcome of various leadership scenarios. It was incredibly well-received and we will continue to host further Take the Lead modules going forward.

Managing Convex’s pipeline of talent remained a key priority and we welcomed a range of students via our graduate and school leaver programme, and via our summer internship. We also hosted a number of diversity and inclusion events including co-hosting with iCAN, the Insurance Cultural Awareness Network, and two ChatGPT bootcamp events aiming to upskill attendees in artificial intelligence.

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Section 172(1) Statement (continued)

Customers and business partners

The Company's ultimate customers are our policyholders, and keeping our promises to our customers is one of our most important priorities. We engage with our customers through business partners who primarily consist of insurance and reinsurance brokers and cover-holders with whom we interact on a daily basis. The Company has continued to maintain and develop its position in the marketplace as demonstrated by the following:

- 2025 Gracechurch London's Leading Underwriters – currently 2nd in both the Overall Bench Strength and Female Bench Strength;
- Q2 2025 London Claims Monitor – ranked 1st in Claims Net Promoter Score for the 4th consecutive quarter; and
- 2025 Service Quality Marque for both Underwriting and Claims Service by Gracechurch Consulting.

External parties – reinsurance partners, suppliers, and regulators

Our suppliers help Convex deliver the service excellence for which we strive, and as such we try to work in a partnership with them. We operate in a highly-regulated industry, and therefore maintaining good relationships with our regulators is essential to our success. Our regulators are primarily the FCA and PRA in the UK and the Commissariat aux Assurances (“CAA”) for the Company's Luxembourg subsidiary. In addition, business written in the United States is regulated by the NAIC, as well as the California Department of Insurance. Convex Re Limited and Convex Group Limited, the Company's parent and ultimate parent respectively, are regulated by the Bermuda Monetary Authority (“BMA”) in Bermuda, which also serves as the Group Supervisor. We have maintained and developed our relationships with reinsurance partners, suppliers, and regulators in 2025 as follows:

- In 2025, the Company continued to have ongoing and periodic discussions with our reinsurers, key suppliers, and third parties. Updates on these regular meetings were provided to the Board.
- During 2025, the Directors and management met with our ratings agencies (S&P and A.M. Best) to secure our credit ratings and provide the business plan. S&P raised the Company's rating to A with a “stable” outlook, and A.M. Best affirmed our rating of A. On a quarterly basis the Company CFO and the Group CFO met with these agencies to provide an update on actual results. Throughout the year, we were in contact on both a regular basis, and an ad hoc basis to keep the credit agencies abreast of business performance and updates.
- The Chief Compliance Officer has facilitated regular communication with the regulators and supported the Company in delivering outputs which have been driven by our regulators. Convex ensures that the lines of communication are kept open in between these regular meetings. In 2025 a Convex Group Limited “Supervisory College” was arranged as an information exchange session with the BMA, PRA and CAA.

Community and charity

Supporting our local community is a fundamental part of Convex's Corporate Responsibility (“CR”) and is embedded into our CR principles. The Group strengthened ties with our community over 2025, with activities led and managed by employees via our London and Bermuda Charity, Outreach, Diversity & Engagement (“CODE”) Committees, which in turn reports into the Convex Group Limited's Corporate Responsibility Committee.

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

- We continued to offer 3 volunteering days to each employee to use with charitable organisations of their choice. Some teams chose to volunteer together: for example we helped prepare 5,000 meals to be distributed to a variety of charities via our catering partner Thomas Franks.
- We also continued to fund-match employee charitable endeavours up to \$500 per person, supporting countless employees to run, climb, swim and cycle to raise money for charities.
- In 2025 our partnership with Alzheimer's Research UK (“ARUK”) continued through which we help educate employees, brokers and clients about dementia and Alzheimer's.
- Our London charity partner for 2025, chosen by staff and managed by our local CODE Committee, was Pathways Care Farm, a farm that seeks to improve the wellbeing of vulnerable people through farming. We also continued to support Spread-a-Smile, who aim to bring joy and laughter to seriously ill children in NHS hospitals and hospices across the UK. In addition, we supported the London Youth Choir, a charity working to transform young lives through singing, with 10 choirs and free programmes in schools helping thousands of young Londoners each year access the joys and benefits of singing.
- We continued to be an active partner of the Insurance Industry Charitable Foundation (“IICF”) by providing resource and support to their fundraising activities.
- We also continued our partnership with Haverstock School. The school serves a community with a very high level of deprivation. More than 60% of students are eligible for free school meals, with over half of the pupils having English as an additional language and many coming from refugee backgrounds. Of the sixth-form students, an overwhelming majority will be the first in their families to attend university. The core of the partnership was offering mentoring, masterclasses and university sponsorship with a focus on sixth-form students. Outside of this, we have also been able to support a variety of other initiatives including funding, workplace visits and careers panels for younger year groups.

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Section 172(1) Statement (continued)

- Convex Allies, a group of employees from across the business linked to the CODE Committee, met regularly throughout 2025 to promote inclusion across the Group. They hosted a number of events and discussions including: Cultural Diversity, International Women's Day, Black History Month, World Menopause Day and International Men's Day. The team also continued producing an internal podcast series called 'Convex Journeys', featuring interviews with Convexians from across the organisation, talking about their personal and career journeys.
- In 2025 Convex Allies introduced a new safe space initiative called 'Talk To Me About' ("TTMA"). This initiative established a network of volunteers with which employees can connect informally on a series of topics for advice and allyship. We currently have volunteers across 16 different topic areas, including Disability, Career Development, Parenting, Navigating Work Stress, Grief, Leadership and many more.

Environment

Our approach to sustainability is integral to and integrated in Convex's strategy, and is underpinned by our corporate values. We are clear that we will only deliver on our ambition to be the partner of choice if we fully integrate environmental, social and governance considerations into how we run our organisation.

Governance

Ensuring we have a robust governance framework in place for managing sustainability-related impacts, risks, and opportunities is essential to ensure we are able to progress our sustainability strategy effectively. CGL's Executive Chairman, Stephen Catlin, leads the Convex Group Limited's engagement in climate change risk and the broader sustainability agenda. At Company level, the regulatory accountability for climate change risk (according to the PRA Senior Management and Certification Regime ("SMCR")) is held by William Marcoux, Chair of the Company Board. The Board is supported by its Board Committees that focus on specific aspects of climate risk and the Group Executive Committee.

Strategy

We recognise the critical importance of understanding the implications of climate and nature-related risks and opportunities on our Group business strategy. Our process begins with a comprehensive double materiality assessment ("DMA"), which evaluates both the financial materiality of sustainability-related matters on us and the impact of our operations on people and the environment.

Our DMA identified climate change as the most material sustainability topic for our business and stakeholders, validating our prioritisation of this issue in prior years. This assessment informs our Sustainability Strategy which is underpinned by our Board-approved commitment to achieve net zero by 2050 across our operations and business activities. In 2025 we have continued to advance our strategy, with key actions and milestones noted below:

- We have developed a draft transition plan supporting our decarbonisation strategy across business.
- We have expanded our sustainable insurance offerings, developing a novel product as co-lead insurer to support two key Carbon Capture & Storage ("CCS") projects backed by the UK Government. This product won the InsuranceERM's Sustainable Initiative of the Year award.
- We have continued to execute on our Impact Investment strategy, targeting attractive investment opportunities which contribute to specific environmental or social outcomes.
- This year has seen the Convex Seascape Survey enter its fourth year, with significant developments in this global, five year research programme into carbon stored in the seascape. The work, led by University of Exeter and a number of other institutions, is advancing global understanding of the ocean's function as a carbon sink, improving our knowledge of how the ocean and the atmosphere interact in transferring carbon dioxide and the role of animal life above and within the seabed and the carbon they lock away. The project is at an exciting intersection where model refinement, fieldwork, and data analyses continue apace, but we are also beginning to see scientific milestones reached as the first papers are published and the project received notable media attention.
- We published our 4th annual ClimateWise submission, reporting against the ClimateWise principles which are aligned to UK and International climate and sustainability reporting requirements, which has been subject to independent review.
- Convex has supported climate change research and initiatives by sponsoring the development of the 'Magniphi' climate change loss sampler tool by Maximum Information and being actively involved with Oasis, an open-source catastrophe modelling platform. Additionally, Convex has contributed to the Insurance Development Forum enhancing risk modelling and supporting its global efforts to address issues of resilience and protection gap.
- The company's multifaceted approach to managing climate related risks has been formalised in the Climate Risk Management Framework, and climate specific risk appetites statements have been adopted.

Risk Management

In 2025 we have made significant advancements to our approach to managing and mitigating sustainability related risks in line with the requirements of the PRA's Supervisory Statement 5/25 'Enhancing banks' and insurers' approaches to managing climate-related risks'.

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Section 172(1) Statement (continued)

Metrics and Targets

We have developed a comprehensive suite of metrics (across our value chain) to measure and disclose climate and nature related risks and opportunities, and to manage our contributions and progress toward sustainability targets. Our Streamlined Energy and Carbon Reporting is included in this report.

Principal Decisions of the Board 2025

The Company Board of Directors met regularly throughout 2025 and continued to act and make strategic decisions in line with the Company's objectives, in order to promote the long term growth of the Company, as well as the interests of its stakeholders. The Board considered a number of diverse strategic initiatives and proposals, leading to the following key decisions being made:

- approval of the 2024 financial results and regulatory returns;
- approval of 2025 Own Risk and Solvency Assessment ("ORSA");
- approval of Group Risk Management documentation, policies and frameworks;
- approval of quarterly reserves;
- approval of a dividend policy;
- approval of revised terms of reference for the Board, Audit Committee and Risk Committee;
- approval of the 2026 Business Plan; and
- approval of the 2026 Investment Plan.

Approval

This report was approved by the Board of Directors on 12 March 2026 and signed on its behalf by:



Anne Middleton (7 April 2026)
Director

Convex Insurance UK Limited

Directors' Report

For the year ended 31 December 2025

Directors

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

Names	Appointed	Resigned
Theodore Butt		12 March 2026
Dr. Claus-Michael Dill		12 March 2026
Fiona Luck		
Kelly Lyles		
William Marcoux		
Benjamin Meuli		
Anne Middleton	12 March 2026	
Anna Sweeney		
Matthew Wilson		

None of the Directors hold shares in the Company.

Corporate Governance

The Convex Group is committed to an effective and transparent system of communication with its Boards and stakeholders which is implemented throughout the Group including at the Company level. The Company follows a corporate governance framework broadly aligned to and compatible with the *Wates Corporate Governance Principles for Large Private Companies* issued by the UK Financial Reporting Council.

Strategy and Objectives

The Convex Group's strategy and objectives are set out in detail in the *Strategic Report*.

Board Composition

As of the date of signing this Report, the Company's Board consisted of two Executive Directors, a Non-Executive Director and four independent Non-Executive Directors. The Directors are individuals with a broad range of industry experience and skills which we believe supports the Company's strategic objectives and long term success.

The Board is strengthened by a robust governance framework which enables Directors to discharge their duties effectively. The Board and both its Audit and Risk Committees each have detailed terms of reference which are reviewed every year and against which Committee and Board performance is assessed annually.

Director responsibility

The Board meets at least quarterly, more usually five times per annum. External auditors and actuaries report to the Audit Committee regularly. The Board has a dedicated Board meeting to review the annual business plan and strategy for the following year. The Board receives training and deep dive sessions on any area of the business in which it expresses an interest or where the executives feel a new development requires further training. The Non-Executive Directors of the Board also meet independently with all assurance functions outside of the quarterly Board meetings.

Opportunity and risk

At each quarterly Board meeting, the Board hears from the CEO and CFO and is regularly presented to by the Company's Chief Underwriting Officers, for both Insurance and Reinsurance, for updates on the market and market conditions. The Risk function reports to the Risk Committee and to the Board. Internal Audit and Compliance report to the Audit Committee and Board respectively and the Chief Compliance Officer also attends the Risk Committee.

Remuneration

The Nomination and Remuneration Committee of the Group Board reviews and decides matters concerning remuneration around the Convex Group Limited, taking into account interests of all employees, stakeholders and risk management. One of the independent Non-Executives who sits on that Committee also sits on the Company's Board and is responsible for remuneration matters at the Company level. They, and the Group Chief People Officer, report to the Company's Board on any remuneration issues for the Board's consideration.

Stakeholder relationship and engagement

Details of the Company and the Convex Group Limited's engagement with stakeholders can be found in Section 172(1) statement in the *Strategic Report*.

Political Donations

The Company made no political donations during the year (2024: \$nil).

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Directors' Report

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Streamlined Energy and Carbon Reporting

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

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

Greenhouse Gas Emissions

Scope	Description	Metric	2025	2024
Scope 1	Natural Gas – Emission	tCO ₂ e*	24	33
Scope 2	Electricity (location-based)	tCO ₂ e*	110	113
Total Scope 1 & 2	Total energy consumption (Gas & Electricity)	tCO₂e*	134	146
Scope 1	Natural Gas – Energy Consumption	kWh	530,959	543,386
Scope 2	Electricity (location-based) – Energy Consumption	kWh	117,626	162,054
Total Scope 1 & 2	Total energy consumption (Gas & Electricity)	kWh	648,584	705,440
Scope 3	Business travel (flights, rail, taxi, and hotel), employee commute, waste, and teleworking	tCO ₂ e*	2,634	2,564
Total Emissions	Location Based	tCO₂e*	2,768	2,710
Intensity Ratio	Average tCO ₂ e* per employee	tCO ₂ e per employee	6.86	6.94
Intensity Ratio	tCO ₂ e* / \$m Gross Premium Written	tCO ₂ e per \$m GPW	0.69	0.75
Carbon Offsets		tCO ₂ e*	(2,768)	(2,710)
Total Net Emissions		tCO₂e*	—	—

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

The Company remains committed to achieving net zero in our own operations and in our business activities by 2050 and has embedded a number of initiatives to reduce its carbon footprint, including sourcing 100% of the electricity for our offices from certified renewable sources.

A significant proportion of our operational emissions arise from corporate travel, which will be difficult to abate for some time to come. For this reason, the purchase of carbon offsets is an important part of our transition strategy alongside the development of a transition plan to control our emissions. The Company has clearly defined carbon offset selection criteria to ensure our offset portfolio is well-diversified, features a mix of removal and avoidance credits with a tilt towards removal and is comprised of credits from robust projects that are registered with leading verification standards. Further details on our carbon offsets can be found in our ClimateWise Report, published on the Convex website <https://convexin.com/about-us/sustainability/>.

Employment Practices

The Company has no employees but refer to the Section 172(1) statement in the *Strategic Report* for details on the Group's employment practices.

Directors' Indemnification

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

Independent Auditors

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

Convex Insurance UK Limited

Directors' Report

For the year ended 31 December 2025

Future Developments

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

Going Concern

The Company has assessed its current and forecast capital and liquidity positions, to ascertain the appropriateness of adopting a going concern basis. The Company has significant financial resources and, having reviewed the key performance indicators of the Company as described in the Strategic Report, the Directors have an expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the signing of these financial statements.

Please refer to the *Summary of Significant Accounting Policies* in the *Notes to the Financial Statements* for additional detail.

Financial Instruments

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

Dividends Paid and Declared

No dividends were paid or proposed for the year (2024: \$nil).

Subsequent Events

On 12 March 2026, the Board approved a \$40,000k dividend payment to Convex Re Limited ("CRL"), its immediate parent. This is reflected in the 2025 CIL eligible own funds and the SCR ratio.

Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland*, Financial Reporting Standard 103 *Consolidated accounting and reporting requirements for entities in the UK and Republic of Ireland issuing insurance contracts* and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 and FRS 103 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors are also responsible for keeping adequate accounting records that are sufficient to:

- show, and explain, the Company's transactions;
- disclose, with reasonable accuracy, at any time, the financial position of the Company; and
- enable them to ensure that the financial statements comply with the *Companies Act 2006*.

The Directors are responsible for the maintenance and integrity of the financial statements published on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Convex Insurance UK Limited

Directors' Report

For the year ended 31 December 2025

Directors' confirmations

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

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

Approved by the Board of Directors on 12 March 2026 and signed on its behalf by:



Anne Middleton (7 April 2026)
Director

Independent auditors' report to the member of Convex Insurance UK Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Statement of Financial Position as at 31 December 2025;
- the Profit and Loss Account and the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

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

Independence

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

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 8, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The scope of our audit is driven by statutory requirements in the UK. Our audit objective is to obtain sufficient relevant and reliable audit evidence to enable us to issue an opinion on the statutory financial statements. As part of our audit, we focused on balances and disclosures which represented a risk of material misstatement to the users of the financial statements.

Key audit matters

- Valuation of gross incurred but not reported (IBNR) reserves and the associated reinsurers' share
- Valuation of estimated premium income

Materiality

- Overall materiality: \$40.3m (2024: \$36.1m) based on 1% of Gross Premiums Written.
- Performance materiality: \$30.2m (2024: \$27.0m).

The scope of our audit

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

Independent auditors' report to the member of Convex Insurance UK Limited

Key audit matters

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

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

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of gross incurred but not reported (IBNR) reserves and the associated reinsurers' share</i></p> <p>Refer to notes 3(c), 3(j), 4 and 6 to the financial statements for disclosures of related accounting policies and balances. Total gross IBNR reserves and the associated reinsurers' share are significant estimates in the financial statements. The methodologies and assumptions used to develop gross IBNR reserves and the associated reinsurers' share involve a significant degree of judgement. As a result, we focused on this area as the valuation can be materially impacted by numerous factors, including the risk of inappropriate methods and assumptions used in determining the estimates, which is particularly relevant given the company's limited historical loss data.</p>	<p>To address the significant risk that has been identified in relation to gross IBNR reserves and the associated reinsurer's share, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Understood, evaluated, and tested the design and operating effectiveness of key controls in place in respect of the valuation of the gross IBNR reserves and associated reinsurers' share; • Whilst the underlying data is not a part of our identified significant risk, as a key input to our audit procedures to address the significant risk, we have reviewed and tested the reconciliation of data from the underlying systems to the data used in the actuarial calculations; • For classes where limited incurred claims development exists, using our actuarial specialists, we independently developed a point estimate (with the use of our market view reserving assumptions, tailored to the company's reserving classes using Lloyd's risk code data) in respect of the valuation of the non-catastrophe IBNR reserves across a selection of classes of business. We used this point estimate to challenge the reasonableness of management's IBNR reserves on these classes; • For classes where sufficient historical claims development exists, using our actuarial specialists, we independently developed a point estimate using the Bornhuetter-Ferguson method. We used this point estimate to challenge the reasonableness of management's IBNR reserves on these classes; • Using our actuarial specialists, we applied reinsurance arrangements to our independently developed point estimate of the gross IBNR reserves to determine the associated reinsurers share; • Tested the methodologies and assumptions used by management in establishing the gross and net IBNR reserves for catastrophe and specific reserves; • Used our internally derived market benchmarks to challenge the reasonableness of management's IBNR reserves for these events; • Evaluated the appropriateness of the booked IBNR reserve margin, taking into account estimation uncertainty inherent in the underlying insurance business; and • Reviewed management's disclosure in respect of the associated estimation uncertainty. <p>Based on the work performed and the evidence obtained, we consider management's estimate of the valuation of the gross IBNR reserves and associated reinsurers' share to be appropriate.</p>

Independent auditors' report to the member of Convex Insurance UK Limited

Valuation of estimated premium income

Refer to notes 3(c), 3(g) and 4 to the financial statements for disclosures of related accounting policies and balances. Within the Gross Premiums Written FSLI, for certain insurance and reinsurance contracts written, premium is initially recognised based on estimates of ultimate premium, with application of a writing pattern for delegated authority business. For these contracts, premiums received may differ from initial estimates, which can result in adjustments being made to the premiums initially recorded. The estimation process involves judgement especially in light of the fact that management have limited historical information on which to base their estimates due to the maturity of the company. We focused on this area given the level of estimation uncertainty and judgement involved.

To address the significant risk that has been identified in relation to estimated premium income recognised, we have performed the following procedures:

- Understood, evaluated, and tested the design and operating effectiveness of key controls in place in respect of estimated premium income;
- Performed a retrospective review of premium estimates to assess management's historical estimation accuracy. To do this, we reviewed the development of estimated premium income booked as at 31 December 2024 through to 31 December 2025;
- Performed tests of detail over a sample of estimated premiums by obtaining supporting evidence which included (but was not limited to) actual signings, cash receipts and third party correspondence in relation to the estimated premium amounts;
- Tested the application of management's writing patterns to the ultimate premiums for the sample selected; and
- Reviewed management's disclosures in respect of the associated estimation uncertainty.

Based on the work performed and the evidence obtained, we consider management's estimate of the valuation of estimated premium income to be appropriate.

How we tailored the audit scope

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

The impact of climate risk on our audit

We made enquiries of management to understand the process for assessing climate related risks and opportunities, which included reviewing the company's climate reporting framework. For the year ended 31 December 2025 the main audit risks identified in relation to climate risk related to the financial statement disclosures and the consistency of those disclosures with the information included in the Strategic report and Directors' report. Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters.

Materiality

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

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

Overall company materiality	\$40.3m (2024: \$36.1m).
How we determined it	1% of Gross Premiums Written
Rationale for benchmark applied	In determining our materiality, we have considered financial metrics which we believe to be relevant to the primary users of the company's financial statements. We concluded gross premiums written was a relevant benchmark as it is one of the company's key performance indicators.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to \$30.2m (2024: \$27.0m) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate. We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$2.01m (2024: \$1.80m) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent auditors' report to the member of Convex Insurance UK Limited

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Validating management's analysis and supporting documentation as it related to the company's going concern;
- Reviewing management's going concern assessment and assessing the impact on the company's capital, solvency and liquidity positions;
- Considering other information obtained during the course of the audit (for example regulatory correspondence) and publicly available market information to identify any evidence that would contradict management's assessment of going concern; and
- Assessing the disclosures made in the financial statements in respect of going concern.

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Independent auditors' report to the member of Convex Insurance UK Limited

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Prudential Regulation Authority and the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK Tax regulations. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journals and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with the Board, management, internal audit, the risk and compliance functions and the company's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Assessment of matters reported on the whistleblowing helpline and the results of investigations of such matters;
- Reading key correspondence with the Prudential Regulation Authority and the Financial Conduct Authority in relation to compliance with laws and regulations;
- Reviewing relevant company meeting minutes;
- Testing, and challenging where appropriate, the assumptions and judgements made in establishing significant accounting estimates, particularly in relation to the valuation of gross incurred but not reported (IBNR) reserves and the associated reinsurers' share and the valuation of estimated premium income;
- Identifying and testing journal entries based on our criteria; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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

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

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

Independent auditors' report to the member of Convex Insurance UK Limited

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the company for the financial year ended 31 December 2019. Our uninterrupted engagement covers seven financial years.



Siobhan Byrne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 April 2026

Convex Insurance UK Limited
Profit and Loss Account

For the year ended 31 December 2025

	Notes	2025 \$000	2024 \$000
Technical Account – General Business			
Premiums written			
Gross amount	4	4,026,406	3,606,050
Reinsurers' share		(2,372,308)	(2,179,727)
		1,654,098	1,426,323
Change in the provision for unearned premiums			
Gross amount	6	(317,363)	(437,024)
Reinsurers' share	6	176,794	243,633
		(140,569)	(193,391)
Earned Premiums, net of reinsurance		1,513,529	1,232,932
Claims paid			
Gross amount		(1,177,142)	(773,676)
Reinsurers' share		787,369	513,076
		(389,773)	(260,600)
Change in the provision for claims			
Gross amount	6	(926,944)	(967,988)
Reinsurers' share	6	627,050	660,616
		(299,894)	(307,372)
Claims incurred, net of reinsurance		(689,667)	(567,972)
Net operating expenses	7	(747,323)	(567,888)
Result on the Technical Account – General Business		76,539	97,072
Non-Technical Account			
Investment income	10	151,749	122,632
Unrealised gains on investments	10	36,452	18,941
Investment expenses and charges	10	(4,391)	(2,714)
Result on the Non-Technical Account		183,810	138,859
Profit before tax		260,349	235,931
Tax on profit	11	(65,505)	(59,312)
Profit for the year		194,844	176,619


Other comprehensive income for the year is \$nil (2024: \$nil).

Convex Insurance UK Limited
Statement of Financial Position

As at 31 December 2025

	Notes	2025 \$000	2024 \$000
Investments			
Other financial investments	12	3,369,876	2,854,023
Investment in subsidiaries	17	166,419	133,419
		<u>3,536,295</u>	<u>2,987,442</u>
Reinsurers' Share of Technical Provisions			
Provision for unearned premiums	6	1,379,669	1,189,073
Claims outstanding	6	2,579,169	1,920,641
		<u>3,958,838</u>	<u>3,109,714</u>
Debtors			
Debtors arising out of insurance operations	13	2,280,085	1,919,737
Amounts due from other group companies		29	313
Other debtors	15	68,172	35,514
Deferred tax asset	11	4,432	355
		<u>2,352,718</u>	<u>1,955,919</u>
Other assets			
Cash at bank and in hand		61,823	118,563
Prepayments and Accrued Income			
Accrued interest and rent		30,905	26,347
Deferred acquisition costs	6	498,044	410,564
Other prepayments and accrued income		1,628	2,774
		<u>530,577</u>	<u>439,685</u>
Total Assets		10,440,251	8,611,323
Capital and Reserves			
Called up share capital	16	390,552	390,552
Share premium		1,396,296	1,396,296
Profit and loss		383,968	189,124
Total equity		2,170,816	1,975,972
Technical Provisions			
Provision for unearned premium	6	2,385,162	2,038,969
Claims outstanding	6	3,842,005	2,865,988
		<u>6,227,167</u>	<u>4,904,957</u>
Creditors			
Creditors arising out of insurance operations	14	1,715,982	1,477,522
Amounts owed to group companies	18	68,272	50,493
Other creditors including taxation and social security	19	41,690	18,138
		<u>1,825,944</u>	<u>1,546,153</u>
Accruals and Deferred Income			
Accruals and deferred income	20	216,324	184,241
Total Equity and Liabilities		10,440,251	8,611,323

The accompanying notes on pages 23 to 44 are an integral part of these financial statements. The financial statements were approved by the Board of Directors on 12 March 2026 and signed on its behalf by:



Matthew Wilson (7 April 2026)

Director

Convex Insurance UK Limited
Statement of Changes in Equity

For the year ended 31 December 2025

	Called up share capital	Share premium	Profit and loss	Total equity
	\$000	\$000	\$000	\$000
At 1 January 2025	390,552	1,396,296	189,124	1,975,972
Profit for the year	—	—	194,844	194,844
At 31 December 2025	390,552	1,396,296	383,968	2,170,816

	Called-up share capital	Share premium	Profit and loss	Total equity
	\$000	\$000	\$000	\$000
At 1 January 2024	390,552	1,396,296	12,505	1,799,353
Profit for the year	—	—	176,619	176,619
At 31 December 2024	390,552	1,396,296	189,124	1,975,972

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

1. General Information

Convex Insurance UK Limited ("the Company") is a private company, limited by shares, and is registered in England and Wales under the *Companies Act 2006*. The principal activities of the Company are included within the Strategic Report.

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

2. Statement of Compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland* ("FRS 102"), Financial Reporting Standard 103 *Consolidated accounting and reporting requirements for entities in the UK and Republic of Ireland issuing insurance contracts* ("FRS 103"), the *Companies Act 2006* ("the Act") and *The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008* ("the Regulations").

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently for the years ended 31 December 2025 and 31 December 2024.

a. Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. They are presented in US dollars, the functional and presentation currency of the Company, and are rounded to the nearest thousand (unless otherwise stated). These financial statements are prepared on a standalone basis (the Company has taken the exemption from preparing consolidated financial statements in line with the Act) and cover the year ended 31 December 2025.

b. Going concern

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

The assessments performed include evaluating the Company's current financial position, including sources of liquidity, in conjunction with the Board-approved business plan for expected growth. The Company has a strong liquidity position given its cash and investment position at the end of 2025. A Group Liquidity Management Framework is in place to ensure it can withstand an extreme scenario, which constitutes a combination of a large loss event and a market liquidity shock. The results of this test indicated that the Company is sufficiently liquid to continue as a going concern in this extreme scenario, while continuing to support its day-to-day operations.

In addition, the Company assesses its capital under the PRA's Solvency II requirements using the Standard Formula. The Directors have reviewed the Company's forecast solvency and liquidity position under this regime and are content that this supports the continued use of the going concern basis in preparing the financial statements.

As a result, the Directors are of the opinion that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the signing of these financial statements.

c. Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 102 and FRS 103 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The Company's principal estimates include:

- claims incurred but not reported ("IBNR") losses, and the related reinsurers' share, including the provision for uncollectible amounts; and
- the ultimate estimated premium income ("EPI") written on binders, bulking lineslips and inward proportional reinsurance policies.

Estimate – IBNR losses

The most significant estimate made by the Company is the estimate for IBNR losses. The total estimate at 31 December 2025 is \$2,705,592k gross, \$876,381k net of reinsurance (2024: \$2,096,263k gross, \$667,632k net of reinsurance), and is included within claims outstanding on the Statement of Financial Position. A number of judgements are involved in deriving these estimates, including how the business is segregated into risk categories, and how benchmarks are used to supplement internal data. The uncertainty around the IBNR losses is impacted by economic, regulatory, and geopolitical conditions in the market.

To manage this uncertainty, a range of externally sourced market benchmarks supplemented with internal data are used to project loss estimates to ultimate losses. In addition, sensitivity testing of key assumptions is performed to assess the reasonableness of the booked IBNR losses, and the related reinsurers' share.

In determining the IBNR losses for 2025, the Company continues to assess the propensity for inflationary pressures to impact each class of business, and applied appropriate changes to initial expected loss ratios for the relevant classes.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

3. Summary of Significant Accounting Policies (continued)

Estimate – EPI

The Company writes contracts for which the premium is based on an estimate upon initial recognition as the coverage is variable and based on a number of external factors. The amount of premium received on such contracts is subject to uncertainty and may differ materially from the amounts initially estimated in the financial statements. In order to manage this risk, estimates are reviewed regularly and, as new information becomes available, the recorded premiums are adjusted as necessary. These adjustments sometimes lead to an increase or decrease in expected premiums. Adjustments to gross written premium estimates, if any, are recorded in the period in which they become known.

Judgement – investment in subsidiaries

The Company has applied judgement in determining that the option to value *investments in subsidiaries* at cost less impairment per FRS 102 meets the requirements of *the Regulations* to measure these at “current value that has a prudent regard to likely realisable value.”

d. Statement of Cash Flows and Statement of Comprehensive Income

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

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

e. Exemption from disclosing related party transactions

The Company has taken advantage of the exemption under FRS 102 paragraph 33.1A, from disclosing related party transactions on the basis that it is a qualifying entity and is a wholly owned subsidiary of Convex Group Limited.

f. Foreign currency translations and settlements

The Company's reporting and functional currency is the United States Dollar (“USD”). The Company operates in multiple transactional currencies. In the *Profit and Loss Account – Technical Account*:

- Premium and acquisition costs are recorded at the rate of exchange prevailing at the start of the month the policy incepts.
- All other transactions are recorded at the rate prevailing on the start of the month in which the transaction occurs.

At each month end during the year:

- Foreign currency monetary items are translated at the rate of exchange prevailing at the end of the month.
- Foreign currency non-monetary items measured at historical cost are translated using the exchange rate prevailing at the start of the month in which the transaction occurs.
- All foreign exchange gains and losses are recognised in the *Profit and Loss Account – Technical Account*. These arise from:
 - Settlements of non-USD foreign currency transactions; and
 - Retranslations of monetary items at year end exchange rates.

g. Premium income on issued insurance contracts

Direct insurance and assumed inwards 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 recognised by applying a writing pattern to the total estimated premium on the binder. Direct insurance premiums on temporary insurance policies (bulking lineslips) are estimated at inception and the total estimated premium is written at the inception of the policy.

Premiums on assumed inwards 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 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 recognised. Adjustments to gross written 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 reinsurance policies are 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 risk portion of the policies in force.

Reinstatement premiums

Reinstatement premiums are calculated for losses 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 our estimate of losses and loss adjustment expense as described in *Reserve for claims outstanding* below. Reinstatement premiums under predefined contract terms are fully earned when accrued.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

3. Summary of Significant Accounting Policies (continued)

h. Ceded reinsurance

The Company enters into 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.

Unearned reinsurance premiums represent the portion of premiums ceded applicable to the unexpired term of policies in force. Reinsurers' share of provision for claims and claims paid represent amounts that will be collectible from reinsurers once the losses are paid.

i. Acquisition costs

Acquisition costs are expenses that are directly related to the successful issue of new or renewal insurance contracts. Policies are capitalised as deferred acquisition costs and amortised over the same terms as the related premium.

j. Reserve for claims outstanding

The reserve for claims outstanding includes reserves for unpaid reported losses ("case reserves"), IBNR losses, and for unallocated loss adjustment expenses ("ULAE").

Case reserves are established by management based on reports from brokers, ceding companies and insureds, and represent the unpaid portion of the estimated ultimate cost of events or conditions that have been reported to, or specifically identified by, the Company, including Allocated Loss Adjustment Expenses ("ALAE").

IBNR reserves are established by the Reserving Committee using a range of externally sourced market benchmarks, supplemented with internal data, to project loss estimates to ultimate. 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 earned portions of these estimates of ultimate losses and loss expenses are then used to derive the best estimate loss and loss expenses, to which a management margin is added. The Company continues to assess the propensity for inflationary pressures to impact each class of business, and applies what it believes are appropriate initial expected loss ratio assumptions considering the latest inflationary outlook.

The period of time from the occurrence of a loss to the reporting of a loss to the Company and to the settlement of the Company'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 earned ultimate loss estimates, if any, are recorded in earnings in the period in which they become known.

Unexpired risks provision

A provision is made for any deficiencies arising when, at a business class level, unearned premiums, net of associated acquisition costs, and after taking into account any future returns on the financial assets backing the unearned premiums, are insufficient to meet expected claims and expenses. Surpluses and deficits are offset where business classes are managed together. No unexpired risk provision was recognised for the year ended 31 December 2025 or the year ended 31 December 2024.

k. Current and deferred taxation

Current tax

Current tax is recognised in the *Profit and Loss Account* and reflects:

- Estimated tax charges/credits associated with the current financial year's taxable profits/losses; and
- Changes in previously estimated tax charges/credits associated with previous financial year's taxable profits/losses.

Deferred tax

Deferred tax assets/liabilities within the *Statement of Financial Position* arise from differences in timing between the recognition of taxable profits/losses in the financial statements, versus their recognition in the tax computation.

Provision is made for all material timing differences, including revaluations of investment gains/losses recognised within the *Profit and Loss Account*. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference. This provision is not discounted.

Deferred tax assets are recognised to the extent that it is regarded more likely than not that these will be recovered.

l. Financial instruments

The Company has chosen to adopt FRS 102 section 11 and 12 in full in respect of financial instruments. The Company's financial instruments comprise of other financial investments, investments in subsidiaries, cash and cash equivalents, debtors and creditors.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

3. Summary of Significant Accounting Policies (continued)

Other financial investments

Other financial investments include debt securities, short term investments and participations in investment pools and they are initially recognised at fair value. As these assets are managed and their performance evaluated on a fair value basis they are designated by as fair value through profit or loss and are subsequently measured at fair value. Any changes in fair value are recognised in the *Profit and Loss Account – Non-technical Account*.

Investment in subsidiaries

The Regulations require investments in subsidiaries to be measured at current value on a basis which has prudent regard to their likely realisable value. They are initially recognised at the consideration paid plus any directly attributable transaction costs. To have prudent regard for their realisable value, a review to determine whether there have been any indicators of impairment is performed at least annually. If such indicators exist, an impairment review is performed, and any resulting reduction in the carrying value recognised immediately in the *Profit and Loss Account*.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with banks, and all investments and money market funds (including those held at the Company's investment managers) with a maturity of 90 days or less at the time of purchase. They are initially recognised at transaction price and are subsequently measured at amortised cost.

Debtors and creditors

Basic financial assets such as debtors are initially recognised at transaction price and are subsequently measured at amortised cost less impairment. Basic financial liabilities such as creditors are initially recognised at transaction price and are subsequently measured at amortised cost.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts, and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition

Financial assets are derecognised when: (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Fair value hierarchy

The Company uses the following hierarchy for determining the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the bid price.
- Level 2: When quoted prices are unavailable the instrument is valued using inputs that are observable, either directly or indirectly, using quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs that are observable such as interest rates and yield curves observable at commonly quoted intervals, implied volatility or credit spreads and market-corroborated inputs.
- Level 3: When observable inputs are not available, unobservable inputs are used to measure fair value by use of valuation techniques. The objective of using the valuation technique is to estimate what the fair value would have been on the measurement date.

See Note 4 *Strategic risk – fair value estimation* for details of financial instruments classified by fair value hierarchy.

m. Investment return

The net investment return is recognised within the *Profit and Loss Account – Non-Technical Account* and comprises:

- Investment income earned during the financial year;
- Realised investment gains/(losses) arising from the sales and maturities of investments during the financial year.
- Unrealised fair value gains/losses during the financial year; and
- Investment expenses, charges or interest incurred during the financial year.

Investment income

Investment income is measured on an accruals basis and comprises:

- Interest on bank balances;
- Coupons on bonds;
- Returns on money market funds; and
- Distributions from participations in investment pools.

Investment expenses, charges or interest

These are recognised on an accruals basis.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

3. Summary of Significant Accounting Policies (continued)

Realised gains/(losses)

These represent the difference between the fair value on initial recognition and derecognition. Any unrealised gains/(losses) previously recognised will be reclassified as realised gains/(losses) upon disposal or maturity of investments.

Movements in unrealised gains/(losses)

Unrealised gains/(losses) on investments arising during the financial year represent the difference between:

- fair value on initial recognition and that at year end if purchased during the financial year; or
- fair value at the current and prior year end if purchased in previous financial years.

n. Share capital

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

o. Distributions to equity shareholders

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

p. New accounting standards, amendments, and interpretations

There are no new accounting standards or amendments to accounting standards effective from 1 January 2025 that have a material effect on the Company.

4. Risk Management

The Company, through its Risk Management Function, the Board and Risk Committee, seeks to identify all material risks inherent in its business including emerging risks, understand the manifestations of each risk, then assess, control, mitigate and manage these risks appropriately. The Risk Committee monitors and oversees risk on behalf of the Board. The Risk Committee meets at least four times a year and the management information reported to this Committee has been developed to ensure there is focused oversight, discussion and challenge of risk management at Board level.

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

- all material risks are proactively identified;
- the probability and impact of each risk are quantified on a pre-mitigation and post-mitigation basis;
- the potential to cause losses or generate profits is understood and assessed;
- appropriate action is taken to manage the assumption of each risk based on that assessment and the Company's stated risk appetite;
- an appropriate level of capital is held to cover financial and non-financial risks from all sources; and
- following a severe catastrophic event(s), appropriate capital action can be executed for the Company to remain solvent and meet its obligations.

The Risk Committee pays particular attention to business strategy, capital allocation, risk appetite, risk control framework and ensures these are implemented. The Company is exposed to risks from several sources. These fall into the broad categories of:

- underwriting risk (comprising premium, catastrophe and reserve);
- financial risk (comprising interest rate, foreign exchange, credit and liquidity);
- operational risk;
- strategic risk (comprising capital management and fair value estimation); and
- climate risk.

The Company has also considered its emerging risk exposures, which are identified through the emerging risk framework operated by the Risk Management function.

Underwriting risk

Underwriting risk consists of premium risk, catastrophe risk and reserve risk. Underwriting risk arises either from the acceptance of risks that do not comply with the Company's underwriting guidelines and corporate strategy, or from the acceptance of risks that result in losses and expenses greater than it had anticipated at the time of underwriting. As an insurance and reinsurance company, the Company is in the business of taking underwriting risk and therefore has a high appetite for underwriting risk. The Company's risk limits are defined in the Company's risk appetite and risk tolerance limits for all underwriting risks.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

4. Risk Management (continued)

Underwriting risk (continued)

The Company has underwriting guidelines in place that clearly define each underwriter's authority, permitted territorial scope, risks to be written, risks to be avoided, acceptance limits, maximum policy period, maximum net retention, and outward reinsurance. As part of the Company's risk control strategy and governance, there are a number of controls in place to help manage underwriting risk, including the underwriting guidelines, pre-bind and post-bind reviews, and defined underwriting authority limits for each underwriter, as well as defined maximum lines. The Company employs experienced catastrophe analysts and modellers, and experienced and credentialed actuaries, to perform pricing analyses ensuring each risk is adequately priced. These work alongside experienced underwriters, with strong underwriting discipline, to help mitigate risk.

Underwriting risk – premium

Premium risk is the risk that the premium to be earned over the next 12-month period from the in-force, new or renewal insurance/reinsurance contracts is insufficient to cover the claim costs, claim adjustment expenses as well as the acquisition costs to be incurred by those contracts over the same period. Mitigation of underwriting risk is affected through diversification of underwriting both with respect to geography and line of business, as well as through a robust pricing governance framework.

Details of gross premiums written by geographical area of risk insured are set out below.

<i>Geographic area of risk insured:</i>	2025		2024	
	Gross premiums written		Gross premiums written	
	\$000	%	\$000	%
United States of America	2,190,972	55%	1,920,022	53%
United Kingdom	937,011	23%	714,487	20%
EU Member States	213,058	5%	203,337	6%
Other	685,365	17%	768,204	21%
	4,026,406	100%	3,606,050	100%

Details of gross premiums written by line of business are provided below.

<i>Line of business</i>	2025		2024	
	Gross premiums written		Gross premiums written	
	\$000	%	\$000	%
<i>Direct insurance:</i>				
Marine, Aviation and Transport	441,460	11%	406,358	11%
Fire and other damage to property	862,723	21%	826,607	23%
Third party liability	704,871	18%	521,029	15%
Miscellaneous	105,367	3%	106,046	3%
	2,114,421	53%	1,860,040	52%
<i>Reinsurance</i>	1,911,985	47%	1,746,010	48%
	4,026,406	100%	3,606,050	100%

Underwriting risk – catastrophe

Catastrophe risk is the risk that the premium to be earned over the next 12 month period from the catastrophe exposed insurance/reinsurance contracts (in-force, new or renewal) is insufficient to cover potential claim costs, claim adjustment expenses as well as the acquisition costs associated with those contracts that may originate from extreme or exceptional catastrophic events over the same period, such as, but not limited to, hurricanes, earthquakes, windstorms, landslides, and terrorist attacks.

Catastrophe risk is classified as a separate and distinct class of underwriting risk mainly due to its low frequency and high severity characteristics, and its potential to affect numerous contracts simultaneously and significantly erode the Company's capital.

The Company has made a series of strategic moves to diversify, spread and dilute its catastrophic exposures as well as optimise its underwriting portfolio through geographical diversification and by spreading risks across multiple lines of businesses.

The Company continues to monitor and manage the impact of climate related risks. Following a comprehensive scenario analysis using the PRA General Insurance Stress Test templates, the Company has conducted further assessments of the impact of climate change on its catastrophe underwriting. This work is discussed further in the *Climate Risk* section of this Report.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

4. Risk Management (continued)

Underwriting risk – reserve

Reserve risk is the risk that the best (point) estimate of IBNR (which is included within claims outstanding in the Statement of Financial Position) is inadequate to cover all future payments for the settlement of claims from all prior accident years occurring at or before the valuation date.

Reserve risk is distinct from premium risk and is related to premium exposures that have already been earned, as well as claims outstanding. A summary of changes in claims outstanding is presented in Note 6. This comprises claims incurred but not reported reserves, unallocated loss adjustment reserves and any reinsurers' share thereof. To manage reserve risk, the Company's Actuarial team uses individual case estimates along with a range of externally sourced market benchmarks to project loss estimates to ultimate using recognised actuarial techniques. An analysis of claims outstanding reserves, including IBNR reserves, is performed on a quarterly basis. The analysis is overseen by the Reserving Committee, a sub-committee of the Group Executive Committee. The Reserving Committee's remit is to review the sufficiency of the estimated claims outstanding, and IBNR reserves (including management margin), and to critically assess the claims reserving practices of the Company.

The level of uncertainty in estimates of ultimate claims varies significantly from class to class but can arise from inadequate reserves for known large losses and catastrophes, or from inadequate provision for unknown losses including external factors such as the levels of inflation. Concentrations of claims outstanding by line of business are provided below.

	2025		2024	
	Claims Outstanding \$000	%	Claims Outstanding \$000	%
<i>Direct Insurance:</i>				
Third party liability	1,024,806	26%	677,246	24%
Marine, Aviation and Transport	416,070	11%	345,680	12%
Fire and other damage to property	345,179	9%	314,033	11%
Miscellaneous	31,963	1%	40,398	1%
	1,818,018	47%	1,377,357	48%
Reinsurance	2,023,987	53%	1,488,631	52%
Total gross claims outstanding	3,842,005	100%	2,865,988	100%

The table below summarises the development of gross ultimate cumulative claim estimates at the end of each financial year.

Gross \$000 Estimate of cumulative claims incurred	Underwriting Year								Total
	2019	2020	2021	2022	2023	2024	2025		
At end of Underwriting Year	6,306	280,081	518,000	740,201	645,203	997,584	1,013,868		
One year later	48,030	549,180	812,139	1,218,858	1,258,233	1,990,039			
Two years later	39,789	505,396	859,615	1,259,523	1,340,289				
Three years later	37,715	524,768	895,574	1,310,284					
Four years later	41,509	544,761	906,215						
Five years later	50,077	549,135							
Six years later	49,081								
Current estimate of cumulative claims incurred	49,081	549,135	906,215	1,310,284	1,340,289	1,990,039	1,013,868	7,158,911	
Cumulative payments to date	44,223	435,130	656,867	868,588	618,160	568,086	125,852	3,316,906	
Gross claims outstanding	4,858	114,005	249,348	441,696	722,129	1,421,953	888,016	3,842,005	

The table below summarises the development of net ultimate cumulative claim estimates at the end of each financial year, illustrating how amounts estimated have changed from the first estimate made.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

4. Risk Management (continued)

Underwriting risk – reserve (continued)

Net \$000	Underwriting Year							Total
	2019	2020	2021	2022	2023	2024	2025	
Estimate of cumulative claims incurred								
At end of Underwriting Year	2,560	100,493	167,245	242,969	226,244	320,074	339,076	
One year later	18,033	194,369	252,779	398,504	437,093	648,549		
Two years later	14,452	182,746	268,819	408,094	459,731			
Three years later	14,073	188,026	277,471	425,695				
Four years later	14,984	196,785	279,096					
Five years later	17,006	194,979						
Six years later	16,658							
Current estimate of cumulative claims incurred	16,658	194,979	279,096	425,695	459,731	648,549	339,076	2,363,784
Cumulative payments to date	14,856	157,824	199,373	275,858	212,067	198,595	42,375	1,100,948
Net claims outstanding	1,802	37,155	79,723	149,837	247,664	449,954	296,701	1,262,836

The development of cumulative claims incurred on a gross and net basis from the end of each underwriting year to the end of financial year 1 is reflective of premium and claims earnings.

Financial risk

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

Financial risk – interest

Interest rate risk is a function of general economic and financial market factors (such as the level, trend and volatility of interest rates), as well as the characteristics of the individual debt securities held in the Company's investment portfolio. The Company cannot control the former, but it can control the latter. The Company measures interest rate risk by calculating the average maturity and average duration of its debt securities portfolio. These indicators measure the sensitivity of the portfolio's valuation to changes in interest rates.

The investment mix of debt securities held in the portfolio is as follows:

	2025					
	Fixed rate		Floating rate		Total	
	Fair values		Fair values		Fair values	
	\$000	%	\$000	%	\$000	%
Government and government agencies	909,115	29.2%	—	—%	909,115	29.2%
Mortgage-backed securities	466,795	15.0%	3,348	0.1%	470,143	15.1%
Corporate	1,323,964	42.6%	—	—%	1,323,964	42.6%
Asset-backed securities	14,895	0.5%	228,165	7.3%	243,060	7.8%
<i>Debt securities</i>	2,714,769	87.3%	231,513	7.4%	2,946,282	94.7%
Short term investments	165,007	5.3%	—	—%	165,007	5.3%
	2,879,776	92.6%	231,513	7.4%	3,111,289	100.0%
	2024					
	Fixed rate		Floating Rate		Total	
	Fair values		Fair values		Fair values	
	\$000	%	\$000	%	\$000	%
Government and government agencies	1,013,178	37.6%	—	—%	1,013,178	37.6%
Mortgage-backed securities	326,815	12.1%	4,148	0.2%	330,963	12.3%
Corporate	1,116,523	41.4%	—	—%	1,116,523	41.4%
Asset-backed securities	—	—%	206,364	7.7%	206,364	7.7%
<i>Debt securities</i>	2,456,516	91.1%	210,512	7.9%	2,667,028	99.0%
Short term investments	27,029	1.0%	—	—%	27,029	1.0%
	2,483,545	92.1%	210,512	7.9%	2,694,057	100.0%

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

4. Risk Management (continued)

The sensitivity analysis for interest rate risk illustrates how changes in the portfolio's fair values will fluctuate because of changes in market interest rates at the reporting date. This analysis has moved from a linear assessment to one that incorporates bond convexity during the period.

<i>Shifts in market interest rates</i>	2025	2024
	\$000	\$000
200 basis points	(141,290)	(114,751)
100 basis points	(72,837)	(57,375)
75 basis points	(55,059)	(43,032)
50 basis points	(36,998)	(28,688)
25 basis points	(18,646)	(14,344)
(25) basis points	18,950	14,344
(50) basis points	38,217	28,688
(75) basis points	57,821	43,032
(100) basis points	77,775	57,375
(200) basis points	160,961	114,751

Financial risk – foreign exchange

Although the Company's presentation and reporting currency is USD, it operates internationally and its exposures to foreign exchange risk arise from several currencies when their exchange rates fluctuate against USD. This impacts the non-USD denominated transactions, assets and liabilities. The Company seeks to mitigate foreign exchange risk by closely matching the estimated foreign currency denominated liabilities with assets in the same currency. With 103% (2024: 96%) of net assets currently held in USD, the impact on equity of a significant weakening or strengthening of the USD against other currencies is considered minimal but is regularly monitored.

	2025							Total
	USD	GBP	EUR	CAD	AUD	JPY	Other	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Total assets	8,841,381	837,513	309,732	343,286	45,318	30,809	32,212	10,440,251
Total liabilities	(6,594,757)	(896,554)	(312,557)	(320,164)	(61,800)	(52,286)	(31,317)	(8,269,435)
Net exposure	2,246,624	(59,041)	(2,825)	23,122	(16,482)	(21,477)	895	2,170,816

	2024							Total
	USD	GBP	EUR	CAD	AUD	JPY	Other	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Total assets	7,301,629	605,709	238,488	334,457	59,033	39,083	32,924	8,611,323
Total liabilities	(5,400,059)	(608,117)	(192,137)	(318,208)	(45,927)	(42,640)	(28,263)	(6,635,351)
Net exposure	1,901,570	(2,408)	46,351	16,249	13,106	(3,557)	4,661	1,975,972

Financial risk – credit

Credit risk is the risk of potential financial loss due to unexpected default, or deterioration in the credit ratings of asset counterparties causing a loss in asset values. These include insurance and reinsurance debtors receivable from brokers/cedants and financial investments with a diverse range of counterparty issuers.

Credit risk on insurance and reinsurance debtors is managed by conducting business with reputable intermediaries, with whom the Company has established relationships, and by cash collection procedures on overdue debtors.

Credit risk on financial investments is managed by stipulating a minimum credit rating score for each security within an asset class, setting exposure limits in each credit rating band, and limiting the amounts of credit exposure with any one counterparty.

Investment guidelines are established to manage this risk. These guidelines set parameters within which the external investment managers must operate. The investment guidelines specify the limitations on the maximum percentage of assets that can be invested in a single issuer or in a single asset class. There are also specific limitations on the maximum maturity for various asset classes and minimum requirements of credit ratings.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

4. Risk Management (continued)

Financial risk – credit (continued)

Debtors arising out of insurance and reinsurance operations:

- These reflect counterparty credit exposures to policyholders/cedants that arise in the course of conducting underwriting activities. The Company transacts most of its insurance and reinsurance business through major and reputable intermediaries, where the relationships are either governed by terms of business agreements of a non-risk transfer type, or the law of agency in absence of agreements – the legal effect of either is the same.
- Legally, this means the Company is not on risk until the monies are received from policyholders/cedants by the Company – as the intermediary is acting in its capacity as agent rather than as principal. Consequently, monies received from policyholders/cedants by intermediaries that fail to pass these on will not result in the Company being on risk. Therefore, the Company's overall counterparty credit exposures are deemed to be low as the insurance and reinsurance coverage with policyholders/cedants could be cancelled pro rata temporis if monies are not received.

An analysis of the financial investment exposures by counterparty credit ratings is as follows.

2025

	Debt securities	Short term investments	Participations in investment pools	Cash at bank and in hand	Reinsurance debtors	Total
	\$000	\$000	\$000	\$000	\$000	\$000
AAA	331,655	—	—	15,580	—	347,235
AA+	1,267,605	143,114	—	—	13,806	1,424,525
AA	47,639	—	—	4,976	5,175	57,790
AA-	49,884	1,194	—	24,345	44,144	119,567
A+	233,449	—	—	16,922	44,651	295,022
A	215,933	3,586	—	—	103,725	323,244
A-	297,092	1,108	—	—	1,749	299,949
BBB+	219,316	3,487	—	—	—	222,803
BBB	206,658	7,629	—	—	—	214,287
BBB-	40,089	1,160	—	—	—	41,249
Below Investment Grade	36,962	3,729	42,510	—	—	83,201
Not rated*	—	—	216,077	—	7,454	223,531
	2,946,282	165,007	258,587	61,823	220,704	3,652,403

* Relates to fund investments that are not rated (e.g. infrastructure equity).

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

4. Risk Management (continued)

Financial risk – credit (continued)

	2024					Total \$000
	Debt securities	Short term investments	Participations in investment pools	Cash at bank and in hand	Reinsurance debtors	
	\$000	\$000	\$000	\$000	\$000	
AAA	248,474	1,733	—	10,276	—	260,483
AA+	1,276,803	—	—	—	6,410	1,283,213
AA	54,034	—	—	6,380	1,578	61,992
AA-	92,041	2,973	—	24,472	21,241	140,727
A+	210,379	4,787	—	77,435	62,524	355,125
A	242,878	2,280	—	—	5,342	250,500
A-	287,678	4,182	—	—	102,259	394,119
BBB+	97,575	8,177	—	—	—	105,752
BBB	137,099	2,897	—	—	—	139,996
BBB-	20,067	—	—	—	—	20,067
Below Investment Grade	—	—	40,525	—	—	40,525
Not rated*	—	—	119,441	—	1,901	121,342
	2,667,028	27,029	159,966	118,563	201,255	3,173,841

* Relates to fund investments that are not rated (e.g. infrastructure equity).

Financial risk – liquidity

Liquidity risk is the risk that the Company is unable to meet its contractual obligations in a timely manner due to the inability of its investment assets to be sold without causing a significant movement in the price and with minimal loss in value, and therefore impact on size of assets.

The Company aims to keep liquidity risk as low as possible to be able to meet its contractual obligations in a timely manner, even under stressed scenarios such as following a major catastrophic event.

The Company's investment guidelines put the safety and liquidity of its investable assets before and above its pursuit of investment returns. The Company holds a significant amount of its assets in shorter-term cash and deposits. The majority of its investable assets are invested in debt securities, almost all of which are of high credit quality and can be sold on the open market quickly with little or no impact on prices.

The maturity dates of financial investments and cash at bank and in hand are as follows:

	2025				
	0-1 year	1-3 years	3-5 years	> 5 years	Total
	\$000	\$000	\$000	\$000	\$000
Debt securities	512,888	875,429	641,222	916,743	2,946,282
Short term investments	165,007	—	—	—	165,007
Participations in investment pools	42,510	—	90,420	125,657	258,587
Cash at bank and in hand	61,823	—	—	—	61,823
	782,228	875,429	731,642	1,042,400	3,431,699

	2024				
	0-1 year	1-3 years	3-5 years	> 5 years	Total
	\$000	\$000	\$000	\$000	\$000
Debt securities	344,017	1,460,093	372,796	490,122	2,667,028
Short term investments	27,029	—	—	—	27,029
Participations in investment pools	40,525	—	—	119,441	159,966
Cash at bank and in hand	118,563	—	—	—	118,563
	530,134	1,460,093	372,796	609,563	2,972,586

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

4. Risk Management (continued)

Financial risk – liquidity (continued)

Claims payments are a significant component of the Company's liquidity considerations. The maturity dates of claim outstanding (excluding unearned premium reserves) shown below are based on estimated future payment outflows.

	2025				
	0-1 year \$000	1-3 years \$000	3-5 years \$000	> 5 years \$000	Total \$000
Reinsurers' share of claims outstanding:					
Ceded outstanding claims	(218,713)	(297,733)	(122,628)	(110,886)	(749,960)
Ceded claims incurred but not reported	(533,459)	(726,194)	(299,098)	(270,458)	(1,829,209)
	(752,172)	(1,023,927)	(421,726)	(381,344)	(2,579,169)
Gross claims:					
Gross claims outstanding	389,360	380,160	167,927	165,126	1,102,573
Claims incurred but not reported reserves	955,446	932,871	412,073	405,202	2,705,592
Unallocated loss adjustment expense reserves	11,950	11,668	5,154	5,068	33,840
	1,356,756	1,324,699	585,154	575,396	3,842,005
	2024				
	0-1 year \$000	1-3 years \$000	3-5 years \$000	> 5 years \$000	Total \$000
Reinsurers' share of claims outstanding:					
Ceded claims outstanding	(141,333)	(195,487)	(78,694)	(76,497)	(492,011)
Ceded claims incurred but not reported	(410,382)	(567,626)	(228,499)	(222,123)	(1,428,630)
	(551,715)	(763,113)	(307,193)	(298,620)	(1,920,641)
Gross claims:					
Gross claims outstanding	273,551	252,922	105,946	109,289	741,708
Claims incurred but not reported reserves	773,129	714,824	299,432	308,878	2,096,263
Unallocated loss adjustment expense reserves	10,333	9,554	4,002	4,128	28,017
	1,057,013	977,300	409,380	422,295	2,865,988

Operational risk

Operational risk refers to the risk of financial or other loss, or potential damage to the Company's reputation resulting from inadequate or failed internal processes, people and systems, or from external events.

The following are some examples of operational risks facing the Company:

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

The Company has a low appetite for operational risk. Unlike underwriting and financial risks, operational risk has no upside and only downside, and therefore should be avoided if feasible and cost-effective. Operational risk is difficult to quantify but can only be controlled through appropriate corporate governance and internal control measures. The Company has developed a number of policies and procedures aimed to control or mitigate the negative impact that may potentially result from operational risk events.

Strategic risk

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

The following are examples of strategic risks facing the Company:

- Planning processes that are not fully integrated with internal financial indicators and external benchmarks or are based on forecasts that are inherently optimistic.
- Deficiencies and weaknesses in understanding of regulatory requirements, and risk comprehension by claims handling staff.
- Failure of large information technology and infrastructure projects to achieve specified goals.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

4. Risk Management (continued)

Strategic risk (continued)

Strategic risks are monitored on a continuous basis using a variety of qualitative and quantitative measures, including peer and third-party review where appropriate. The responsibility for strategic risk control and mitigation rests with the Executive Committee, which reports directly to the Board of Directors.

Strategic risk – capital management

The Company attempts to identify and appropriately define all material risks internal and external to the Company, understand the manifestations of each risk, and ensure that risks are managed, controlled or mitigated. To the extent that a risk is not fully mitigated, the Company will measure the financial impact of the risk and include it in its capital adequacy assessment and measurement framework.

The Company's objectives in managing its capital are:

- to match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- to satisfy the requirements of its policyholders, regulators and rating agencies;
- to retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- to allocate capital efficiently in order to support stability; and
- to manage exposures in line with movements in exchange rates.

The Company has various sources of capital available to it and seeks to optimise its capital usage to consistently optimise shareholder returns. The Company considers not only the traditional sources of capital funding but the alternative sources of capital including reinsurance when assessing its capital deployment and associated usage. The Company manages as capital all items that are eligible to be treated as capital for regulatory purposes.

The Company is regulated in the UK by the Prudential Regulation Authority (“PRA”) and the Financial Conduct Authority (“FCA”). As a regulated entity, it is subject to insurance solvency regulations which specify the minimum amount and type of capital that must be held in excess of its insurance liability obligations in order to meet a certain solvency threshold. The Company manages capital in accordance with these rules and has embedded in its asset liability management framework the necessary tests to ensure continuous and full compliance with such regulations.

At 31 December 2025, the estimated total capital available to meet the PRA's Solvency Capital Requirement (being the Own Funds) is \$2,220,132k (2024: \$2,100,683k), with the Solvency Capital Requirement at \$1,499,154k (2024: \$1,394,313k) and the estimated total capital required to meet the Minimum Capital Requirement at \$421,773k (2024: \$350,928k).

The Company has complied with all externally imposed capital requirements throughout the year. Whilst the capital requirement is assessed according to the PRA's Solvency II Standard Formula, the Company also manages capital by reference to various self-assessed risk-based measures.

Strategic risk – fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement of the asset or liability. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement, and the Company considers factors specific to the asset or liability.

	2025			
	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial assets at fair value				
Listed debt securities	851,074	2,095,208	—	2,946,282
Short term investments	143,115	21,892	—	165,007
Participations in investment pools	—	—	258,587	258,587
Cash at bank and in hand	61,823	—	—	61,823
	1,056,012	2,117,100	258,587	3,431,699
	2024			
	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial assets at fair value				
Listed debt securities	965,492	1,701,536	—	2,667,028
Short term investments	—	27,029	—	27,029
Participations in investment pools	—	—	159,966	159,966
Cash at bank and in hand	118,563	—	—	118,563
	1,084,055	1,728,565	159,966	2,972,586

No transfers were made from Levels 1 or 2 into Level 3, and vice versa, within the fair value hierarchy.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

4. Risk Management (continued)

Climate risk

The effects of climate change and global warming are becoming more apparent, as evidenced by increased heatwaves, erratic rainfall and greater weather extremes. The risks to insurers associated with such changes are complex and need to be considered alongside other developing risk factors such as inflation and urbanisation, as well as the transition to a net zero pathway.

Climate-related risks have been embedded within the Company's existing Group Risk Management Framework for several years, ensuring that these risks are appropriately identified, assessed and prioritised in line with standard risk management processes. Given the uncertainty and complex nature of these risks the Company also established additional processes to facilitate their identification and assessment, such as the Climate Change Risk Assessment Framework ("CCRAF") and tailored Climate Scenario Analysis. This multi-faceted approach is formalised in the Climate Risk Management Framework and aligned with the Company's Double Materiality Assessment.

The Company views climate related risks in the following categories, which have been defined and incorporated in the risk register as follows:

- **Physical risk** – An increase in the frequency and severity of specific weather events which occur as a result of climate change, e.g. floods, heatwaves and wildfires; or longer term shifts in the climate such as a rising sea levels or mean temperatures.
- **Transition risk** – Risks arising from the process of adjustment towards a low carbon economy e.g. the impact on business models from the emergence of disruptive technology, changing risk profiles of our insureds, asset price volatility and changes in government policy and consumer preferences.
- **Liability risk** – The risk of parties who suffer loss from climate change seeking to recover those losses from those who they believe may have been responsible, and risks associated with decarbonisation/environmental statements and commitments.

The inclusion of climate risks within the risk register allows the Risk Management function and key stakeholders to continually assess these risks and associated controls, and establish mitigating actions where necessary. The Company's climate sub-risk register contains a wide array of granular risks that focus on specific components of these main risk channels, whilst facets of climate risk which are particularly uncertain are managed through the emerging risks process.

In 2025 the Company adopted risk appetite statements for each of these risk categories, ensuring that climate risk exposures remain within approved thresholds aligned with the Group's wider strategy and business model. The statements are underpinned by KRIs and risk tolerances, which are monitored quarterly.

In addition, the CCRAF is a key tool used by the Company to evaluate the actual and potential impacts of climate change on underwriting lines, using an internal risk scoring methodology. This tool enables Convex to identify areas of the portfolio that may be particularly exposed to certain climate risks or require further investigation.

The investment portfolio, primarily short-duration sovereign debt, has limited exposure to climate-sensitive sectors. ESG integration is embedded in manager selection and oversight, with an expanding focus on impact investing and infrastructure resilience projects. Climate scenario testing (using General Insurance Stress Tests) indicates limited portfolio vulnerability, and ESG metrics are now systematically reported and monitored.

Physical Risk

Convex employs a range of approaches to identify, assess, and manage physical climate risks, combining rigorous short-term assessments with long-term scenario modelling across its underwriting portfolio.

To quantify underwriting exposure to longer-term risks, the Company leverages the climate condition catalogues embedded within its existing catastrophe modelling suite to model potential changes to key perils under multiple Intergovernmental Panel on Climate Change scenarios. This capability is underpinned by the licensing of Maximum Information's "Magniphi", a tool that enables the Company to conduct localised scenario analysis based on a tailored, independent view of risk.

Transition Risk

The Company had developed a proprietary ESG data tool which collects data points that are not captured by traditional data companies. This approach enables the Company to gain a more comprehensive and informed view of clients' sustainability credentials and enhances Convex's ability to capture high-quality ESG data, which is critical for informed decision-making and strategy development. Convex leverages third-party ESG datasets from a major rating agency to complement this data and has engaged with leading industry specific emissions reporting platforms, such as PACE, to gain tailored insights into client transition pathways.

Liability Risk

Recognising the emerging and uncertain profile of climate litigation, the Company employs a multifaceted approach to identify, assess, and manage litigation risks, with stakeholders across Underwriting, Legal, Claims, Risk, and Sustainability actively engaged on evolving litigation trends. The Company leverages casualty modelling software to model potential litigation exposure and has engaged an external law firm to provide a workshop for underwriters on evolving litigation trends.

The Company has continued to monitor emerging and changing risks during 2025, with these risks reported and overseen by the Risk Committee.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

5. Segmental Information

Analysis by line of business

	2025					
	Gross premiums written \$000	Gross premiums earned \$000	Gross claims incurred \$000	Gross operating expenses* \$000	Reinsurance \$000	Balance on the technical account \$000
Direct insurance:						
Marine, aviation and transport	441,460	391,803	(280,600)	(102,211)	(28,388)	(19,396)
Fire and other damage to property	862,723	822,872	(248,857)	(260,533)	(241,147)	72,335
Third party liability	704,871	628,664	(420,899)	(203,368)	(23,090)	(18,693)
Miscellaneous	105,367	80,506	(37,822)	(39,127)	(7,517)	(3,960)
	2,114,421	1,923,845	(988,178)	(605,239)	(300,142)	30,286
Reinsurance	1,911,985	1,785,198	(1,115,908)	(481,294)	(141,743)	46,253
	4,026,406	3,709,043	(2,104,086)	(1,086,533)	(441,885)	76,539
	2024					
	Gross premiums written \$000	Gross premiums earned \$000	Gross claims incurred \$000	Gross operating expenses* \$000	Reinsurance \$000	Balance on the technical account \$000
Direct insurance:						
Marine, aviation and transport	406,358	358,219	(280,968)	(96,302)	(2,435)	(21,486)
Fire and other damage to property	826,607	704,824	(274,228)	(211,334)	(220,466)	(1,204)
Third party liability	521,029	450,067	(254,320)	(136,546)	(54,024)	5,177
Miscellaneous	106,046	89,772	(34,295)	(32,593)	(17,502)	5,382
	1,860,040	1,602,882	(843,811)	(476,775)	(294,427)	(12,131)
Reinsurance	1,746,010	1,566,144	(897,853)	(399,143)	(159,945)	109,203
	3,606,050	3,169,026	(1,741,664)	(875,918)	(454,372)	97,072

*gross of reinsurers' share of acquisition costs (both actual and change in deferred) which are included in the Reinsurance column.

Convex Insurance UK Limited
Notes to the Financial Statements

For the year ended 31 December 2025

6. Technical Provisions

	Provisions for unearned premiums	Claims outstanding (1)	Deferred acquisition costs (2)	Total technical liabilities
	\$000	\$000	\$000	\$000
Gross of reinsurance				
At 1 January 2025	2,038,969	2,865,988	(410,564)	4,494,393
Movement in provision	317,363	926,944	(81,109)	1,163,198
Exchange adjustments	28,830	49,073	(6,371)	71,532
At 31 December 2025	2,385,162	3,842,005	(498,044)	5,729,123
Reinsurance				
At 1 January 2025	1,189,073	1,920,641	(182,359)	2,927,355
Movement in provision	176,794	627,050	(28,939)	774,905
Exchange adjustments	13,802	31,478	(2,399)	42,881
At 31 December 2025	1,379,669	2,579,169	(213,697)	3,745,141
	Provisions for unearned premiums	Claims outstanding (1)	Deferred acquisition costs (2)	Total technical liabilities
	\$000	\$000	\$000	\$000
Gross of reinsurance				
At 1 January 2024	1,622,675	1,923,865	(320,429)	3,226,111
Movement in provision	437,024	967,988	(94,805)	1,310,207
Exchange adjustments	(20,730)	(25,865)	4,670	(41,925)
At 31 December 2024	2,038,969	2,865,988	(410,564)	4,494,393
Reinsurance				
At 1 January 2024	954,833	1,277,865	(143,720)	2,088,978
Movement in provision	243,633	660,616	(40,305)	863,944
Exchange adjustments	(9,393)	(17,840)	1,666	(25,567)
At 31 December 2024	1,189,073	1,920,641	(182,359)	2,927,355
Net				
At 31 December 2024	849,896	945,347	(228,205)	1,567,038
At 31 December 2025	1,005,493	1,262,836	(284,347)	1,983,982

(1) Claims outstanding includes claims incurred but not reported (IBNR) reserves of \$2,705,592k gross of reinsurance and \$1,829,211k reinsurer's share of IBNR reserves (2024: \$2,096,263k gross; \$1,428,631k reinsurer's share).

(2) The reinsurance element is included in accruals and deferred income as *unearned reinsurance commission* in Note 20.

Convex Insurance UK Limited

Notes to the Financial Statements

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7. Net Operating Expenses

	2025	2024
	\$000	\$000
<i>Net operating expenses comprise:</i>		
Acquisition costs	863,650	695,048
Change in deferred acquisition costs	(81,109)	(94,805)
Administrative expenses	307,686	268,283
Reinsurers' share of acquisition costs	(368,149)	(348,335)
Change in reinsurers' share of deferred acquisition costs	28,939	40,305
Realised foreign exchange loss/(gain)	8,136	(945)
Unrealised foreign exchange (gain)/loss	(11,830)	8,337
	747,323	567,888

8. Auditors' Remuneration

During the year, the Company obtained the following services from its auditors:

	2025	2024
	\$000	\$000
Fees payable to the Company's auditors for the audit of the Company's financial statements	989	946
Additional fees related to the prior year audit of the Company's financial statements\$	83	30
Fees payable to the Company's auditors for audit-related assurance services	268	254
Total fees payable to the Company's auditors	1,340	1,230

Audit-related assurance fees comprise of services in relation to regulatory returns of the Company that require external auditor attestations.

9. Employees and Directors

Employees

The Company has no employees and receives services from individuals employed by a fellow subsidiary within the wider Convex Group Limited, Convex UK Services Limited ("CSL"). Further details on those employees can be found in the financial statements of CSL, copies of which may be obtained from its registered office: 52 Lime Street, London, EC3M 7AF.

Included within operational expenses are amounts for \$288,683k (2024: \$249,972k) in relation to expense recharges from CSL for services performed on behalf of the Company.

Directors

Executive Directors of the Company are employed and remunerated by CSL. Non-Executive Directors are remunerated by CSL. The Company has been recharged \$2,505k for their services during the year (2024: \$3,086k) of which \$21k (2024: \$14k) was in relation to contributions to the defined contribution pension scheme. The remuneration charge for the highest paid Director as recharged to the Company was \$1,287k (2024: \$1,040k) with \$8k contribution to the defined contribution pension scheme (2024: \$7k).

Key management personnel compensation

Key management personnel includes Executive Directors and members of the Group senior management team. The total paid to key management personnel by the Group for employee services is shown below:

	2025	2024
	\$000	\$000
Salaries and other short-term benefits	7,676	8,007
Post-employment benefits	259	249
	7,935	8,256

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

10. Investment Return

	2025 \$000	2024 \$000
Income from debt securities	133,217	117,717
Income from participations in investment pools	4,098	2,360
Income from deposits with credit institutions and cash at bank and in hand	5,366	5,414
Total income	142,681	125,491
Realised gains/(losses) on investments	9,068	(2,859)
Investment income	151,749	122,632
Unrealised gains on investments	36,452	18,941
Investment expenses	(4,391)	(2,714)
Net investment return	183,810	138,859

11. Corporation Tax

Tax on profit

	2025 \$000	2024 \$000
United Kingdom Corporation Tax at 25% (2024: 25%)		
Current tax on income for the year	(56,686)	(52,206)
Adjustments in respect of previous financial years	(1,660)	1,997
Total UK current tax	(58,346)	(50,209)
Foreign corporation tax		
Current year	(8,401)	(3,365)
Adjustments in respect of previous financial years	(2,835)	314
Total foreign tax	(11,236)	(3,051)
Total current tax charge	(69,582)	(53,260)

Tax on profit

	2025 \$000	2024 \$000
United Kingdom deferred tax movements		
Origination and reversal of timing differences	—	(3,715)
Adjustments in respect of previous financial years	4,077	(578)
Total deferred tax credit/(charge)	4,077	(4,293)
Foreign deferred tax		
Adjustments in respect of previous financial years	—	(1,759)
Total foreign deferred tax credit/(charge)	—	(1,759)
Total deferred tax credit/(charge)	4,077	(6,052)
Tax on profit	(65,505)	(59,312)

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

11. Corporation Tax (continued)

Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the year is different than that result in applying the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are reconciled below:

	2025 \$000	2024 \$000
Profit before tax	260,349	235,931
Profit before tax at the standard rate of corporation tax in the United Kingdom at 25%	(65,087)	(58,983)
Factors affecting the change:		
Adjustments in respect of previous financial years	(418)	(26)
Permanent differences	—	(303)
Foreign tax	8,401	3,365
Double tax relief	(8,401)	(3,365)
Total factors affecting change	(418)	(329)
Tax on profit	(65,505)	(59,312)

Factors that may affect future tax charges

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. UK deferred tax has been calculated at 25% and US deferred tax at 21%.

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

	2025 \$000	2024 \$000
Foreign tax credits	4,432	355
Deferred tax asset	4,432	355

An analysis of the movement in deferred tax asset/(liability) is as follows:

	2025 \$000	2024 \$000
At 1 January	355	6,407
Current year movement	—	(3,715)
Adjustments in respect of previous financial years	4,077	(2,337)
At 31 December	4,432	355

A deferred tax asset is only recognised in respect of carried forward losses and other deferred tax assets to the extent that it is considered probable that future profits will arise against which the carried forward losses and other deferred tax assets can be offset. The unrecognised deferred tax assets as at 31 December 2025 are \$nil (2024: \$nil).

UK legislation has been enacted that introduces the Organisation for Economic Co-operation and Development (“OECD”) Pillar Two Model Rules into UK law. These rules were designed to ensure large multinational enterprises pay a minimum level of tax on the income arising in each jurisdiction in which they operate. The Company is within the scope of the UK domestic top-up tax rules applicable under this legislation and is the responsible member for its overseas subsidiaries and permanent establishments under the UK’s multinational top-up tax rules. However, no additional current tax has been recognised at 31 December 2025 as the impact of applying these rules has been calculated to be \$nil (2024: \$nil).

In accordance with the requirements of FRS 102, Pillar Two impacts have not been considered in the recognition or measurement of deferred tax.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

12. Other Financial Investments

The company has the following financial instruments:

	Fair Value		Cost	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Debt securities	2,946,282	2,667,028	2,911,037	2,659,861
Short term investments	165,007	27,029	164,683	25,006
Participations in investment pools	258,587	159,966	229,734	146,269
	3,369,876	2,854,023	3,305,454	2,831,136

13. Debtors Arising out of Insurance Operations

	2025 \$000	2024 \$000
Debtors arising out of direct insurance operations	2,059,381	1,718,482
Debtors arising out of reinsurance operations	220,704	201,255
	2,280,085	1,919,737
	2025 \$000	2024 \$000
Amounts falling due within one year	1,437,608	1,266,884
Amounts falling due after one year	842,477	652,853
	2,280,085	1,919,737

14. Creditors Arising out of Insurance Operations

	2025 \$000	2024 \$000
Creditors arising out of direct insurance operations	27,226	31,790
Creditors arising out of reinsurance operations	1,688,756	1,445,732
	1,715,982	1,477,522

All creditors arising out of insurance operations are deemed to be due in less than one year.

15. Other Debtors

	2025 \$000	2024 \$000
Other debtors	38,537	(12,509)
Taxation and social security	29,635	48,023
	68,172	35,514

16. Called up Share Capital

	2025 \$000	2024 \$000
Allotted, called up and fully paid		
7,811,048,000 (2024: 7,811,048,000) ordinary shares of \$0.05 each	390,552	390,552

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

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

17. Investment in Subsidiaries

The Company has two wholly owned subsidiaries, Convex Europe S.A. ("CES") and Convex North America Insurance Services LLC ("CUS"). The following table shows the carrying value and the additional capital contributions made during the year:

	CES \$000	CUS \$000	Total \$000
2025			
At 1 January 2025	93,585	39,834	133,419
Additions	33,000	—	33,000
At 31 December 2025	126,585	39,834	166,419
2024			
At 1 January 2024	93,585	29,834	123,419
Additions	—	10,000	10,000
At 31 December 2024	93,585	39,834	133,419

The above investments were subject to a review for any indicators of impairment at 31 December 2025 in line with FRS 102. No such indicators were noted and, as a result, no impairment to the carrying value has been booked in the period. During the period, the Company made an additional investment of \$33,000k in CES to maintain an appropriate level of surplus capital within the business.

18. Amounts Owed to Group Companies

	2025 \$000	2024 \$000
Due to the Company's parent	204	412
Due to other Group companies	68,068	50,081
	68,272	50,493

The amounts due to the parent company and fellow group companies are non-interest bearing and all due within one year.

19. Other Creditors Including Taxation and Social Security

	2025 \$000	2024 \$000
Amounts falling due within one year		
Other creditors	—	—
Taxation and social security	41,690	18,138
	41,690	18,138

20. Accruals and Deferred Income

	2025 \$000	2024 \$000
Unearned reinsurance commission	213,697	182,360
Accruals	2,627	1,881
	216,324	184,241

21. Guarantees, Financial Commitments and Contingent Liabilities

Pledged investments

The Company holds restricted assets comprising cash at bank and in hand, short-term investments and debt securities that are pledged and held in trust during the normal course of business with various regulatory authorities. At the year end the Company held \$189,208k (2024: \$135,926k) in NAIC Trust, \$70,665k (2024: \$65,276k) to provide collateral for the benefit of reinsurance clients and \$223,797k (2024: \$324,830k) to provide collateral or guarantees for letters of credit to third parties.

Parental guarantee

During the period, the Company issued a parental guarantee to its Luxembourg-domiciled insurance subsidiary, Convex Europe S.A., to provide additional assurance when underwriting credit insurance policies on behalf of large EU-based financial institutions.

Convex Insurance UK Limited

Notes to the Financial Statements

For the year ended 31 December 2025

22. 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 \$112,758k (2024: \$137,657k) of letters of credit outstanding under this agreement, secured by collateral in the amount of \$154,756k (2024: \$178,686k).

Letter of Credit Facility with Lloyds Bank plc (expiring December 31, 2026): Provides a \$200,000k secured tranche and a \$100,000k unsecured tranche. As at December 31, 2025, there were letters of credit outstanding under this facility totalling \$43,600k (2024: \$113,155k), secured by collateral in the amount of \$39,127k (2024: \$117,470k).

Letter of Credit Facility with Barclays Bank plc (expiring December 31, 2026): Provides a \$100,000k secured tranche and a \$50,000k unsecured tranche. As at December 31, 2025, there were letters of credit outstanding under this facility totalling \$23,084k (2024: \$36,446k), secured by collateral in the amount of \$29,914k (2024: \$28,674k).

Letter of Credit Facility with ING Bank N.V. (expiring December 31, 2026): Provides a \$150,000k unsecured capacity. As at December 31, 2025, there were letters of credit outstanding under this facility totalling \$2,686k (2024: \$1,812k).

23. Immediate and Ultimate Parent Undertakings

The Company's immediate parent undertaking is Convex Re Limited and its ultimate parent undertaking is Convex Group Limited. The smallest and largest groups into which the Company's results are included are the Convex Re Limited and Convex Group Limited, respectively.

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

24. Events after the Reporting Year

On 12 March 2026, the Board approved a \$40,000k dividend payment to Convex Re Limited ("CRL"), its immediate parent. This is reflected in the 2025 CIL eligible own funds and the SCR ratio.

Convex Group Limited

Convex Re Limited

Point House, 6th Floor, 6 Front Street,
Hamilton HM 11, Bermuda

Convex Insurance UK Limited

Convex Europe S.A. UK Branch

Convex Corporate Services Limited

Convex UK Services Limited

52 Lime Street, London, EC3M 7AF

Convex Europe S.A.

37 Boulevard Joseph II,
2ème étage, L-1840 Luxembourg,
Grand-Duchy of Luxembourg

Convex Guernsey Limited

Bucktrout House, Gategny Esplanade, St Peter port,
Guernsey, GY1 IWR

Convex North America Insurance Services LLC

47 Hulfish Street, Suite 310, Princeton, NJ 08542, USA

Convex Nominee Limited

Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda

convexin.com

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.