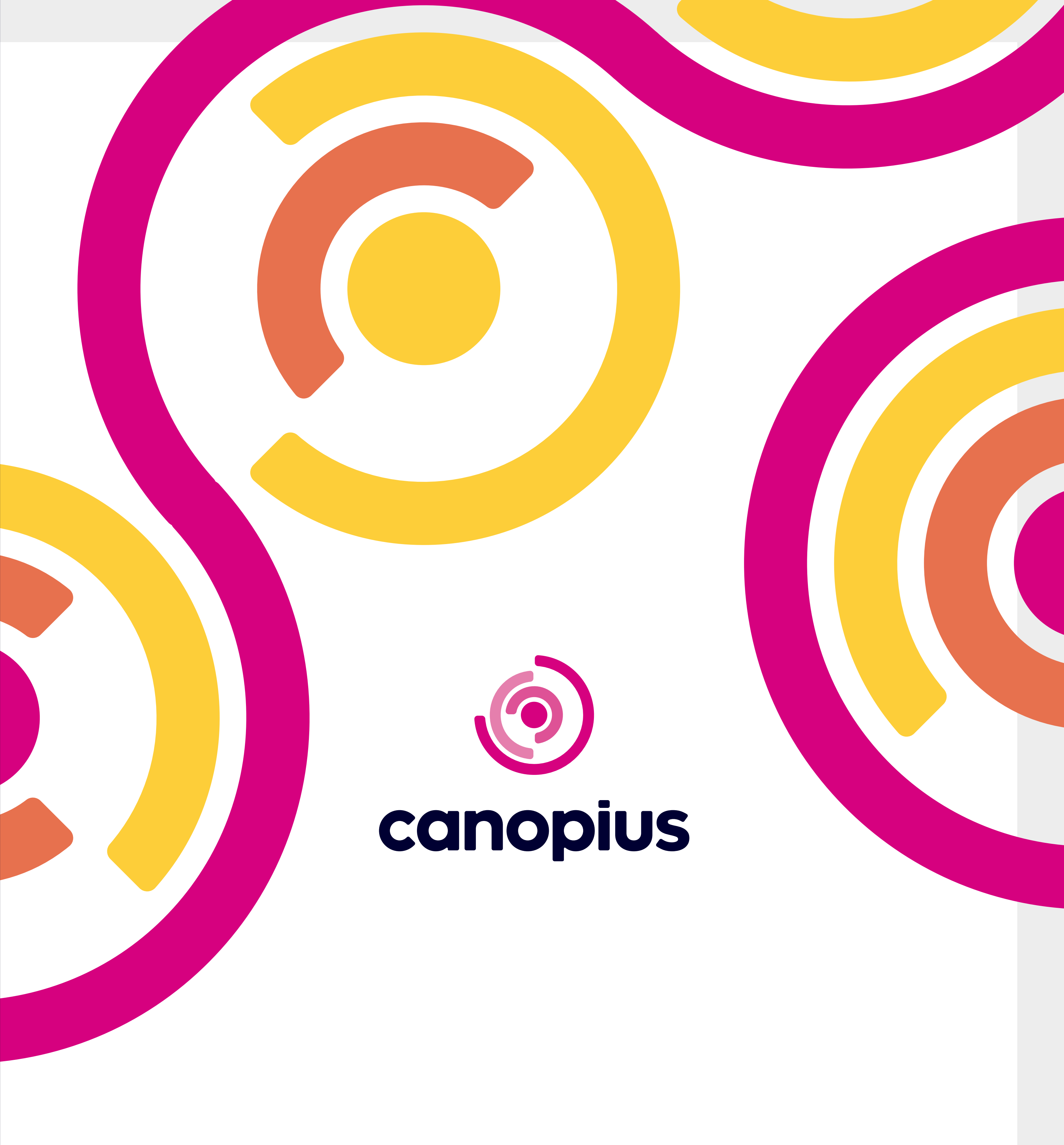

Annual Report and Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

COMPANY NUMBER 129591

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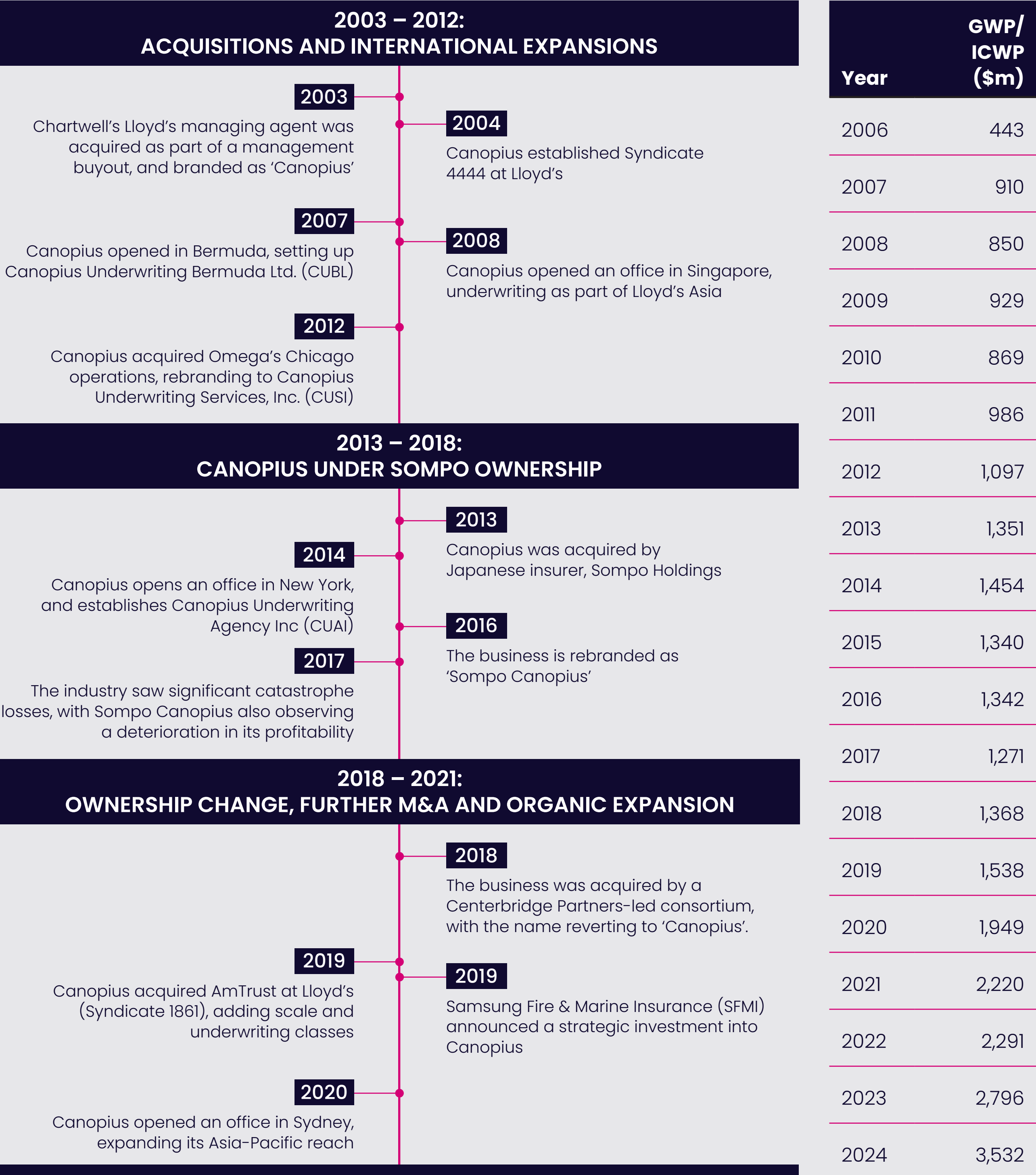
www.canopius.com

Canopius is an international specialty and P&C (re)insurer.

We believe that our people make us different.

We challenge the prevailing wisdom, we ask the difficult questions and we are proud to offer an independent view of risk.

Our Journey



Premium Evolution

Year	GWP/ ICWP ($m)
2006	443
2007	910
2008	850
2009	929
2010	869
2011	986
2012	1,097
2013	1,351
2014	1,454
2015	1,340
2016	1,342
2017	1,271
2018	1,368
2019	1,538
2020	1,949
2021	2,220
2022	2,291
2023	2,796
2024	3,532

Note: Gross Written Premium (GWP) in years 2006 to 2015 has been converted from GBP to USD at the average exchange rate of each respective financial year. GWP is shown for all years up to 2021. Insurance Contract Written Premium (ICWP) is shown for 2022 – 2024.

2022 – 2024: LEADERSHIP CHANGES AND BUSINESS TRANSFORMATION

Neil Robertson joined the Group as Deputy CEO before becoming Group CEO in 2022. He then made several key Group-level appointments, including CFO, CUO and COO

Over this transformative period, the company has been significantly repositioned towards higher quality, more diversified business and with a focus on fast-growing international specialty markets

The business has been restructured and realigned into four regional underwriting distribution hubs in the UK, US, APAC and Bermuda; with a clear underwriting framework that focuses on complex risks requiring specialised underwriting

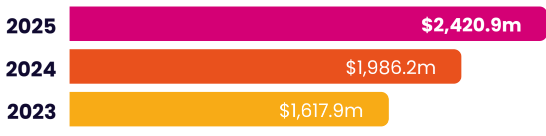
The business has seen substantial evolution of organisational disciplines, optimising internal functions, sharing best practices, defining target operating models and with significant emphasis on planning and accountability

Canopius also focused heavily on building a 'positive and winning culture' with significant investment into its talent, inclusion and diversity and its people over the period

2025 Key Statistics[1]

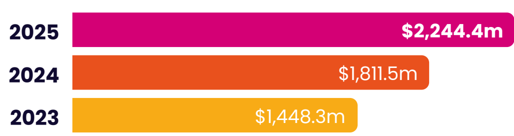
Total Shareholders' equity

$2,420.9m



Tangible net assets ("TNAV")[2]

$2,244.4m

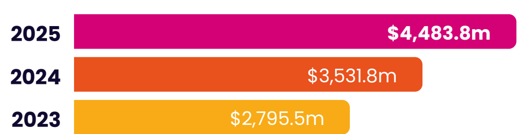


Total available capital[3]

$2,435.9m

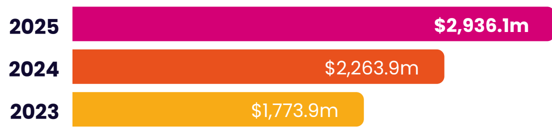
Insurance contract written premium

$4,483.8m



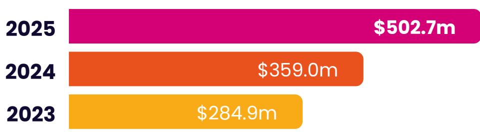
Net insurance revenue[4]

$2,936.1m



Insurance contract written premium comprises the gross written premiums on business incepting in the financial year, adjusted to exclude inwards reinstatement premiums and non-claim dependent ceding commissions on inwards reinsurance together totalling $177.2m (2024: $125m; 2023: $57m).

Insurance service result



$502.7m

Profit after taxation

$467.2m

Return on opening tangible net assets[5]

25.8%

Net combined ratio – discounted[6]

2025 82.9%
2024 84.1%
2023 83.9%

82.9%

Net combined ratio – undiscounted[7]

88.5%

1 Amounts presented are determined from the financial statements except as noted below.
2 Tangible net assets ("TNAV") represents total equity attributable to equity holders of the parent less intangible assets and deferred tax liabilities on intangibles.
3 Total available capital represent TNAV plus utilised unsecured letter of credit facilities, as per note 26(b).
4 Net insurance revenue is "insurance revenue" net of the "allocation of reinsurance premiums"
5 Return on opening tangible net assets is calculated by dividing "profit after taxation" by "opening tangible net assets"
6 Net combined ratio - discounted is calculated by dividing "insurance service expenses" net of "amounts recoverable from reinsurers for incurred claims" by "net insurance revenue".
7 Net combined ratio - undiscounted excludes the impact of discounting net claims costs recorded within 'insurance service expenses' and 'amounts recoverable from reinsurers' of $165.5m (2024: $137.1m; 2023: $84.7m).

Chair's Statement

> We have established a solid foundation, ambitious growth plans and have renewed commitment from all our shareholders.

I am pleased to announce that the Group has delivered insurance contract written premium of $4.5 billion and a profit after tax of $467 million for the year ended 31 December 2025.

This fantastic achievement reflects great execution of our refreshed three-year strategy and the decisive actions we continue to take, resulting in tangible benefits for our shareholders. It also underlines the strong foundations the business has been able to set in place, both as a dependable partner for our clients and a place where talented people want to build their careers.

In my statement last year, I noted an exciting new chapter for Canopius as we entered the second phase of our strategic reset. It is particularly pleasing to see those expectations being realised, with Canopius reporting a year of strong progress and growth. Neil Robertson, our Group CEO, provides further detail on our strategic priorities in the next section.

Relentless Focus on Clients in 2025

The results for 2025 stand out in a year characterised by considerable uncertainty. Events such as the Los Angeles wildfires, Hurricane Melissa, ongoing geopolitical crises and international conflicts have had profound impacts on businesses and individuals alike. In such an environment, our unwavering commitment to helping clients manage risk and providing them with the certainty they require to operate successfully is paramount.

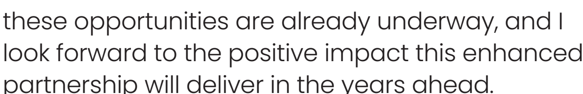
Our relentless focus on addressing clients' needs with smart actions and practical solutions has led to another year of robust growth. With that growth and continued expansion of our Bermudian reinsurance business, it has now reached the scale to be recognised as a standalone operating segment.

Our Group CUO, Sam Harrison, provides further insight into our underwriting performance, and our Group CFO, Gavin Phillips, outlines the results of our geographical segments in their respective sections.

Strengthening Our Partnership with Samsung Fire and Marine Insurance

I am immensely proud that, during the fourth quarter of 2025, Samsung Fire and Marine Insurance ("SFMI") increased its stake in our business. This development represents the latest milestone in a partnership that has been carefully nurtured over the past six years, underscoring the commitment of both organisations to a long-term and mutually beneficial relationship. SFMI's continued investment reflects its strong confidence in our strategy and the value we are committed to creating.

Both SFMI and Canopius see significant potential to deepen our underwriting collaboration, to the mutual benefit of both companies. Efforts to capitalise on



these opportunities are already underway, and I look forward to the positive impact this enhanced partnership will deliver in the years ahead.

Enhancing Our Governance

As part of our agreement with SFMI, we are pleased to welcome two SFMI shareholder representatives, James Park (Head of Global Business Division) and Kyungeun (Clara) Jun (Head of Global Investment Team), to the Board.

As noted in last year's report, Hitesh Patel joined the CGL Board in April 2025 as an independent non-executive director and as Chair of the Canopius Managing Agents Limited ("CMA") Board. As we conclude 2025, I am also delighted to announce the appointment of three further independent non-executive directors to the CGL Board.

Katherine Letsinger will join the Boards of both CGL and, subject to regulatory approval, CMA in March 2026 as Chair of the Audit Committees for both entities. She will also serve on the Remuneration, Risk and Nominations & Governance Committee.

Torbjörn Magnusson joined the CGL Board in December 2025 as Chair of the Risk Committee, and will also join the Audit, Remuneration, Environment, Social and Sustainability ("ESS"), and Nominations & Governance Committees.

Thomas Bradley joined the CGL Board in December 2025 as a member of the Audit and Risk Committees.

Katherine, Torbjörn and Thomas bring considerable insurance and industry expertise, further bolstering our financial and risk governance, and supporting our long-term strategic objectives. Ian Owen and Paul Ceurvorst retired from the CGL Board in December 2025, and Peter Hazell will retire in March 2026. On behalf of the Board, I extend our sincere gratitude to Ian, Peter and Paul for their outstanding contributions and dedication to Canopius over many years.

Further details on governance developments and Board activity are provided in the report from our Group Chief Risk Officer, Sheldon Lacy.

Vave: a milestone in innovation

In December 2025, we sold our algorithmic underwriting platform, Vave. This sale represented a significant milestone for our organisation. What began as a bold idea has evolved into a market-leading, technology-driven MGA, exemplifying Canopius' commitment to innovation and practical solutions for clients.

Cultivating a Positive and Winning Culture

Canopius' positive and winning culture remains a standout feature of our business and, I believe, a major factor in our continuing success. In her report, our Group Chief HR Officer, Barbara Turner, will go into more detail on how we have nurtured our culture, but I was particularly pleased to note the excellent scores we received as part of our latest Employee Engagement Survey in 2025. Employees told us that they are happier, more engaged and feel more valued – all strong indicators of a positive culture at work.

The Board firmly believes this culture is key to building a business that delivers profitable, sustainable results. We know what sets us apart is our people, and the way we work and grow together at Canopius.

In closing, I would like to express my gratitude to all our colleagues for their hard work and dedication throughout 2025. Their talent, commitment, and ambition are fundamental to the achievements detailed in this report.

Looking Forward

Our outlook for 2026 is positive. While we anticipate challenges, including a more demanding rating environment and ongoing uncertainties, both natural and man-made, we remain excited about the opportunities before us.

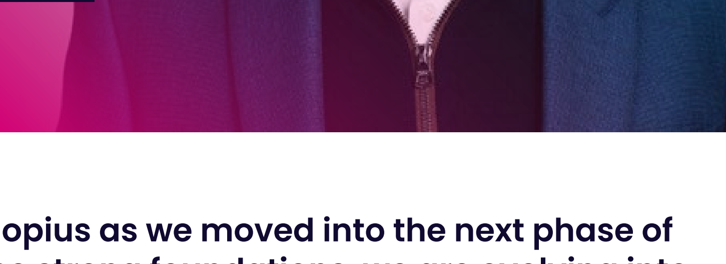
We have built a solid foundation through our financial strength and global presence. We have ambitious growth plans and have renewed commitment from all our shareholders to help us deliver on these objectives. The opportunities afforded by their support, combined with our positive and winning culture and the talent of our people, ensure that Canopius is well positioned to continue delivering profitable growth in 2026, and beyond.

ANDY HASTE
Chair

10 March, 2026

Group Chief Executive Officer's Statement

Our commitment to underwriting excellence, operational efficiency, and a high-performing culture remains unwavering.



2025 marked a pivotal year for Canopius as we moved into the next phase of our strategic journey. Building on the strong foundations, we are evolving into a more disciplined, ambitious and future-focused organisation.

At our heart, we are an underwriting company, and I am delighted that we can present this report, which details our continued successes as a market-leading underwriter. We have delivered another year of strong performance with record profits, bringing the cumulative increase in tangible net asset value since the beginning of 2022 to $1.15bn, an increase of over 100%. We are developing a consistent track record of profitability, evolving a successful strategy and assembling a team that we believe will continue to deliver profitable growth and attractive returns for our shareholders.

Our commitment to underwriting excellence, operational efficiency and a high-performing culture remains unwavering. As we look ahead, we are determined to deliver sustainable growth, deepen our client partnerships, and continue to differentiate ourselves through innovation and our commitment to talent.

Embedding a successful strategy in 2025

In 2024, we refreshed our strategy, our mission and our purpose, and we stand by the principles we outlined then. We clarified our purpose as to help our clients be resilient in the face of their new and evolving challenges.

In 2025, our strategic pillars have become our "North Star" as we set out on our next three-year plan. As we continue this evolution, there are several noteworthy strategic updates in support of this work.

- We have improved and solidified our market proposition; we have repositioned our underwriting portfolio towards higher quality and greater diversification, while refining our risk appetite and strengthening our balance sheet.
- We have built out an agile approach to embrace and utilise artificial intelligence ("AI") to support our strategy, mission and purpose.

- We have built out our Talent Manifesto to ensure people and culture remain at the heart of our business. This is underpinned by the hugely encouraging results of our 2025 Employee Engagement Survey.
- We are leveraging data-driven analytics and portfolio management practices to enhance decision making and execution.
- We announced that we will be opening a permanent office in Manchester, UK in April 2026, where we will be designing new structures and processes that we need for the future in a new "Centre of Operational Excellence".

We also announced that Samsung Fire & Marine Insurance ("SFMI") increased its shareholding in the Canopius Group during 2025. Not only was this a significant investment, but it was also a critical proof point. SFMI felt that Canopius' next three-year plan was ambitious yet achievable and are confident in our abilities. But, most importantly, the investment from SFMI was a recognition of our talent and a belief that our people are a worthy investment.

Ultimately, this investment from SFMI is testament to the strength of the platform we have built. It provides us with long-term shareholder stability that enables us to continue executing this successful growth strategy.

We also sold our algorithmic underwriting platform, Vave, to Acrisure in 2025. This sale represented a significant milestone for our organisation. What began as a bold idea has evolved into a market-leading, technology-driven MGA, exemplifying Canopius' commitment to innovation and practical solutions for clients.

Vave is a testament to what can be achieved when talented individuals are empowered to develop new ideas and bring them to life. We are extremely proud of Vave's journey and wish both Vave and Acrisure every success in the future.

Group Chief Executive Officer's Statement CONTINUED

2025 Corporate Goals

We have clear strategic goals for Canopius. Working together towards shared goals enables us to transform the business and seize market opportunities more effectively, and, I'm pleased to say, we have delivered on our promises in each of these areas.

Goal	Focus
ACHIEVE FINANCIAL PLAN.	Focus on Combined Ratio and Profit after Tax.
REFINE AND MATURE OUR ORGANISATION AND OPERATING MODEL.	Focus on building an operationally efficient, sustainable and competitive organisation, which allows us effectively to execute goals and enable our ambitions. Embed a new operating model in underwriting and reinsurance and reinvigorate our strong strategic planning process.
EMBED UNDERWRITING STRUCTURE, STRATEGY, AND FRAMEWORK; AND MANAGE THE PORTFOLIO TO WIN IN AREAS WHERE WE HAVE/ CAN HAVE COMPETITIVE ADVANTAGE.	Refresh product strategies to drive meaningful, profitable and sustainable growth in the UK, US, Bermuda and APAC regions. This includes the development of the Portfolio Solutions offering, consideration of strategic distribution opportunities and enablement of underwriting structures and specialty industries.
LIVE OUR VALUES AND DEVELOP OUR TALENT TO EMBED OUR POSITIVE AND WINNING CULTURE.	Set up BUs and capabilities for success to deliver their ambition, through empowering and developing people, and enabling teams to work more efficiently. Focus on collaboration to foster an inclusive environment where colleagues are accountable for proactively driving positive change.
BECOME MORE KEENLY AWARE OF OUR EXTERNAL ENVIRONMENT AND FUTURE-FOCUSED IN SETTING OUR STRATEGIC DIRECTION.	Leverage external data and insight in setting strategic direction, decision making, tactical activity and our innovation efforts; with the objective of better serving our clients and gaining a competitive edge.

Underwriting excellence

In 2025, we fully embedded our underwriting ambitions into the business planning cycle and launched a dedicated, underwriting-focused, bottom-up planning process. This has set the stage for key initiatives for delivery in 2026, such as targeted growth in Casualty, expansion in the US, and growth across Specialty classes such as Equine and Credit & Political Risk.

The introduction of the Underwriting Segmentation Framework in 2024 provided a strong foundation for 2025, enabling us to refresh our three-year underwriting strategy and ensure every global product has a clear vision, value proposition and a defined path to achieve it.

Another central focus has been our partnership with Spinnaker Analytics to accelerate efficiency and effectiveness across underwriting. This collaboration has enabled us to refine our operating model, establish a new Natural Resources business unit, and to deliver enhanced modelling for Cyber underwriters.

Looking ahead, we will be establishing a dedicated Underwriting Efficiency & Effectiveness team, led by a newly created "Underwriting Chief Operating Officer" role, which will be in place during 2026. This team will help further to embed advanced analytics and optimisation of our underwriting operations, ensuring underwriters have the right processes, tools, data and support to help realise our vision of being a world-class underwriting organisation.

We have made significant underwriting progress in 2025, laying the groundwork for important initiatives. Canopius has now strategically positioned itself as a long-term investor in global, multi-class broker facilities. Our Portfolio Solutions strategy is a deliberate, long-term investment approach that strengthens broker relationships, enhances underwriting agility and positions the company as a market leader in broker facilities.

By leveraging data from our growing book of facilities, we're not only optimising performance but also shaping our future with confidence and precision. Data from broker facilities will help Canopius segment risks by geography, class and broker performance. It also supports portfolio-level analytics, enabling us to identify profitable segments and adjust capacity dynamically.

Our journey continues with the execution of strategic agreements with our key broker partners. We're already a leading investor in global, multi-class broker facilities, but we think there is more opportunity to explore new ways of distributing products and aligning our interests with those of our key partners.

By forging closer ties with our distribution partners, we are better positioned to access valuable market intelligence and client insights, but we're also better positioned to create for them products and services that will give their clients the practical solutions they need to remain resilient.

Operational efficiency

As part of our drive to better utilise data and analytics, at the end of 2025 we announced a new Centre of Operational Excellence in Manchester, UK. This new hub will promote innovation, efficiency and scalability across all operational, technology and data functions.

The new centre will embrace technology, automation and streamlining processes, building continuous improvement groups through Six Sigma training and certification, and developing "operational excellence" methodologies that will empower frontline data and technology employees with the necessary resources and authority to thrive.

In 2025, we advanced key initiatives, including enhancing our US operational platform, and transforming how we work with, and manage, our delegated partners through enhanced processes and technology.

Group Chief Executive Officer's Statement CONTINUED

High-performing culture

I have always felt very strongly about cultivating a positive and winning culture at Canopius. Without this, we cannot achieve anything. After developing a culture in line with our mission and values, we are delighted to see the fruits of our collective labour.

In 2025, we asked all colleagues to complete an Employee Engagement Survey. We'll go into the details of these findings later in this report, but I was buoyed by the positive response we got from our staff. Looking back over the last few years of results, we have seen marked improvements in the number of engaged staff and the number of staff who feel more empowered, happier and more excited to be on the journey with Canopius.

We're now running our third class of "Elevate", Canopius' internal high-performance leadership training programme. For three years, we have identified and elevated high achievers from all our regions, giving them coaching, guidance and asking them to take part in projects that aim to push the boundaries of 'what's next' for Canopius, as we look to practically embed innovative solutions into all areas of our business.

At Canopius, our colleagues are entering an exciting chapter, reaping the rewards of years spent building resilient, high-performing teams. But we are not content simply to maintain momentum. Our sights are set on evolving and cultivating world-class talent, and on creating an environment where every colleague can make a genuine impact.

In 2025, we launched our "Talent Manifesto" to lay out succinctly what Canopius will offer people as an employer, and equally what kind of employees we want to cultivate. We want to make clear that greatness is a choice at Canopius, and we see a daily commitment from each person to push boundaries, challenge themselves and drive us forward together.

The Manifesto also makes clear to current and future employees that development is a shared priority, and Canopius will celebrate those who rise to the challenge, rewarding outstanding performance in a way that inspires excellence. We'll ensure that we are a united, purpose-driven team - one that thrives on mutual respect and accountability.

With our Talent Manifesto, Canopius has committed to investing in people, building a high-performance culture, and embracing the future with purpose and ambition.

Practical Innovation

We recognise the transformative potential of AI and we have shown that we are committed to embracing this technology thoughtfully across our business. In 2025, we continued to explore and implement AI-driven solutions to enhance underwriting, claims and operational efficiency, while maintaining a strong focus on governance and responsible innovation.

First, we are empowering our teams by providing the tools and training needed to integrate AI into their everyday tasks and processes, encouraging innovation at all levels.

Second, we are partnering with leading external experts to rewire core business functions, ensuring we maximise the benefits of AI for underwriting, claims and operational efficiency.

Our approach to AI is guided by strong governance and a commitment to responsible innovation – with a drive to deliver smarter, faster and higher-quality solutions that benefit both our business and our clients.

We are also paving the way for 2026, by planning a new phase of large-scale, multi-year initiatives. A central focus area in 2026 will be our Claims Rewiring programme, which will leverage AI capabilities at every stage of the process to create competitive advantage in claims handling. In Finance, we will begin to implement a new General Ledger to transform our global processes and reporting and drive efficiency across the business. In Underwriting, we will continue to implement AI-enabled technology to streamline workflows, automate manual tasks and empower underwriters with better data.

We're also taking an innovative approach to sustainability, but it's important to note that sustainability is not a stand-alone initiative. It is embedded in how we think, operate and deliver value. Equally, we recognise our own responsibility to reduce emissions and operate sustainably. Our internal commitments are aligned with our strategic ambition to build a resilient, future-ready organisation.

Preparing for the future

As we look to the future, we remain focused on our purpose: to help clients be resilient in the face of an evolving risk environment. The market environment in 2026 is set to continue to be dynamic and competitive, with volatility in loss trends and increasing competition for business. However, our disciplined approach, risk exposure diversity, winning culture and commitment to practical innovation position us well to navigate these challenges.

By harnessing automation, leveraging data, and embracing new technologies over the coming years, we will position ourselves to significantly enhance underwriting efficiency and performance. Our market is speeding up, and our broker partners and their clients demand that their insurers keep pace.

Despite heightened competition, we see considerable growth opportunities ahead. Rate adequacy continues to hold up across many key markets, supporting the potential for profitable expansion. We recognise that Canopius is uniquely placed to build out both geographically and in our product suite, leveraging our established strengths and innovative capabilities.

Our investment in talent, technology and operational excellence will ensure we continue to shape our own future and build on the momentum we have achieved. Our focus remains on building a world-class underwriting company, with the best people and a culture that reflects our ambitions – a company that is bold, balanced and built to last.

NEIL ROBERTSON
Group Chief Executive Officer, Canopius

10 March, 2026

CANOPIUS IN ACTION

Helping businesses during a cyber attack

Canopius has set a new global standard for cyber insurance support with its dedicated in-house incident response team, available 24/7 worldwide. Based in Chicago, London and Sydney, our cybersecurity experts provide immediate guidance and coordinate forensic, legal, and communications support to minimise disruption and protect businesses. One client shared, "During one of the most challenging periods in our company's history, Canopius provided exceptional support and guidance." Calls were "structured, concise and purposeful," giving reassurance that progress was on track. Since the team's inception, remediation times have improved significantly, helping businesses recover quickly and minimise disruption to essential services. Sophia Chatha, Cyber Incident Response Team Leader says: "Our priority is to turn uncertainty into confidence. With clear communication and decisive action, we help clients regain control quickly and effectively. With global coverage and multilingual support, we bring together the right expertise and resources to shorten downtime and restore business operations swiftly."

Group Chief Financial Officer's Statement

We have built an agile, profitable and resilient business, able to navigate volatile backdrops and perform under a variety of market conditions.

During 2025, the business has continued to build on the firm foundations we have laid over recent years and, after another period of strong business performance, we have again delivered a record level of profits.

Premium growth has been in double digits across all our regions and underwriting profitability has remained strong, with good underlying accident-year performance and positive prior-year development. In a modest year for global insured natural catastrophes compared with recent norms, we have also benefitted from lower-than-expected catastrophe losses.

Profit before tax of $553.2m was 41% ahead of the prior year, which itself was a record year. While cat losses are below recent averages, there was a myriad of loss activity in the ordinary course of business and a softening rate environment. It was not a record year by luck.

Our balance sheet has strengthened once again, and we have a high-quality investment portfolio, a strong reserving position and limited legacy reserves. These factors offer resilience as well as strategic optionality and leave us optimistic for the year ahead.

Canopius Group 2025 Results

- **Insurance Contract Written Premium ("ICWP") in the year has grown 27% to $4.48bn (2024: $3.53bn), delivering 30% growth in net insurance revenue to $2.94bn (2024: $2.26bn).**
- **Group discounted net combined ratio of 82.9% (2024: 84.1%) and undiscounted net combined ratio of 88.5% (2024: 90.2%).**
- **Profit after tax of $467.2m for 2025, compared to $401.3m for 2024.**
- **Return on opening tangible equity of 25.8% means that Tangible Net Assets have increased to $2.24bn (2024: $1.81bn).**

Group Chief Financial Officer's Statement

Insurance Contract Written Premium

ICWP has grown by 27% in the year, with strong contributions across all our geographic segments.

The operating environment for our underwriters remains dynamic and premium rates are clearly in a softening phase as competition builds following strong results across the industry in recent years. Overall portfolio rate has generally been in line with our expectations but has been less favourable than in prior years. Rate was negative across the portfolio (-4.0% in 2025 vs +1.2% in 2024).

While headline rate change fills a lot of press narrative, we continue to be focused on pricing adequacy, which is a more nuanced way to

consider the impact on premiums. Rate adequacy remained positive across the portfolio in 2025.

In the UK, I am particularly pleased, once again, to see strong organic growth rates, delivering the benefits of our diversified underwriting model. Portfolio Solutions had a strong year, with additional growth in our existing facilities and, towards the end of the year, we were appointed lead on a new facility with Willis Towers Watson. We have seen growth in Property D&F despite increased levels of competition, as well as in Reinsurance. Specialty lines have been mixed, but attractive growth has been generated in Equine & Livestock, Accident & Health and Specie. Within Professional Lines, Financial Lines remain challenging, while, despite a very competitive environment for Cyber, we were still able to register double-digit growth rates.

In the US, strong growth was fuelled largely by Property D&F, reflecting strong demand and a still-reasonable rate environment. We continue to deliver growth in our Auto and Cyber books, despite some challenges in highly competitive markets. Management and Professional lines remain challenged from a rate perspective, although some pick-up in volumes was seen.

We grew our Bermudian business, Canopius Re, across all lines of business but notably in Casualty reinsurance. We continue to take an opportunistic and measured approach to growing Canopius Re, focusing on building a broad base of clients across diversified lines of business.

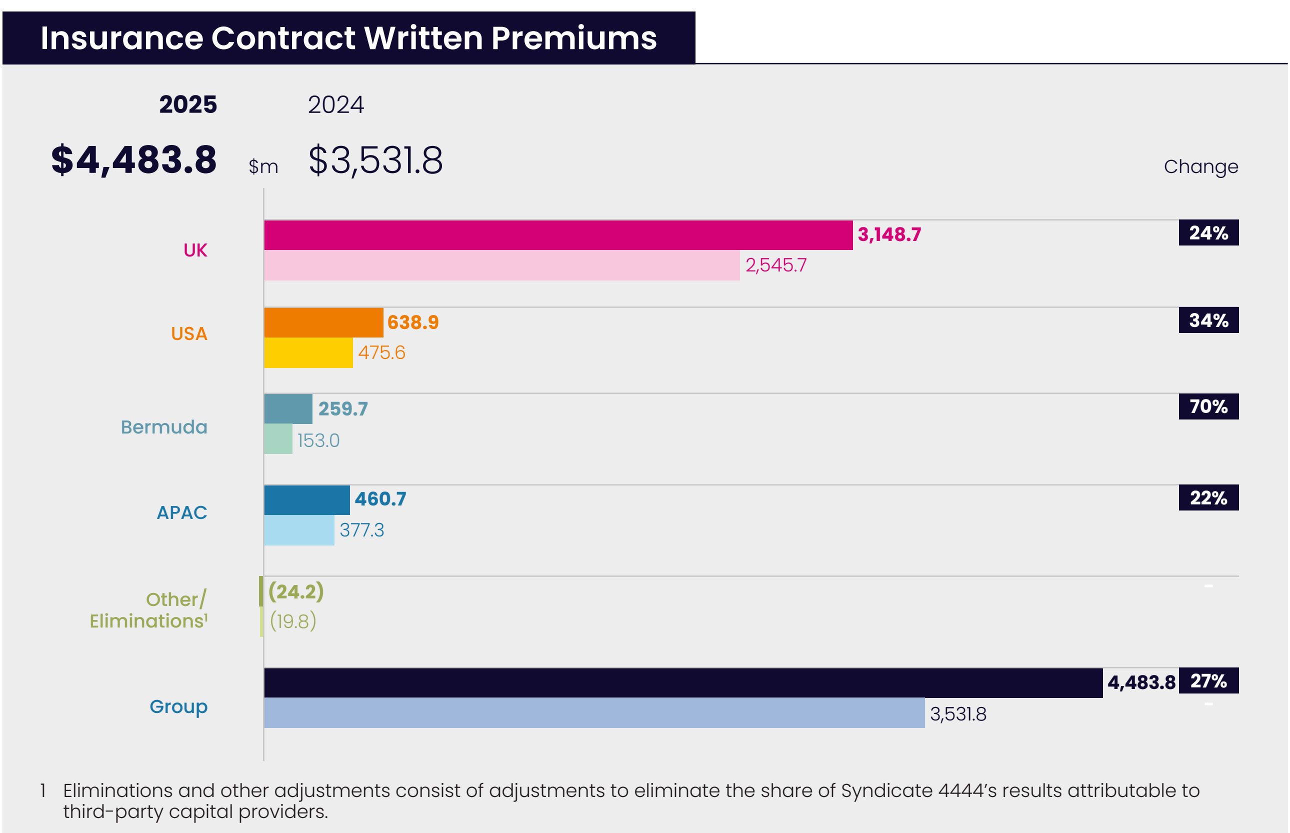
APAC grew strongly once again, attributable to a broad number of lines of business and territories. Engineering and Australian Casualty lines saw notable growth.

Net insurance revenue

Net insurance revenue amounted to $2,936.1m compared to prior year of $2,263.9m, 30% higher year on year. The growth in net insurance revenue is mainly explained by the growth and rate changes described above under insurance contract written premiums, but was also impacted by an extension of our whole-account quota-share reinsurance programme with a high-quality group of reinsurers.

Insurance service expenses, net of reinsurance recoveries

Insurance service expenses, net of reinsurance recoveries, captures claims incurred (net of



1 Eliminations and other adjustments consist of adjustments to eliminate the share of Syndicate 4444's results attributable to third-party capital providers.

Group Chief Financial Officer's Statement CONTINUED

Undiscounted combined ratio

	2025 %	2024 %
UK	86.7	87.4
USA	101.8	106.1
Bermuda	96.8	89.7
APAC	86.1	92.1
Group	**88.5**	**90.2**

discounting on current-year claims), acquisition costs and underwriting expenses incurred in the period, net of amounts recovered from reinsurers.

Insurance service expenses, net of reinsurance recoveries, of $2,433.5m compares to a prior-year amount of $1,904.9m. The 28% increase in 2025 reflects growth in the business at broadly stable overall net loss ratios.

Overall, we recorded a net combined ratio before discounting of 88.5% (2024: 90.2%) and a net combined ratio after discounting of 82.9% (2024: 84.1%).

After an above-average year for large natural catastrophes in 2024, a quieter-than-normal North Atlantic hurricane season allowed for a lower catastrophe burden in 2025 (6.7% in 2025 vs 8.1% in 2024), despite the California Wildfires in the first quarter.

Our current year undiscounted non-catastrophe loss ratio was 47.9% against 44.5% in the prior year. This ratio has worsened by 3 percentage points as there has also been elevated loss activity in some areas, as well as challenges from a softening rate environment.

The UK region was the best performer, with an undiscounted loss ratio of 47.6%, despite higher loss activity, notably in Energy markets, being offset by favourable Property and Property Reinsurance catastrophe experience.

APAC delivered another solid year of performance, with an undiscounted loss ratio of 49.6%, with Property, Specialty and Reinsurance lines performing notably well, as well as from prior year development.

Bermuda has delivered an undiscounted loss ratio of 85.1% for the year, up on the prior year of 73.8%, driven by recognising increased uncertainties in our Casualty reinsurance book. Note this is artificially high compared to other regions due to the majority of business being reinsurance in the region with premium, therefore, presented net of commissions.

The US region undiscounted loss ratio of 60.2% is slightly improved over the prior year, albeit with challenging experience seen in Financial lines, Cyber and Commercial Auto in the region over 2025.

The 2024-and-prior years have seen improvement in the year with some volatility across classes. Overall prior-year development benefitted our undiscounted loss ratio by 3.9% compared to 3.0% in the previous year.

Our acquisition expense ratio improved slightly to 26.4% against 27.0% in the prior year, mainly because of the growth in Portfolio Solutions. However, the net underwriting expense ratio in 2025 fell to 11.4% compared to 13.5% in the prior year. Actual expense levels were well controlled in the year, and our revenue growth has generated operating leverage.

The benefit, to the net combined ratio, of discounting of 5.6% (2024: 6.1%) was lower than in 2024, due to lower interest rates more than offsetting a slight increase in our average liability duration. The volatility caused by discounting is out of an underwriter's control and that is why we continue to utilise undiscounted combined ratios for our underwriting management.

Investment insights

Asset-liability matching

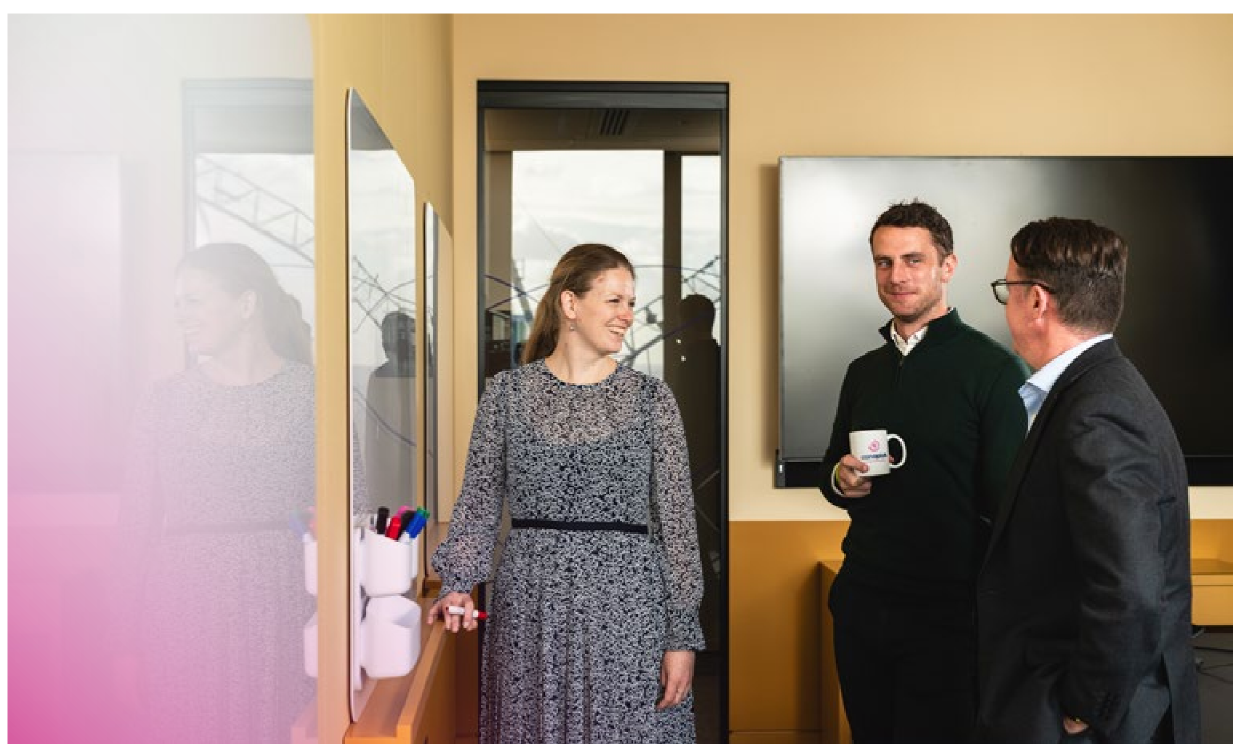
When constructing the investment portfolio, the evolving liability profile of the Group is regularly assessed so that the sensitivity to changes in market interest rates of the Group's assets and discounted liabilities can be broadly aligned. Achieving a less-volatile profit profile is a key objective, and this is the primary driver of the investment portfolio's interest-rate-duration exposure.

Credit risk as a source of additional return

Allocations to cash and high-quality government bonds are a cornerstone of our investment portfolio as they ensure liquidity and relative stability. However, we believe that returns can be augmented through risk-controlled and diversified allocations to credit markets. The additional yield available on these assets more than compensates for expected credit losses over strategic time horizons. A Strategic Asset Allocation of 87.5% in "Core" assets and 12.5% in "Non-Core" assets was implemented for 2025 and has been reconfirmed for 2026.

While the Core element of the portfolio contains our allocations to cash and government bonds, it also includes significant allocations to investment-grade corporate bonds and securitised assets. Diversification is a critical driver of risk management, and we believe the allocation to securitised assets in particular helps to broaden our exposures to the household sector and a wider range of obligors.

The 12.5% non-Core allocation is focused on less-traditional asset classes. A 7.5% allocation to "illiquid assets" is invested primarily in direct lending vehicles that are focused on senior debt. To ensure that we earn the so-called "illiquidity premium" over our strategic investment horizon, we are focused on diversification of these exposures across obligors and sectors of the economy. We also have a 5.0% allocation to absolute return strategies, which have the potential to offer excess returns versus cash and a differentiated risk-and-return profile.



Group Chief Financial Officer's Statement CONTINUED

Investment return

Total investment return amounted to $227.6m (2024: $193.8m) net of expenses, representing a net investment return of 4.9% (2024: 5.4%). The total return benefitted from some positive fair-value gains as interest rates fell, resulting in some upward bond revaluations, and from some modest tightening of credit spreads.

Investment income was higher than the prior year and we generated $177.8m (2024: $149.8m) of regular investment income, amounting to an income yield of 3.9% (2024: 4.3%) in total. Income generated rose every quarter of the year, as our balance sheet continued to grow.

As I have noted in previous years, I believe that, as an underwriting business, shareholders require assets to be low risk and well-matched for duration with the corresponding liabilities. The positioning of the Group continues to protect us well from the vagaries of interest rate expectations. By taking investment return and insurance finance income/expense ("IFIE") together, we continue to see non-underwriting-related volatility reduced and effectively managed.

Insurance finance income/expense

The IFIE represents the unwind of the discount rate on the discounting of liabilities during the year and any fair-value movements on the discounted liabilities because of discount rate changes.

The IFIE of $(136.7)m compares to the $(98.0)m in 2024. For 2025, the IFIE comprises $(115.8)m from the unwind of discounting (2024: $(95.6)m) and $(21.0)m resulting from changes in discount rates (2024: $(2.4)m). The higher unwind for the year is primarily the result of growth of the liabilities.

Other operating and administrative expenses

We consider most of our operating expenses to be related to our underwriting activities and these are included in our underwriting expense ratio. We have maintained our relentless focus on expense discipline and our underwriting expense ratio has reduced from 13.5% to 11.4%. Since our underwriting expenses are reported within insurance service expenses, other operating and administrative expenses are, therefore, Group-related expenditure and these decreased from $77.3m in 2024 to $60.0m, representing just 2.0% of net insurance revenue.

As explained in the prior year, included in other operating and administrative expenses for 2024 was a Pillar 2 tax-related intercompany recharge of $27.2m from our ultimate UK tax resident parent entity. That recharge was in respect of a top-up tax pertaining to the Group's Bermudian operations and this has not recurred in 2025 as the introduction of Bermuda's corporate tax regime means no further top-up tax will be due in respect of that jurisdiction. In 2025, a similar recharge of $2.2m was booked in respect of top-up tax on the Group's operations in Singapore; however, this is not expected to recur in future periods.

The underlying year-on-year increase in other operating and administrative expenses is a consequence of spending on strategic initiatives and the impact of additional short-term incentive plan costs from strong business performance.

Tax

The Group tax charge of $86.0m compares to a tax credit of $8.0m in 2024. This represents an effective rate of 15.5% on pre-tax profits. We have now recognised deferred-tax assets ("DTAs") on all our historic brought-forward losses and, like others, borne the implementation of a 15% tax charge in Bermuda, following the introduction of the island's corporate tax regime.

A resilient business fit for the future

As both Neil and Andy have noted, there have been many positive strategic and internal developments in 2025, and we have, again, welcomed many talented employees to the Group. Our three-year performance indicators continue to show how far we have come as a Group and 2025 was another strong financial performance. We have substantially improved our operational and financial resilience and remain focused on continued delivery.

The nature of underwriting complex risk means that our individual business lines are inherently volatile. To mitigate this and ensure volatility does not derail our strategic plans at a Group level, we strive to get the right combination of product lines, underwriting platforms and geographic exposures. Balanced growth is enhancing our diversification, our underwriting framework continues to drive our decision making, we are utilising advanced data analytics in our underwriting and are carefully managing our exposure to catastrophic losses.

In addition to reducing volatility in our income statement, the other aspect of driving greater resilience is balance sheet strength, which I will discuss in more detail below.

Balance sheet and capital

As a result of the Group's performance during the year, our balance sheet has strengthened further. Net assets have increased by 22% from $1,987.0m to $2,420.9m and tangible net asset value ("TNAV") has increased by 24% from $1,811.5m to $2,244.4m. The strength of our balance sheet provides a robust foundation from which to achieve our ambitious business plans.

The strength of the balance sheet is underpinned by robust reserving processes and a well-resourced and skilled actuarial team. Our positive run-off against our loss picks supports the robustness of the prior year reserves. Our net risk adjustment has increased over the course of the year from $126.2m to $150.8m. The confidence interval of the risk adjustment remains unchanged at the 75th percentile and our policy is to keep this within a range of +/- 2.5%.

On the asset side of the balance sheet, the Group remained defensively positioned with 90% (2024: 89%) of investment assets comprising cash, money market funds and core fixed-income securities of extremely high quality. Once again, we experienced no credit defaults in our core fixed-income portfolio. All of our core assets are investment grade, while the total portfolio duration is now 1.3 years (2024: 1.2 years) so as to broadly match the sensitivity of assets and insurance contract liabilities to interest rate movements.

The Board manages the Group's capitalisation to ensure that it is appropriate for all the regulatory and rating requirements associated with its medium-term management plan, including maintaining an appropriate amount of surplus for material adverse events and new business opportunities. The Group's surplus capital is frequently monitored by the Board and currently maintained at a level above that needed for our internal risk appetite and current regulatory and security-rating requirements.

The substantial majority of our capital requirement is driven by the Economic Capital Assessment ("ECA") at Lloyd's, which itself is set by Lloyd's as 135% of the ultimate solvency capital requirement ("uSCR"). The uSCR takes account of one year's new business in full, attaching to the next underwriting year, and the risks over the lifetime of the liabilities assessed at a 1:200 confidence level (99.5% percentile). The capital requirement of our US balance sheet business is assessed against the US Risk-Based Capital ("RBC") requirements and our Bermudian business is assessed against the Bermuda Solvency Capital Requirement ("BSCR").

The Group's aggregate capital requirements at 31 December 2025 under the above bases amounted to $1,725.2m (2024: $1,378.5m). This 25% increase is proportionate to the growth in the Group's balance sheet and less than the growth in our premium base, primarily because of increased diversification.

As we are not regulated at a Group level, we do not prepare a Group-wide Solvency Capital Requirement ("SCR") under Solvency II, as many other companies in Europe do. However, the uSCR is more conservative than a one-year Solvency II SCR, due to it taking account of all new business and the risks over the lifetime of the liabilities. In addition, as was noted above, the Lloyd's ECA is also 135% of this more conservative uSCR.

Group Chief Financial Officer's Statement CONTINUED

The Group defines its financial resources as the consolidated tangible net asset value of the Group and the utilised portion of its letter of credit ("LOC") facility. Due to our strong cash flows, we have chosen not to fully utilise our LOC capacity. While this means that our surplus over regulatory requirements shows only a small increase over the prior year at $710.7m (2024: $651.0m), we could increase that surplus should we choose to do so. The substantial surplus is considerably in excess of rating agency capitalisation demands at our rating level, providing resilience as well as strategic optionality.

	2025	2024
Shareholders' equity	2,420.8	1,986.2
Less: Intangible assets	(199.3)	(198.0)
Add: Deferred tax on intangible assets	22.9	23.3
Tangible net assets	**2,244.4**	**1,811.5**
Utilised letter of credit facilities	191.5	218.0
Total available capital	**2,435.9**	**2,029.5**
Capital requirements	1,725.2	1,378.5
Surplus capital	**710.7**	**651.0**
Surplus capital ratio	141%	147%

Sale of Vave

Vave is an algorithmic MGA underwriter in the US Excess and Surplus Lines market. Over the course of 2025, we engaged in proceedings to spin off Vave from the Group and executed a share purchase agreement to sell 100% of the Vave Group of companies on 9th December 2025. Separation work is now ongoing, and the sale is expected to close in early Q2 2026.

As Vave was under Canopius ownership for the entirety of 2025, its results continue to be fully consolidated into our Group numbers as they have done historically. However, the net asset value is shown as an asset held for sale in our year-end balance sheet, presented at "cost". Net proceeds and associated profit arising from the sale will be booked in 2026 upon close of the transaction.

Looking forward into 2026

I am delighted that we have, again, been able to deliver attractive underwriting profitability together with business growth. Canopius has matured as a business in recent years, with real empowerment and accountability across the organisation, generating stronger and more consistent results. This allows us to plan and execute our strategies with increasing levels of confidence.

We are conscious that the macro-economic, geo-political and operating environments are going to remain challenging, and maintaining our focus and discipline is a key imperative in more difficult trading conditions. However, pricing adequacy across our portfolio remains attractive, our underwriting will remain disciplined, and our invested assets remain defensively positioned against volatility. We have built an agile, profitable and resilient business, able to navigate volatile backdrops and perform under a variety of market conditions.

Despite a more challenging environment, we also believe there are many opportunities to continue to build our business. Our underwriting teams remain motivated and ambitious, and our platforms are well positioned. We are confident in our execution capabilities, while remaining alert to all opportunities. The key as always is relentless execution, quarter on quarter.

We continue to be confident of the outlook for both the coming year and for the future.

Gavin Phillips

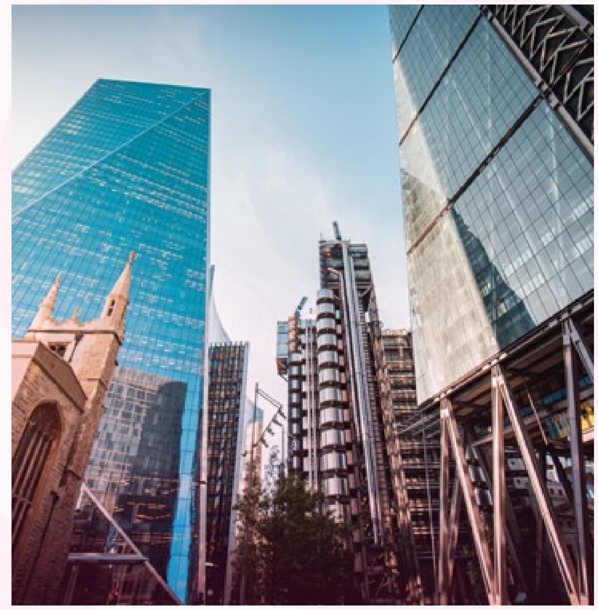
GAVIN PHILLIPS
Group Chief Financial Officer

10 March, 2026

CANOPIUS IN ACTION

Supporting our market with insight and expertise

Canopius is proud to work alongside the Lloyd's Market Association (LMA) to strengthen the future of claims across the London Market. Through the newly rebranded LMA NexGen Claims Leadership Group, emerging leaders like Victoria Soman, now serving as co-chair, are helping shape industry-wide solutions to long-term challenges. One example is Project Forage, an initiative creating interactive job simulations to open clear pathways into claims careers for school leavers and graduates. "Collaboration is key," says Victoria. "By sharing expertise and ideas, we're creating practical initiatives that benefit the entire market." This partnership demonstrates how Canopius is helping shape the wider industry, driving innovation and resilience in the Lloyd's ecosystem, and ensuring the market remains strong for generations to come.

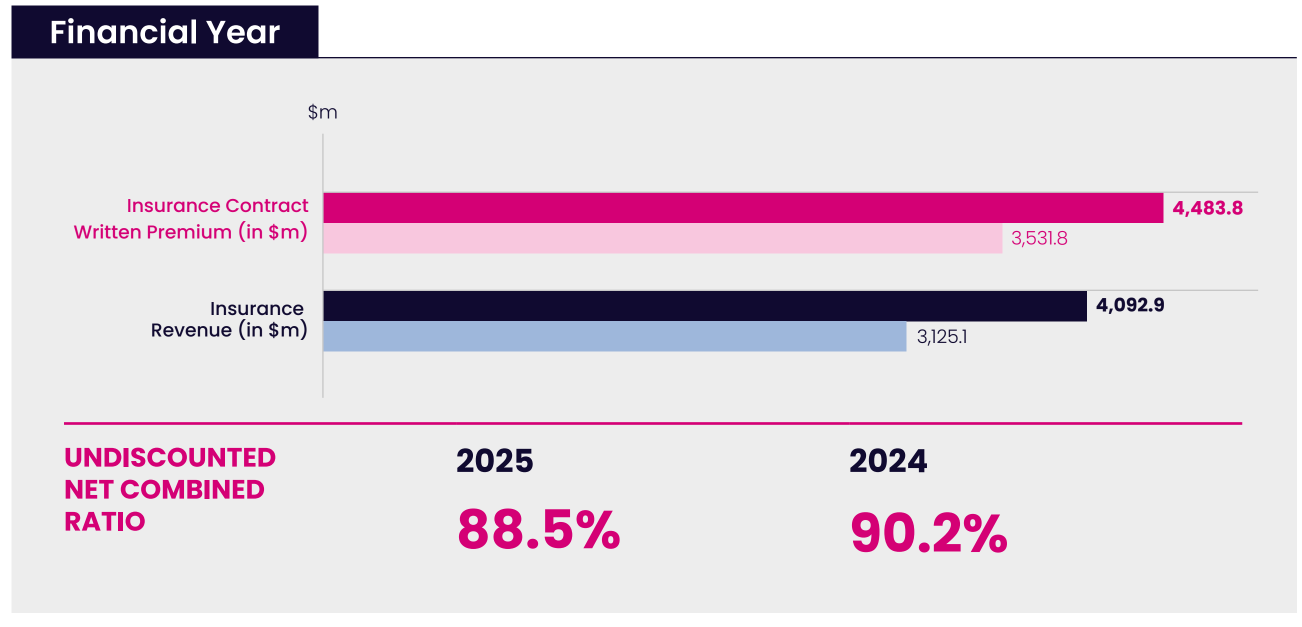


Group Chief Underwriting Officer's Statement

> We have shown that a well -thought-out plan - with a strong focus on execution - can maximise the underwriting opportunities available in any given year.

We will look back on 2025 with great pride as a year that was characterised not only by financial success, with record profits being announced, but by significant strategic developments being achieved. The underwriting strategy framework was fully embedded into our planning and decision making and we established Portfolio Solutions as a genuine market leader with an international footprint having developed contracts originating from US-based distribution partners.

Financial Year



UNDISCOUNTED NET COMBINED RATIO	2025	2024
	88.5%	90.2%

More importantly perhaps, it is a year that has shown that a well-thought-out plan - with a strong focus on execution - can maximise the opportunities available in any given year. The underwriting strategy we executed against allowed us to continue to deliver a significant growth of the portfolio. The rating environment in 2025 was favourable to us in most business lines, and outside of the significant US wildfire losses in January, the global catastrophe claims were less frequent and less severe than we had planned for. The combination of these factors supercharged our performance.

Continued strong underwriting performance in 2025

2025 was an exceptional year for the company. Our underwriting profit, described as the "insurance service result" was $502.7m, with an undiscounted net combined ratio of 88.5%, which compares to $359.0m at an undiscounted net combined ratio of 90.2% in 2024.

Although there will be much industry commentary (including from me) about the relative lack of catastrophe activity boosting results, it does not mean that there was an absence of loss. Outside the California wildfire event, there were regionally significant losses in Australia and Thailand and multiple occurrences of severe convective weather in Europe. Crucially, though, our insured losses were lower than those that we planned for.

I made the point in my report last year that a successful outcome - particularly in respect of catastrophic claims - is about appropriate budgeting for such incidents, as opposed to the more absolute view of whether there were "event". As such, I give us some credit for our ongoing appropriate planning, rather than focusing on the positive outcome.

The rating environment was more challenging in 2025, but still favourable. We managed our business based on the assumption of a mid-3% rate reduction across the portfolio – this was close to where it ended up, a 4% decline. The rate reductions were significantly skewed, however, with short-tail lines surrendering more rate (and in some cases significantly more) than we had planned, while rates for long-tail lines held up significantly better.

Occasionally, the reduction manifested itself as being "not as bad as we feared" rather than it being a superior outcome, but at a portfolio level it was better than might be expected by some of the market "headline" reductions. This is a testimony to the power of diversity in a portfolio, and the huge benefit of good business planning.

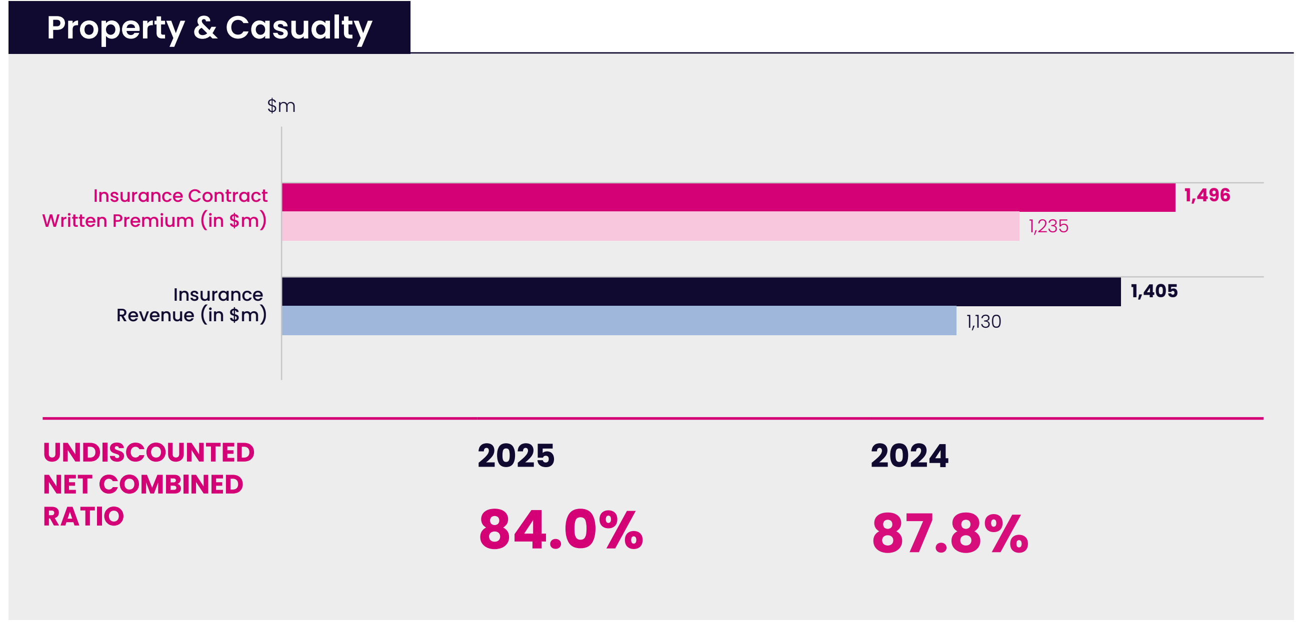
Nevertheless, it does require us to be vigilant on the rate adequacy of individual portfolios, even where the whole portfolio is rate adequate. Indeed, as we enter 2026, we now have a small number of portfolios that are on the cusp of becoming lower than technical rate adequacy, which will lead, no doubt, to challenging strategic conversations throughout 2026.

There is little doubt in my mind that the enhancement of our distribution capabilities, which was put in place in 2024, began to provide real positive strategic impact for Canopius in 2025. Fundamentally, insurance is a "numbers game", and value is best demonstrated through hard factual data. The data shows that, for each of our four largest trading partners, not only did we grow but we grew our market share with them - and in some cases significantly. By the end of 2025, on a rolling 12-month basis, we improved our ranking in the UK with our largest trading partner by nine places, which amounted to a 15% increase in our share of its business.

Using this granular data by product line and geography allows us to see objectively where we win (or do not win), where we see greater tracking of submission flow and where we are able to improve market share on risks. We can, therefore, plan more appropriately and focus our resource where we can truly make it count. Our distribution team truly punches well above their weight.

I now turn to our five product groups for more detailed commentary.

Group Chief Underwriting Officer's Statement CONTINUED



Property

In a light US catastrophe year, results for a significantly US-focused property portfolio are likely to be outstanding and so it proved. However, I would, once again, call out the "global" nature of our operating model, which has allowed us to be more dynamic in our allocation of our aggregates than many competitors. Within this model, there is no financial incentive for our regional teams to either hoard aggregate while looking for opportunities, nor to write the business at higher distribution costs simply in pursuit of regional revenue targets.

This model is most effective and advantageous in a very competitive rate environment where marginal gains on expected profitability are so important, and where the fight for market share is ever more extreme and time consuming. As we look forward into 2026, this will remain our most useful tool we possess versus our competitors.

The absence of US wind losses drove enhanced profitability in our property business, but this has already caused an increase in competition over and above that which existed previously - despite the industry contending with the California wildfires and a major hurricane landfall in Jamaica. Our loss performance on both losses was notable. California benefitted from our retrenchment of SME business in 2019/20, and so we were exposed to relatively few clients with major insured values (e.g. municipalities). This led to favourable outcomes for both the gross and net losses (the latter also due to specific reinsurance purchases).

Our Jamaican loss was also modest compared to what it could have been, due to a specific strategy on hotel business where we deploy relatively small lines per risk. Although the storm tracked over several insured properties, damage claims were manageable, and our loss not particularly correlated to the overall hospitality loss in the region.

I was very pleased with the performance of our property portfolio, with all areas delivering the portfolio "shape" that they had planned. The US/UK binder portfolio delivered a good result, which was testament to our team sticking to its risk appetite in an increasingly competitive market.

Our international property teams also wrote to their plan, and even the large Taiwanese earthquake's semi-conductor losses at the start of 2025, and the regionally significant Thai earthquake, demonstrated the stability in the portfolio.

Casualty

It remains true that Casualty is "underweight" in the Canopius portfolio, but I am delighted with the developments made by all our regional teams in 2025, and we should start to see a portfolio shift (moderately) towards a larger share of long-tail lines in 2026.

Because of the ongoing US casualty loss reserve developments at an industry level, the rating environment remains positive with the publicised talk of "softening" is currently limited to mid-sized clients with benign operations. Even in this area, line-size discipline is holding up. The skew of MGAs in the long-tail arena is largely focused on the same business and have modest capacity to deploy. In fact, I do not see particularly difficult trading conditions in this area until carriers start to flex capacity in a meaningful way. Further, the ongoing rise of independent MGA competition does not cause me particular concerns as their expansion continues to move away from traditional niche areas and into conventional insurance.

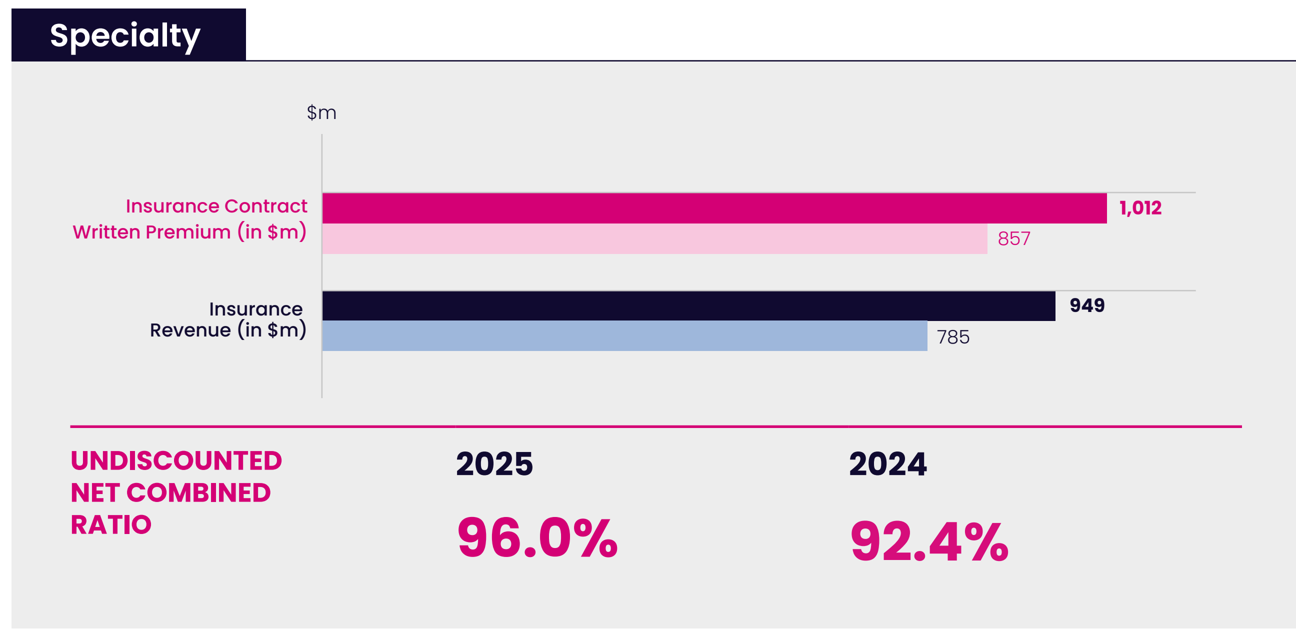
For Casualty clients with larger operations – particularly those in more technical industries – capacity remains elusive and more expensive. We can see this from the fact that brokers are now making use of their tracker facilities to add casualty risks more widely (as we hoped they would). The methods for casualty risk placement traditionally made this more difficult, with brokers unwilling to spend time finding a solution. That they have now done so indicates to me that the open market still cannot support all clients effectively. I foresee 2026 shaping up to be as positive for us in Casualty as it has been in 2025.

Our new US-based Casualty team has made a fantastic start. By focusing on limited distribution and tight risk appetite, we have been able to control submission flow and build a brand known for good service and consistent underwriting. This gradual build-out is exactly what we wanted it to be - sustainable and profitable. In 2026, I expect to see proportionally more growth as we build on these foundations.

The US Casualty team in London remain a market leader and we are very proud of their performance. We had planned to add an International Casualty underwriter in 2025; however, it was more difficult than expected to find the right hire, and our new employee does not arrive with us now until 2026. Given the more competitive environment in this market, I am comfortable that a slow-but-steady build-out of this portfolio is appropriate. I am pleased that we have now filled an obvious gap in our client proposition, and we will be able to be a true global risk solutions provider.

Specialty

At the Specialty segment level, our performance was credible. The deterioration in the net operating combined ratio tracked into what turned out to be an even more competitive environment than we feared, which was exacerbated by elevated large losses emanating from our Energy and Heavy Industry businesses.



Group Chief Underwriting Officer's Statement CONTINUED

Overall, we have had many successes in our Specialty segment in 2025, both in terms of profitability and enhancing the Canopius brand. Equine continues to perform on both, in fact, well beyond my expectations. While the launch into the "Admitted" market took longer to execute than we would have wished, our wholesale offering has demonstrably been a platform of choice for clients and brokers, with significant opportunities converted.

In 2025, our Specie Digital Asset product has developed further, and we were very pleased to launch a new product in this business in South Korea with the support of our shareholder, SFMI.

Our challenges for Specialty in 2025 were focused on Energy and Heavy Industry. Upstream and Downstream Energy, Renewables and Mining all suffered from elevated large loss experience of some kind. Downstream Energy began the year with a share of US$1.5bn Californian refinery fire, and Mining finished the year with a share of the US$1.25bn Indonesian mining collapse. To have either one of these in a year is unusual, but to have both within a single year is almost unprecedented in my career.

Overlaying these losses with a highly competitive rating environment, our Energy and Heavy Industry teams have had to face into a "perfect storm" - but their response and determination have been admirable. Overall, 2025 has been a year during which the industry lost profitability, and we have tempered expectations for 2026 while we wait for the market to respond to these loss events.

Our other Specialty lines have performed well, even though they had to face their own challenges. The Marine market has the perpetual fight over acceptable renewal terms for the International Group Agreement ("IGA") renewal, and, after many years of rate improvement, the Marine Cargo team finally see some competition in their space.

Our Accident & Health (A&H) business will have to contend with increasing exposures and a more competitive environment next year. However, their portfolios are robust and well-designed to continue to perform in 2026.

Professional Lines

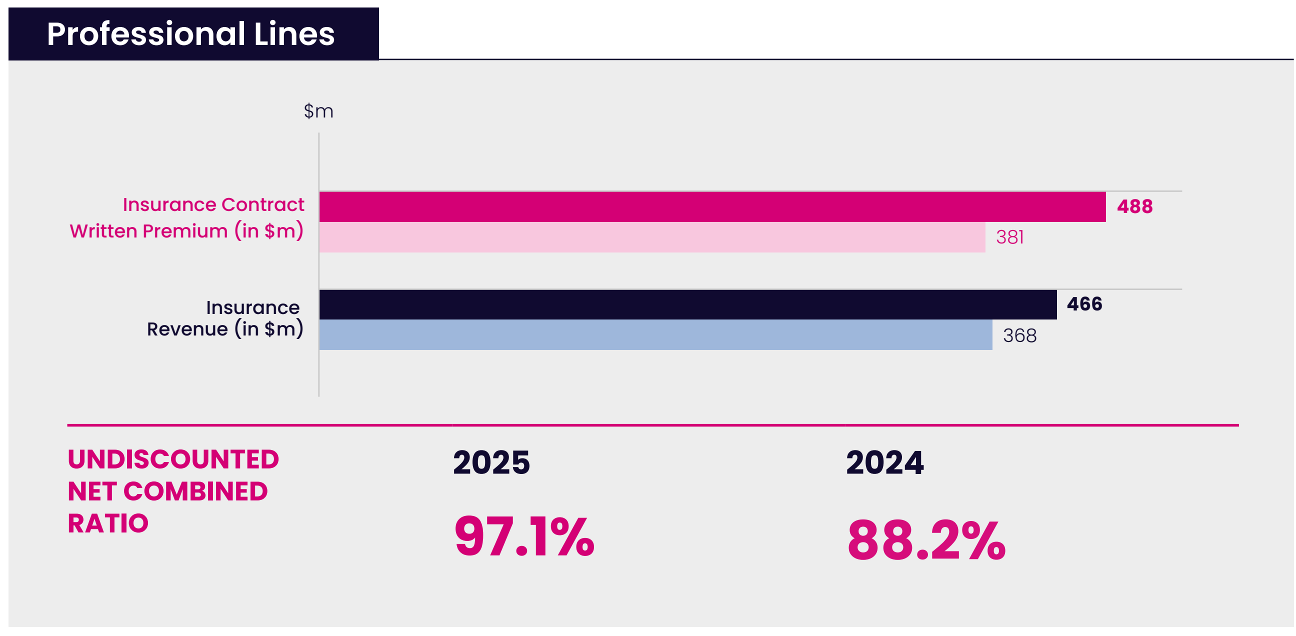
Cyber

Our Cyber business' financial performance from a net combined ratio perspective was satisfactory and in line with expectations, despite there being further notable loss incidents in the UK from the automotive and retail sectors. We can congratulate ourselves that we actively declined several of the risks that formed these loss events, based on security issues.

There were only four significant systemic global cyber incidents in 2025 and so planned large loss ratios were not challenged. However, the consequence of this was ongoing rating pressure and previously generous rate adequacy margins continue to be squeezed. This is not a particular surprise, but the lack of growth of new business in a sector which has long touted itself as our industry's "growth opportunity of the future" remains perplexing, especially given the preponderance of cyber-attacks in both the commercial and personal sectors.

My perception is that cyber insurance remains a "discretionary" spend for many small clients, and in difficult economic times, is an expense that they are not willing to make. For larger clients and corporates, however, it is a necessary protection. Canopius remains a differentiated leader in this class of business; and we will continue to invest in products and services, and will grow our presence through a superior client proposition.

Professional Lines



While I was disappointed in some of the decisions we had to take in cyber in 2025, they were decisions that I was proud the team made. We failed to meet our premium targets in a significant way, mainly because we decided to walk away from a major intermediary-owned underwriting agency that was a cornerstone of our cyber portfolio. After years of successful partnership with the agency, our relative views on the value of their distribution reached a point where the gap became too large to manage, and we parted company.

This was a remarkably disappointing and painful outcome, but one that has taught our underwriting team a lot about alignment and relationships. The expectation is that we will need another 12 months to regain our place on our expected "base camp". It is disappointing, but, at the same time, the correct decision for our shareholders.

Finpro

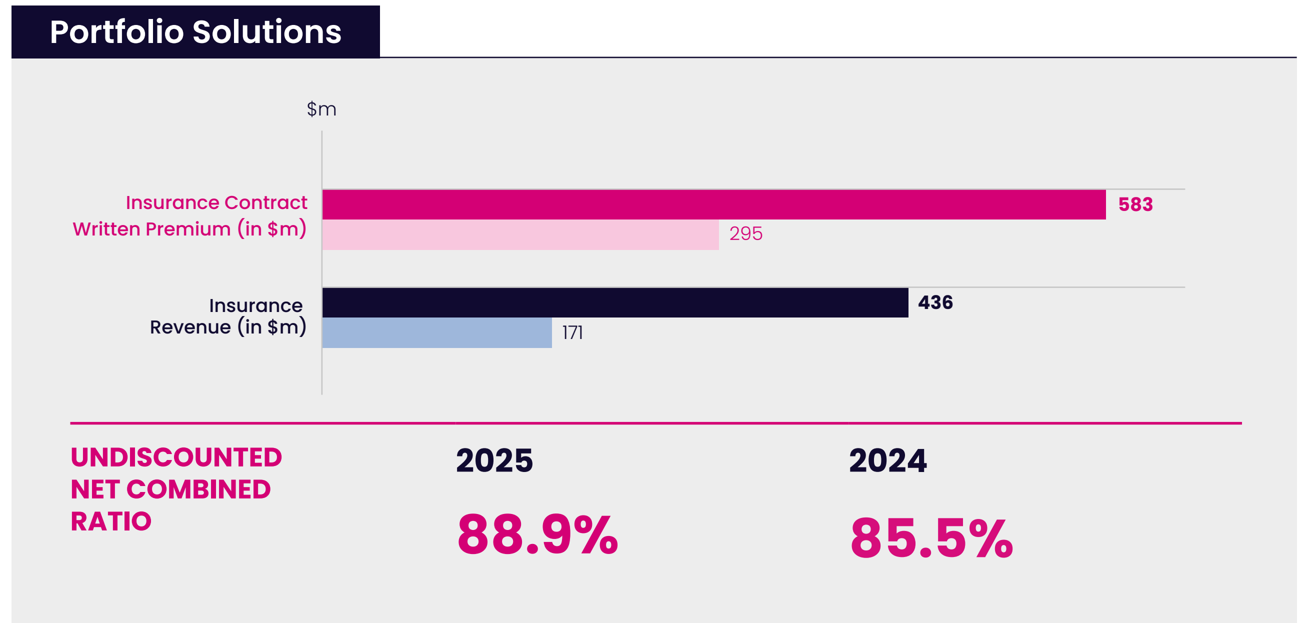
I talked last year about how "irrational" 2024 had been for our Finpro business. In 2025, while not seeing rate improvement in all areas, Finpro is at least now performing in line with expectations, if not a little better.

There remain some challenging sectors, particularly in the UK professional indemnity portfolio, but, here, there has been long-term strengthening of rates (from a low base) and technical adequacy is now strong. It is natural that some competition has returned to the market as a result.

We took the opportunity in 2025 to strengthen the US Financial Institutions team with new hires to give us more leadership, experience and drive - and I fully expect that this newly strengthened team will improve their visibility in the market in 2026. In a softening market, it is natural to start to look inwards and worry about profit margins, but having spent two years optimising the existing Finpro portfolio and refining the risk appetite, we now have an opportunity to improve our distribution and grow the portfolio.

Distribution has also been a focus in the UK for our Finpro business. During 2025, the team did an excellent job at improving its visibility and marketing the business' customer value proposition. This was coupled with positively leveraging the corporate relationships through our Portfolio Solutions contracts, meaning we can suddenly jump pecking orders when significant-sized single product facilities are placed by broking teams. We have had several wins this year because of our improved internal alignment, and I am hoping Finpro can further leverage this strategy in 2026.

Group Chief Underwriting Officer's Statement CONTINUED



Portfolio Solutions

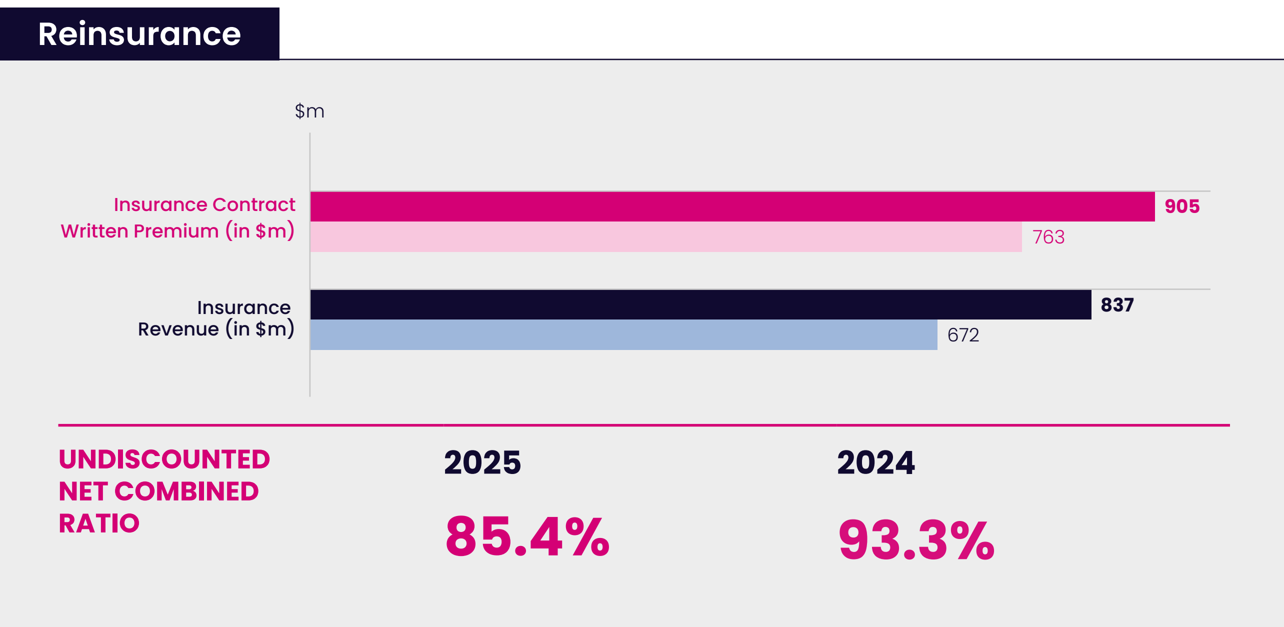
Portfolio Solutions has had an excellent year in every respect. The growth and underwriting performance have exceeded our expectations, and this is cause for celebration. However, it is the adjacent achievements that have made for a stellar year.

From a strategic perspective, the team has executed its plan exactly in accordance with our ambition. We have a far narrower definition of our appetite than almost all our competitors, but the focus on execution has caused us to become one of the dominant carriers in this rapidly expanding class.

We now lead half of our portfolio by volume and are significant supporters on the rest. The issue of leadership is vital, even for tracker facilities - the contract leader imposes the rules by which business is counted as "in-scope" and those rules can help, or hinder, the journey towards a true indexation. Controlling a significant proportion of our business has meant our progress has been more rapid than could have otherwise been expected.

As I noted when discussing Property, we run our Portfolio Solutions business on a truly global basis. This means our team is agnostic to the location where premium is "booked". This allows us to write risks in the best location for the deal, and also the best location for us to leverage the data to benefit from local traction on our open-market portfolios. I am proud that our Portfolio Solutions capability in the US has allowed us to develop relationships with major brokers that we had been unable to achieve using more traditional distribution methods.

Reinsurance



Reinsurance

2025 was a superb year for our Reinsurance division. In most years, global teams succeed despite one or more of their areas having a difficult year, with that difficulty covered by others having great success. In 2025, all our areas performed at, or above, expectations.

The Bermuda team continued its build-out successfully. The team managed to overcome the significant challenge of missing out on growing their property exposure at 1/1, simply because the vast oversupply of capital had clients favouring incumbent markets almost to the exclusion of new carriers. As such, the team pivoted to the long-tail and specialty lines, where their previous relationships gave us ample new opportunities. Also, the capacity crunch in US Casualty gave us the chance to match our 2026 ambition one year early. As a result, while business mix was slightly different, the Bermuda team's achievement was in line with expectation.

Our APAC Reinsurance teams, once again, outperformed, largely driven by our high-quality Australian portfolio and the exceptional performance of our Global Agriculture business unit. We are very proud of both these portfolios, but equally creditable was our Asian reinsurance performance where, despite the major regional Thai earthquake, profit was largely in line with plan.

The London Reinsurance business also performed well. There were areas, such as Aviation Treaty, where frequency and severity were certainly higher than historical levels. However, in addition to lower US catastrophe losses, natural catastrophe losses in Europe were lower than expected, driving excellent local performance.

We have decided to make some leadership changes in this area. Rachel Webber arrived from TransRe to lead the London Reinsurance team, and we also made a change in our Property Treaty leadership. Both these changes were made to bring more global alignment and regional coherence to our underwriting teams.

On the back of the excellent results of 2025 and very healthy rating levels, we expect 2026 will see a significant fall in rates as competitors uniformly increase their appetite for reinsurance. In addition, we expect major buyers to take advantage of new financial structures to pass risk into financial markets, bypassing traditional reinsurance. This will increase the pressures that were already bubbling under the surface from the usual demand/supply imbalances.

Nevertheless, our well-balanced and highly diversified reinsurance portfolio is very much capable of being able to withstand these challenges and enters 2026 in an excellent position.

Group Chief Underwriting Officer's Statement CONTINUED

Underwriting outlook in 2026

Last year, I noted that I thought that 2024 had been pivotal for Canopius. This was not because of the results - although they were excellent - but because it was the first time that we began to see the benefits of a greater focus towards strategy, planning and execution. While the even stronger results of 2025 could be seen as merely a reaffirmation of those same disciplines, I would rather suggest that it was a year that showed that these disciplines are the bedrock of cycle management and opportunity maximisation.

2025 was not an easy year for underwriters. It was the year where competition in most portfolios really "showed its face", as carriers defended their portfolios while seeking growth at the expense of others. When you add the somewhat benign catastrophe loss year to this mix, we should prepare ourselves for significantly more of the same in 2026.

This is not to say that we should be despondent. The consolidation of intermediaries continues at pace, and for carriers with a strong client proposition, a focus on practical solutions for clients, and a willingness to innovate where appropriate will provide ample opportunity, at the pricing levels forecast, to be able to meet their aspirations.

While we will always strive to improve, we are far better positioned today than we were 12 months ago. I believe we will be well positioned to manage this and future cycles, in a skilful and professional manner.

It is important to acknowledge that the somewhat more challenging environment of last year led us to forge broader risk-sharing strategies with some of the best reinsurers in the world, and we have further improved and expanded those for 2026. Having greater access to their data and insights will be one more tool available to us in the next phase of the cycle.

I finish my report by restating that with which I ended last year's - our strong results are in no way unique to Canopius and the market still cannot satisfy the demands of all participants. In terms of execution of strategies, in 2026, there will end up being winners and losers.

We cannot predict where losses will fall, but we can influence the rest of the elements of our profit and loss account by being ruthlessly focused on execution and by using every tool, byte of data and every distribution insight to continue to build our business this year, and deliver the portfolio in line with the size and shape we have promised to our shareholders.

SAM HARRISON
Group Chief Underwriting Officer

10 March, 2026

> I believe we will be well positioned to manage this and future cycles, in a skilful and professional manner.

Charles Cooper

Global Head of Reinsurance, Bermuda CEO

Canopius Reinsurance Limited continues to mature and become a viable second platform from which brokers and cedants can access Canopius' reinsurance capacity. When I joined in 2023, we developed a plan to significantly grow our open-market treaty business in 2025. I am pleased to report that we wrote $198.8m (2024: $115.9m) of (re)insurance revenue in 2025 – a representing year-on-year growth of 72% – while delivering $62.2m of profit before tax (2024: $60.3m). We expect Canopius Reinsurance Limited to surpass $1 billion of capital during 2026 on a standalone entity basis – a threshold which helps establish the business as a meaningful participant in the Bermuda reinsurance market.

We are making steady progress towards building an excellent team on island; however, we are and will remain a small team. As such, our strategy remains focused on actively targeting opportunities where we can be meaningful. In 2025, this strategy produced a high-quality, profitable and diverse portfolio of business. While we write a small and attractive Management & Professional Lines portfolio in Bermuda, the bulk of our business is produced from reinsurance treaties written for US domiciled cedants. Our Property portfolio is a mix of property catastrophe excess of loss, property proportional and property retrocessional contracts. The casualty portfolio was selectively constructed from over 175 submissions and contains proportional business written with a small number of counterparties. The specialty portfolio is a diversified mix of proportional marine and cyber, political risk/trade credit, mortgage, product recall and whole account written on a proportional and excess of loss basis.

Our Canopius ILS business (CILS) continues to make excellent progress in delivering additional capital to our underwriters across all platforms. We manage Excelsa Re, our own bespoke sidecar vehicle, which provides customised collateralised reinsurance for various short-tailed portfolios and generates management and performance fees. In 2025, we continued to raise new capital from various institutional investors to broaden Excelsa Re, provide additional capacity for Vave, and support growth in our Bermuda retrocessional portfolio.

Looking forward, while we expect heightened levels of competition in the reinsurance market, we remain confident that we have the team, platform, established portfolio and analytical capabilities to continue our measured and focused growth strategy in 2026, and beyond.

People, Talent & Wellbeing

At Canopius, we genuinely want to foster a positive and winning culture - a culture which gives space for us all to flourish as people and which contributes to building a business which delivers profitable, sustainable results.

We are proud of the positive and winning, employee-led culture we have built. It empowers our people and provides them with the space to flourish as individuals and enables them to perform at their best. We firmly believe this culture is key to building a business which delivers profitable, sustainable results. We know what sets us apart is our people, and the way we work and grow together at Canopius.

We're proud to be a diverse employer that genuinely cares, and that puts wellbeing and inclusivity at the heart of everything we do.

At Canopius, we genuinely want to foster a positive and winning culture. A culture which gives space for us all to flourish as people and which contributes to building a business which delivers profitable, sustainable results. Our Group's values are clear. We're collaborative, ambitious and proactive, empowered and accountable, and inclusive.

The articulation of our values is not an exercise in corporate vanity, nor is it a rule book. It is a sincere effort at capturing the essence of what is distinctive about Canopius, how we want to be with each other and what is genuinely aspired to.

The culture we are embedding is built on our values which form our "Culture pillars" that are tracked through engagement surveys:

- High performance through clear expectations
- Reinforced mission and purpose
- Strong sense of care for our people
- Effective materials and equipment
- Becoming a leading inclusive employer

Asking our colleagues what matters to them

We listen and keep our promises to our people. Building on our global engagement survey results and continuing team conversations, we have been creating local action plans to which each team can connect and contribute to ensure they can thrive and drive the best outcomes for our business.

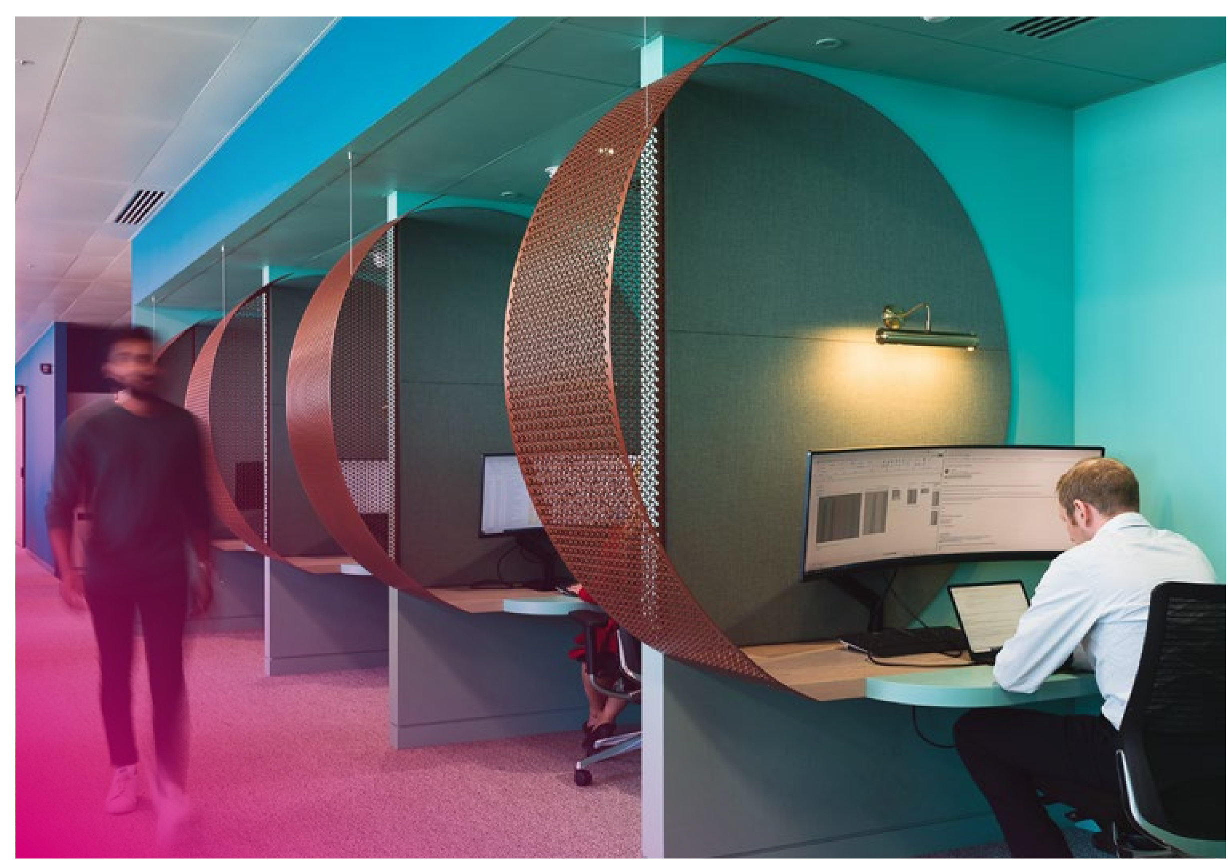
Fostering the next generation of insurance leaders

The future is bright for our people at Canopius. Having invested in an improved reward and recognition scheme that is linked to performance, the way we perform and behave has been placed at the top of our agenda.

The Canopius Career Framework creates clear expectations in terms of skills and behaviours required at each level of our business, enabling clear pathways for progression and opens new development opportunities for our people to grow within Canopius. We are harnessing an environment where individuals have the tools, clarity and are empowered to take ownership of their careers and embed a growth mindset.

Our leading-edge, high-potential development programme "Elevate" has proven extremely valuable in identifying and developing our emerging talent across regions and capabilities. Elevate offers our brightest prospects real-time development and enterprise projects to stretch and empower them to help shape the business they will eventually lead. To date, we have launched programmes to develop innovation, develop business and improve performance oversight and engagement across teams.

We also trained our HR colleagues on inclusive hiring practices and will be rolling out training to the business in 2026 to embed the expertise needed to tackle unconscious bias and glean the best and broadest talent pools for our business.



People, Talent & Wellbeing

CONTINUED

Inclusion and diversity are core pillars at Canopius

We have continued to make meaningful progress in delivering Inclusion and Diversity ("I&D") matters, embedding inclusion into the way we work, lead and grow as a business. Guided by our strategic pillars of culture, representation and impact, we focused on driving measurable change across our workforce and strengthening our contribution to a more inclusive insurance industry.

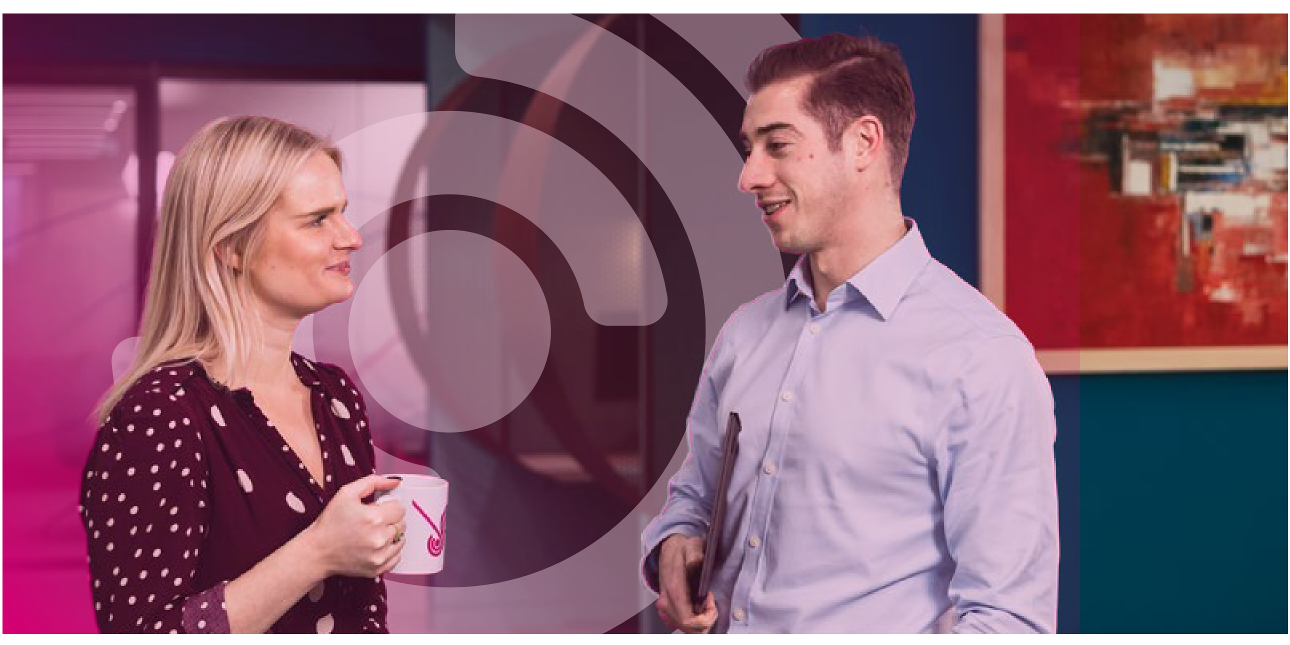
We provide colleagues with the support and psychological safety that comes from building an inclusive culture and being an organisation that allows everyone to thrive, regardless of their background. We expect our leadership and colleagues to think about inclusivity every day, ensuring that mindset is built into our workforce, our products and our services.

Our refreshed strategic approach to I&D is delivered through a framework of actions, underpinned by data and insights, and has allowed us to make the intentional steps that matter the most to our people. The strategy and framework were developed in partnership with our regional working groups and Employee Networks.

1. Culture: Create an inclusive, respectful and psychologically safe environment where everyone can thrive.
2. Representation: Build a workforce that reflects the communities we operate in and supports the future of our industry.
3. Impact: Use our influence to drive inclusion within the industry and wider society.

We are proud to showcase some of our deliverables in recent years, including:

- Balanced workforce of colleagues at Canopius, reaching the top quartile for representation of women in leadership in the 2024 Lloyd's Market Policies and Practices return.
- Achieved the attestation standard of "Established" in the Lloyd's culture principles assessment. Our work on our career framework was held out as an example where we are market leading.
- Achieved our Women in Finance Charter target for representation of women in senior leadership positions, ahead of our target deadline.
- Launched EmpowerHer, our internal senior female leadership cohort. It is designed to create a safe and supportive space for senior female leaders to build meaningful networks, develop their careers and strengthen their personal brand.
- Enhanced suite of family and gender-related policies, including menopause support as part of private healthcare offerings, and enhanced maternity and paternity packages.



CANOPIUS IN ACTION

Championing female leaders at Canopius

In 2025, Canopius strengthened its commitment to developing and elevating female talent across the insurance sector, with colleagues recognised through a range of high-profile achievements. These included a place on Business Insurance's Women to Watch list, along with winners and finalists across awards such as Mentor of the Year, Rising Star, and Technical Specialist. The year also saw strong industry engagement, with a colleague moderating a panel at the Women in Insurance Summit, and two colleagues selected as APCIA Emerging Leaders, demonstrating the depth of our leadership pipeline. This progress was supported by internal development initiatives such as EmpowerHer, and through our involvement as a global festival partner of the Dive In Festival, both of which helped colleagues strengthen their skills, broaden their networks, and develop their leadership presence. Lindsay Astor, Chief of Staff & Head of Strategy, said: "Our long-term strategy depends on best-in-class talent. Diverse perspectives and experiences drive better decisions, and we are committed to developing strong, inclusive leadership at every level of the organisation."

- Announced as finalists in both the Women in Insurance Awards 2024 and 2025, and the InsurIndex 2024 London Female Underwriter of the Year Awards
- Engaged with Radius Networks to deliver accreditation and professional development for our Employee Networks, alongside a gap analysis audit in our support offerings for the networks.
- Delivered engagement and learning opportunities for our colleagues through our I&D calendar of events, organised and hosted in partnership with our Employee Networks.
- Delivered inclusive behaviours training globally, focused on building confidence and consistency of understanding what inclusion means to colleagues.
- Sponsored Dive In, the global festival of talent and culture, as a Global Festival Partner, and delivered three global events.

True inclusivity

Throughout the year, we have been supported by our ExCos, the I&D Steering Committee, Employee Networks and regional working groups, all working together to deliver across a suite of actions to ensure we are leading from a position of true inclusivity.

Our Employee Networks ("ENGs") remained central to our culture and community. This year, they have delivered impactful learning sessions and peer-led initiatives to amplify under-represented voices and foster belonging across our global offices. We continue to invest in their development, ensuring network leaders are empowered to influence decision making and shape our culture-agenda.

Building inclusive capability across our organisation has also been a priority. We are rolling out new Inclusive Behaviours training globally, designed to equip all colleagues with the knowledge and confidence to lead inclusively and challenge bias in everyday decision making.

Externally, we strengthened our partnerships with iCAN (Insurance Cultural Awareness Network), the Business Disability Forum, and the Insurance Supper Club, deepening our commitment to intersectional inclusion and sharing best practice across the market. These collaborations enable us to extend our impact beyond our own walls and contribute to a more representative and inclusive sector.

People, Talent & Wellbeing

CONTINUED

We are proud to have achieved our Women in Finance Charter targets for women in senior leadership positions, reflecting our sustained focus on improving gender balance in leadership and accountability through transparent data and governance. While there is more to do, this milestone demonstrates the progress that is possible when intent is matched with action.

Turning the dial to foster a more diverse industry

It is positive to note that, in 2025, there have been 188 joiners to Canopius globally, of whom 24% are from diverse backgrounds, compared to 16% last year.

While we can measure improvements across our representation in this way, we continue to focus on the day-to-day lived experiences of our colleagues.

We are signatories of the Women in Finance Charter and the Change the Race Ratio pledge. We also support the Disability Confident scheme and are pursuing Level 2 accreditation.

Canopius believes true inclusion – treating all individuals equally and fairly - strengthens our company. We are proud of the progress we have made. This is reflected in our hiring practices, our learning and professional development opportunities, our external engagement both within the industry and external to it, our employee feedback and community outreach initiatives.

Despite this evidence of strong culture, we remain committed to the work that is needed to maintain and improve. Looking ahead, we remain committed to building on this momentum, continuing to listen, learn and drive change so that every colleague can thrive and contribute to our shared success.

BARBARA TURNER
Chief HR Officer

10 March, 2026

CANOPIUS IN ACTION

Helping people at their most vulnerable

Canopius' Accident & Health team is dedicated to protecting people when they need it most. We work with trusted partners to ensure our cover remains relevant and provides genuine value to our insureds. When our claims team received a distressed call about an elderly customer falling critically ill abroad, immediate action was taken. A senior claims specialist personally led the case, coordinating arrangements, and maintaining constant contact with the family. Through persistence and collaboration, the customer was safely repatriated and received care at home. As a Claims Manager at Canopius explains, our work is "simply about treating others in a way that you would want you and your family to be treated in a time of great need." This commitment underpins our service, delivering practical solutions, and peace of mind in life's most challenging situations.

Sustainability

We view sustainability as a source of innovation and opportunity.

Sustainability is central to our Group purpose, which is to help our clients be resilient in the face of their unique and evolving challenges.

In 2025, we made progress on embedding our sustainability strategy across the business, though our journey will continue in 2026 and beyond.

Our strategy is based around three core principles

Our strategy is to create a more sustainable business environment for our clients, company and people through focusing on priorities aligned to our business purpose, where we can make meaningful impact.

WE ARE FOCUSING ON THREE CORE PRINCIPLES.

Protect our clients

Meet the evolving needs of our clients in the context of sustainability risks.

- **Resilience** - Help our clients to be stronger in the face of adversity.
- **Transition** - Support our clients in their efforts to mitigate risk and adapt their business models.
- **Innovation** - Partner with our brokers on solutions for emerging and escalating risks, meeting new client needs.

Advance our business

Integrate new processes and analytics to improve risk understanding and to make our operations more sustainable.

- **Analytics** - Make more informed decisions by leveraging data and analytics.
- **Integration** - Embed sustainability across all areas of the business.
- **Reporting** - Demonstrate accountability and transparency.

Engage our people

Foster an inclusive and diverse workforce, informed and engaged on sustainability topics.

- **CSR** - Actively contribute to social and environmental resilience.
- **Development** - Arm our people with knowledge and skills.
- **Inclusion & Diversity** - Strengthen our culture by promoting a diverse and inclusive workforce.

Sustainability

CONTINUED

Sustainability governance

The Environmental, Social and Sustainability ("ESS") Committee is a sub-committee of the Group Board, overseeing all elements of our Sustainability strategy. It is supported in the implementation of this strategy by the Sustainability function, which reports to the Group Chief of Staff & Head of Strategy.

Broader engagement with other relevant functions is provided by the Sustainability Forum, while several working groups are dedicated to specific topics (such as climate risk, quantitative topics and sustainability reporting).

Key sustainability achievements in 2025

- We embedded our **Responsible Underwriting Policy** and **Responsible Investing Policy** (both launched in 2024), developing processes and KPIs to integrate sustainability considerations into our business.
- We made a commitment to **net zero operational emissions** (by 2050) and purchased carbon offsets for the first time to start working towards our goal.
- We completed a project on our exposure to **nature and biodiversity risk**, including presentations to our Leadership Team and Board as well as external sustainability groups.
- We disclosed our first public **Sustainability Report** and a public version of our **ClimateWise Report**.
- We developed and launched mandatory employee-wide training on **modern slavery**.

A responsible underwriter

As a company which has underwriting at its core, we are committed to embedding sustainability into our approach. This is done across various levels of our underwriting governance.

Our Global Underwriting Strategy, Management Plan and Global Underwriting Policies outline our risk appetites and guidelines, ensuring robust underwriting governance, which allows us to operate in a fair and equitable way. We apply a thoughtful approach to every underwriting decision we make, taking into account sustainability factors as well as reputational risk.

In 2024, we introduced a new approach to deal with controversial activities. We launched a Responsible Underwriting Policy – which guides us on which risks need to be referred for approval – and an accompanying Responsible Underwriting Framework – which provides a decision-making methodology to deal with escalated risks.

For now, the focus is on climate-related controversial activities (including thermal coal, Arctic drilling, oil sands and fracking). If a risk triggers defined activity thresholds, underwriters perform an assessment across a range of sustainability impact criteria. Based on the outcome of this evaluation, a final decision is made, with more senior sign-off needed to approve weaker scoring risks.

We do not rigidly codify every potential scenario but take a principles-based approach which requires an evaluation of the specific risk rather than blanket rules or exclusions. We seek to have informed discussions with clients and brokers about sustainability issues, and are working on a more structured engagement framework.

CANOPIUS IN ACTION

Mitigating Canopius' carbon footprint

Canopius is advancing its operational net-zero commitment by supporting three high-quality carbon offset projects chosen through a company-wide vote. Employees selected initiatives that reflect our global reach and values: reforestation in Panama, social housing decarbonisation in England and Wales, and mangrove restoration in Pakistan. Olivia Brindle, Head of Sustainability, says: "These projects will help to mitigate our operational carbon footprint whilst supporting communities and ecosystems around the world." From restoring tropical forests and protecting biodiversity, to improving living conditions and safeguarding coastal habitats, these initiatives demonstrate our commitment to meaningful climate action, and lasting positive impact.

Evolving actuarial capabilities to keep pace with our improving understanding of climate change

Our approach to risk modelling is rooted in science: Canopius has a track record of leveraging advanced modelling and analytics to assess natural catastrophe risks.

In order to address the challenges of increased exposure to climate change and climate-related perils, we have established an actuarial-led Sustainability Quantitative Working Group.

The group is chaired by our UK Chief Actuary and has representatives from pricing, reserving and capital. In 2025, the Group focused on:

- Building out an approach to transition risk through more comprehensive stress testing;
- Identifying exposures to climate litigation risk, including within the Group's reserves;
- Working collaboratively with market working groups on climate change;
- Increasing our understanding and knowledge surrounding climate risk from a regulatory and analytical perspective within the actuarial team, as well as among actuarial stakeholders.

Risk Management

We know strong risk management and good governance matter as our Group grows. In 2025, we strengthened our risk framework so it stays practical, consistent, and forward looking. Our goal is simple: to protect and support Canopius in pursuit of its ambitions. We do this by having clear ownership of risks and controls, and timely insight that helps daily decisions and long-term plans.

Regional and global coverage

Our risk model blends local know-how with a common Group approach. Each business unit manages risk for its own market and rules. The Group risk team sets standards, gives guidance and brings together reporting so information is clear, on time and shared with the right leaders and Boards.

We have risk teams in each of our four business units and a global team at Group level. This setup gives us the depth we need in each region, while keeping one way of working across the company. The Group team also coordinates risk insight and reporting so important issues are raised quickly.

Progress in 2025

This year, we improved how we gather and use risk insight. We ran a focused Risk Insights Survey for senior leaders and followed up with roundtables. This gives a forward-looking view of top and emerging risks, our risk culture, and where the Risk function can add the most value to the company. The results feed into plans for 2026.

We also advanced our Group-wide risk system. Core features are live to make it easier to record risk events, keep risk registers up to date, and complete risk and control self-assessments. We are organising data and documents centrally to improve access and audit trails. As the system becomes part of day-to-day work, we may add further governance modules.

A dynamic and challenging external environment shaped events of 2025. We have closely monitored geopolitics and trade, AI and model risk, cybersecurity and climate-related volatility. We brought people together from across functions to think through possible outcomes and what they might mean for pricing, our portfolio, operations and capital. This helps us act early when needed.

We also put in place AI governance foundations, including an AI governance council and agreed baseline principles. This supports safe and responsible use of AI in our work and management information, while keeping strong oversight.

Board of Directors

First line of defence	Second line of defence	Third line of defence
RISK OWNERSHIP	**RISK OVERSIGHT**	**RISK ASSURANCE**
Underwriting Divisions and Operations	Risk and Governance functions	Audit
Day-to-day risk taking and risk management	Risk oversight, guidance, policies and methods	Independent and objective assurance

How we operate within the governance framework

Governance and oversight

The Board approves our risk policies and reviews regular reports. The three lines of defence remain unchanged:

- First line: the business owns risks and runs controls
- Second line: Risk & Compliance guide, oversee, and challenge
- Third line: Internal Audit gives independent assurance

Risk is reported each quarter to Group and entity Boards. The CGL Risk Committee supports the Board's oversight and is made up of independent non-executive directors. Clear terms of reference and a clear organisational structure set out roles and responsibilities.

Regulatory context and capital

We continue to operate within the laws and rules of each jurisdiction, including capital and solvency standards. Our approach is supported by Board-approved risk appetite and tolerance measures and regular engagement with regulators and Lloyd's.

Risk culture and control environment

We focus on clear ownership and accountability, regular self-assessments of risks and controls, and follow-up on actions. We continued to roll out the Group framework across business units. Our culture aims to balance ambition with discipline: we support innovation, but we manage risk in a practical, open and transparent way.

Looking ahead

In 2026, we will embed the risk system across core processes, complete and mature our Risk & Control assessment process and analytics, use the Insight Survey to sharpen forward-looking reviews, and strengthen AI governance as we adopt new tools—supporting sound decisions, regulatory confidence, and clear Board assurance.

Governance

STRENGTHENING OVERSIGHT, ACCOUNTABILITY AND LONG-TERM SUSTAINABLE PERFORMANCE

A robust governance structure is fundamental to delivering our strategy and achieving long-term objectives. Our framework ensures the Board operates effectively, fulfils its duties and provides critical oversight.

2025 Governance Highlights

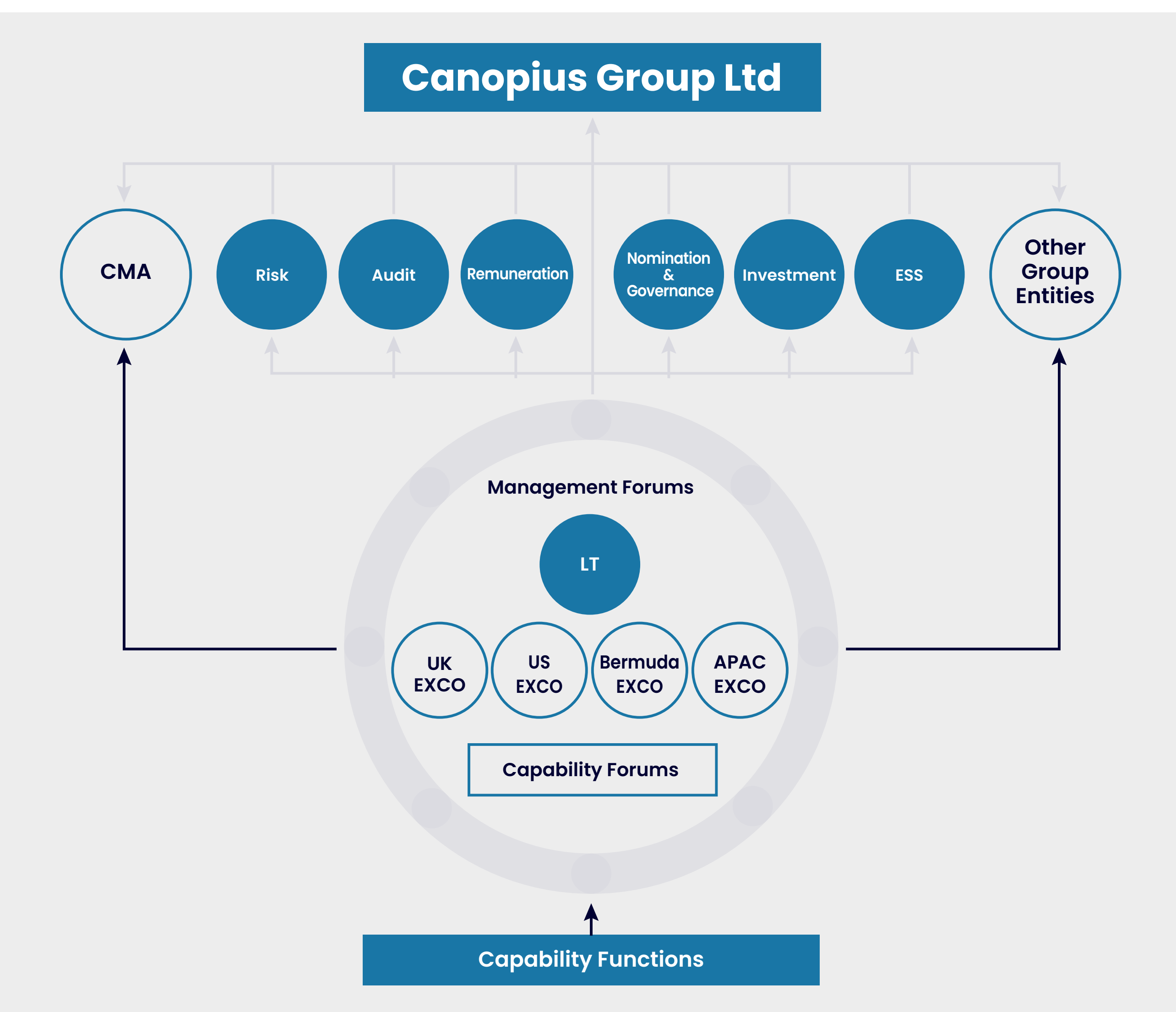
- **Completed Board refresh bringing four new INEDs**
- **Strengthened shareholder representation post-Samsung transaction**
- **Reinforced risk oversight**
- **Enhanced audit and regulatory governance**
- **Prioritised sustainability oversight through ESS Committee**
- **Embedded structured learning and development programme**

Purpose of this Governance Report

This Governance Report explains how Canopius is governed and how the Board oversees the long-term success, resilience and integrity of the Group. It provides transparency on the governance structures, decision-making processes and leadership responsibilities that underpin the Group's strategy, risk management and culture.

This Governance Report covers:

- Our governance framework and how it supports strategy and risk management
- The role of the Board, the Chair, Independent Non-Executive Directors, Executive Directors, and shareholder representatives
- Board composition, diversity, independence, and succession planning
- Activities and decisions of the Board during 2025
- Committee structure, responsibilities, and annual activity summaries
- Our approach to director induction, development, and performance
- Leadership Team governance and organisational structure
- Profiles of the Board and Leadership Team



Governance at Canopius

This section sets out our governance approach and summarises the activities of the Board and its Committees during 2025. Our Corporate Governance framework aligns with recognised best practice, including the Wates Corporate Governance Principles for Large Private Companies, and is tailored to the size, nature and complexity of our Group. It supports our commitment to sustainable performance, long-term value creation and responsible stewardship.

Board Oversight and Strategic Leadership

The Board provides strategic direction, sets the Group's risk appetite and ensures alignment with our purpose, values, culture and ethical standards. Our governance structure fosters a Board with diverse skills, experience and perspectives, enabling informed, rigorous and inclusive decision making.

While the Board retains ultimate accountability, day-to-day management of the Group is delegated to the Group Chief Executive Officer ("CEO"), supported by the Leadership Team ("LT"). This ensures operational agility, clear ownership and strong alignment across functions and geographies.

Organisational Structure and Leadership for Sustainable Growth

Canopius operates through a regional business unit and product group model, with strategic oversight provided by the LT. Each regional business unit is supported by an Executive Committee ("ExCo"), which ensures decisions remain aligned with the Group's overall strategy. This leadership structure enables Canopius to build a resilient, sustainable business positioned for long-term profitable growth.

Governance

CONTINUED

Enhancing Corporate Governance: A Commitment to Best Practice

As the Group continues to grow, we are proactively evolving our governance framework to ensure it remains scalable, effective and aligned with recognised standards. As an unlisted group, Canopius applies elements of the UK Corporate Governance Code on a proportionate basis, while primarily aligning our governance model to the Wates Principles for Large Private Companies. Regulated subsidiaries apply additional requirements specific to their jurisdictions. Our commitment to continuous improvement underpins robust oversight, accountability and long-term sustainability.

Governance and Risk Management

Our governance framework supports effective decision making, sound risk management and a strong corporate culture. It plays a central role in maintaining stakeholder trust and we continue to strengthen this framework to maintain resilience and alignment to our strategic objectives.

Global Infrastructure

As a multinational Group, we operate within a complex legal and regulatory environment across multiple jurisdictions. Our governance framework is designed to manage this complexity with proportionate simplicity, ensuring compliance where required and maintaining strong alignment with our strategic objectives. This approach supports our ambition to replicate the strong performance achieved in the UK across all regions, driving sustainable growth and success globally.

Canopius Managing Agents Limited ("CMA"), our Lloyd's of London managing agency, together with Canopius Asia Pte Limited ("CAPL") in Singapore and Australia, Canopius Reinsurance Limited ("CRe") in Bermuda, and Canopius US, Inc. ("CUSI") and Canopius Underwriting Agency Inc. ("CUAI") in the United States, form key components of our wider governance and risk-management framework. As regulated entities within their respective jurisdictions, they contribute significantly to our global diversification strategy and reinforce our presence in core markets.

Conflicts of Interest

Directors are expected to uphold the highest standards of integrity and independence in the performance of their duties. In line with our governance framework, Directors must promptly notify the Board and the Company Secretariat of any changes to their declared interests, including any actual, potential or perceived conflicts whether financial, professional or personal that could influence, or be seen to influence, their judgement.

All disclosures are reviewed by the Board to ensure that decision making remains objective and aligned with the interests of the Group. Where a conflict is identified, appropriate safeguards are put in place, which may include recusal from relevant discussions or decisions. This approach reinforces transparency, accountability and the effective stewardship expected of the Board.

Independent Advice

Directors are also entitled to seek independent professional advice, at the Group's expense, whenever specialist expertise is required. This safeguard ensures that Directors have access to the external knowledge and guidance needed to discharge their duties effectively and to make fully informed decisions in the best interests of the Group and its stakeholders.

Board Composition

The Board is led by an independent Chair who is responsible for ensuring its effective operation and fostering open, well-informed discussion at Board meetings. Strong and independent leadership supports the Board's ability to provide clear strategic direction, rigorous oversight and constructive challenge.

During the year, our planned succession process concluded successfully, with four new Independent Non-Executive Directors ("INEDs") appointed to the Board, replacing three outgoing INEDs at the end of their tenure. In addition, shareholder representation has been strengthened, increasing from one to three members, with representatives from each of the majority shareholders. This enhanced structure deepens our partnership with our shareholders and supports effective governance by ensuring a balanced mix of independence, expertise and ownership perspectives at Board level.

The Board now comprises:

- Three Executive Directors
- Six Independent Non-Executive Directors
- Three Shareholder Representative Non-Executive Directors

Each member has clearly defined responsibilities, ensuring balanced perspectives and informed decision making across all matters.

Board Activities

The Board provides strategic leadership, oversees executive management and ensures alignment with the Group's long-term objectives. It is accountable for maintaining robust governance and safeguarding sustainable growth.

Key decisions in 2025 included the following:

- Approval of Group Strategy. Independent Non-Executive Directors provide robust challenge to management's strategic assumptions, prioritisation and execution plans to ensure the strategy is both ambitious and appropriately risk-aware.
- Approval of Succession Planning: Securing leadership continuity and strengthening governance resilience.
- Approval of Financial Crime Framework, Compliance Plan, Responsible Investments Framework.
- Approval of 2026 Tax Strategy.
- Approval of 2026 Investment Risk Appetite & Tier 1 Cat Capital Appetite.
- Approval of Governance Framework and Committee Terms of References.
- Approval of Emissions Reduction Plan.
- Approval of Dividend & Solvency Statement.
- Approval of capital structure actions.
- Approval of Company Secretary Operating Model & new Director Conflicts Process.
- Delegation of authority to the Policy Sub-Committee to review and approve corporate policies on behalf of the Board, including oversight of the Group Policy Framework and associated governance activities.
- Approval of VAVE Group, sale process.

Through these decisions, the Board demonstrated its commitment to proactive governance, strategic clarity and long-term value creation.

Transparency and Engagement

The Board communicates its activities and governance practices through multiple channels, including:

- The Annual Report and Accounts
- The Corporate Website
- The Sustainability Report

Role of the Independent Chair

The Chair provides clear and effective leadership of the Board, setting the agenda, guiding discussions and ensuring decisions are informed, balanced and strategically focused. By fostering a culture of accountability and high performance, the Chair promotes rigorous debate, constructive challenge and consensus building. This leadership approach strengthens alignment between Executive and Non-Executive Directors and enables the Board to deliver robust oversight and drive long-term success.

Independent Non-Executive Directors ("INEDs")

Independent Non-Executive Directors play a pivotal role in the Group's governance framework. They bring objective scrutiny to business proposals, safeguard financial integrity and oversee the effectiveness of the Group's risk management systems. Through their independent perspective and market-relevant expertise, INEDs enhance the resilience of the Group's financial controls and risk frameworks. Their strategic insight and challenge not only uphold high standards of governance but also contribute meaningfully to Canopius' sustainable growth and long-term performance.

Senior Independent Director ("SID")

The Senior Independent Director serves as a trusted adviser and sounding board to the Chair, providing constructive challenge and support and ensures the Chair's performance is reviewed regularly.

Executive Directors

Executive Directors form a vital link between the Board and the Group Leadership Team, ensuring strategic direction is translated into effective operational execution. They maintain a two-way flow of information, bringing business insight and operational realities to the Board, while cascading governance expectations and decisions back into the organisation. This alignment enables each capability within Canopius to operate cohesively and supports the delivery of the Group's strategic objectives.

In addition, Executive Directors bring deep organisational knowledge and accountability for performance, giving the Board clear visibility of progress against priorities while fostering transparency and collaboration across the business.

Governance

CONTINUED

Shareholder Representative Non-Executive Directors

Shareholder Representative Non-Executive Directors bring an essential ownership perspective to the Board. They ensure priorities and expectations of the Group's majority shareholders are clearly understood and reflected in Board deliberations by contributing insight into shareholder objectives, capital consideration and long-term value creation, they support balanced strategic decision making alongside the independent Non-Executive Directors.

Board Diversity, Independence and Succession Planning

Canopius is committed to maintaining a diverse, independent and high-performing Board that brings a broad range of perspectives, skills and professional experiences. Appointments are made on merit and without discrimination on the basis of gender, age, nationality, race, religion, cultural background, education or experience. Diversity of thought, global expertise and independence are central to our governance philosophy, enabling balanced decision making and effective oversight.

NEDs form the majority of the Board, providing objective challenge and safeguarding governance standards. The independent Chair reinforces accountability, supports open and constructive debate, and ensures the Board remains focused on long-term value creation. Directors are appointed for their deep professional experience across financial services, governance, risk management and international markets perspectives that strengthen decision-making and support the Group's long-term, sustainable performance.

2025 Succession and Board Refresh

With the successful delivery of the Board's 2024 succession objectives, 2025 marked a significant period of renewal. The Board's composition was refreshed to further strengthen governance, broaden expertise and ensure continued alignment with the Group's evolving strategic priorities.

Incoming Independent Non-Executive Directors

In 2025, we welcomed four new INEDs, each contributing deep sector expertise and fresh perspectives to support the Group's strategic direction and governance ambitions:

- Hitesh Patel: Joined April 2025 as INED and Chair of the CMA Board, bringing extensive leadership experience and governance expertise across regulated insurance entities.
- Katherine Letsinger: To be formally appointed March 2026 as INED and Chair of the Audit Committees for both CGL and CMA, adding significant financial governance and transformation leadership as the Group advances its audit and regulatory frameworks.
- Torbjörn Magnusson: Joined December 2025 as INED and Chair of the CGL Risk Committee, strengthening risk oversight during a period of heightened regulatory and operational complexity.
- Thomas Bradley: Joined December 2025 as INED and member of the Audit and Risk Committees, contributing deep financial acumen and extensive boardroom experience, particularly relevant as the Group expands its US operations.

These appointments reflect our commitment to robust governance, diversity of thought and continuity in leadership. The Board remains focused on effective decision making and resilience as we navigate this next phase of growth. This transition represents an exciting milestone in the Canopius journey, strengthening the Board and positioning the Group for long-term success.

Shareholder Representation

Following the completion of Samsung's additional shareholding transaction at the end of October 2025, the Board enhanced its governance structure by increasing representation for both majority shareholders, Samsung and Centerbridge. As part of this refresh, the newly appointed Samsung Fire & Marine Insurance ("SFMI") representative joined the Board in January 2026, aligning Board composition with the Group's updated ownership structure.

This strengthened representation provides a clear and direct mechanism for both majority owners to engage in strategic dialogue and contribute to long-term priority setting. It complements the perspectives of the wider Board and supports a well-informed, cohesive approach to stewardship and sustainable value creation.

Director Induction, Training and Development

All newly appointed Directors participate in a comprehensive and structured induction programme designed to equip them with a deep understanding

of the Group's operations, strategic priorities, financial outlook and governance framework. The programme provides detailed briefings on core functions, regulatory obligations and key business capabilities, ensuring Directors gain a holistic view of how the Group operates and how value is created.

Directors are also introduced to the Group's culture, values and leadership expectations, building alignment with Canopius' purpose and long-term vision. This ensures that every Director is positioned to contribute effectively from the outset, bringing informed challenge, strategic insight and strong stewardship to the Board's work.

Induction Meetings

A key element of the induction programme is a series of focused meetings with senior leaders from across the Group. These sessions provide newly appointed Directors with first-hand insight into the organisation's operating model, key capabilities and strategic priorities. Through direct engagement with management, Directors gain a practical understanding of how the business functions and how major initiatives are executed. This equips them to provide informed oversight, meaningful challenge and effective support at Board level from the outset.

Ongoing Development

Continuous professional development is a core expectation for all Directors. Beyond initial induction, the Board participates in a structured, year-round development programme designed to maintain high standards of governance, enhance technical knowledge and ensure Directors remain fully informed of emerging trends and regulatory expectations.

The programme includes a calendar of targeted learning sessions delivered by either senior leaders, subject matter experts or external providers, providing deeper insight into key business areas, market developments and forward-looking strategic themes. These sessions support informed challenge, strengthen Board oversight and ensure Directors remain closely connected to the operational realities of the Group.

Mandatory face-to-face compliance training is provided annually for all Directors, reinforcing the standards, behaviours and obligations expected across the Group. This training ensures the Board continues to operate in line with regulatory, ethical and financial requirements, and supports a consistent approach to governance across all jurisdictions.

In addition, a series of business deep-dive sessions is mapped across the year, offering Directors opportunities to explore specific capabilities, emerging risks, and strategic initiatives in greater detail. This structured programme ensures the Board is continuously developing its collective expertise, maintaining its effectiveness, and staying aligned with the Group's long-term objectives.

Skills Matrix and Board Effectiveness Review

In 2024, the Board agreed to defer both the skills matrix review and the Board effectiveness review until the new Chair was fully embedded in the role. This approach ensured that future evaluations would reflect fresh perspectives and leadership direction.

CANOPIUS IN ACTION

Elevate - championing our highest potential employees

At Canopius, we are committed to unlocking potential and fostering a culture of learning, ambition, and excellence. Elevate, our flagship development programme, takes emerging leaders on a nine-month journey of immersive, blended learning. Participants engage in expert-led masterclasses, tailored one-to-one coaching, and collaborative projects that turn leadership theory into confident, everyday action. Elevate connects talented colleagues across regions and business areas, creating a powerful network of insight and growth. Following its strong impact, Elevate launched a new cohort in 2025, marking an exciting milestone in our commitment to developing future leaders. Amanda Palmer, Marketing Manager and participant of the programme, shared: "Elevate has been a fantastic experience. I've really enjoyed the blend of coaching, real-life problem solving, and interactive training. It has provided a valuable opportunity to collaborate with colleagues from different business areas and regions, share fresh perspectives, and focus on building new skills for the future."

Governance

CONTINUED

For 2025, given the significant incoming changes to Board composition, we did not undertake the same formal reviews. Instead, the focus shifted to knowledge-sharing initiatives, targeted training and development opportunities, and enhanced industry engagement. These activities were designed to strengthen Board capability and maintain governance excellence during a period of transition.

In addition, the Board held a robust strategy session in June, which provided valuable insight into forward-looking priorities and discussions on Board effectiveness. The session reinforced alignment on strategic objectives and ensured Directors remain equipped to provide robust oversight and challenge.

Looking ahead, the Board has committed to undertaking a full Board Effectiveness Review in 2026. This review will be coordinated with the Chair and Group's shareholders to ensure that the scope and focus areas reflect shared priorities and evolving governance expectations. The review will support continued Board development, reinforce strong governance practices, and ensure the Board remains fully aligned with the strategic ambitions of the Group.

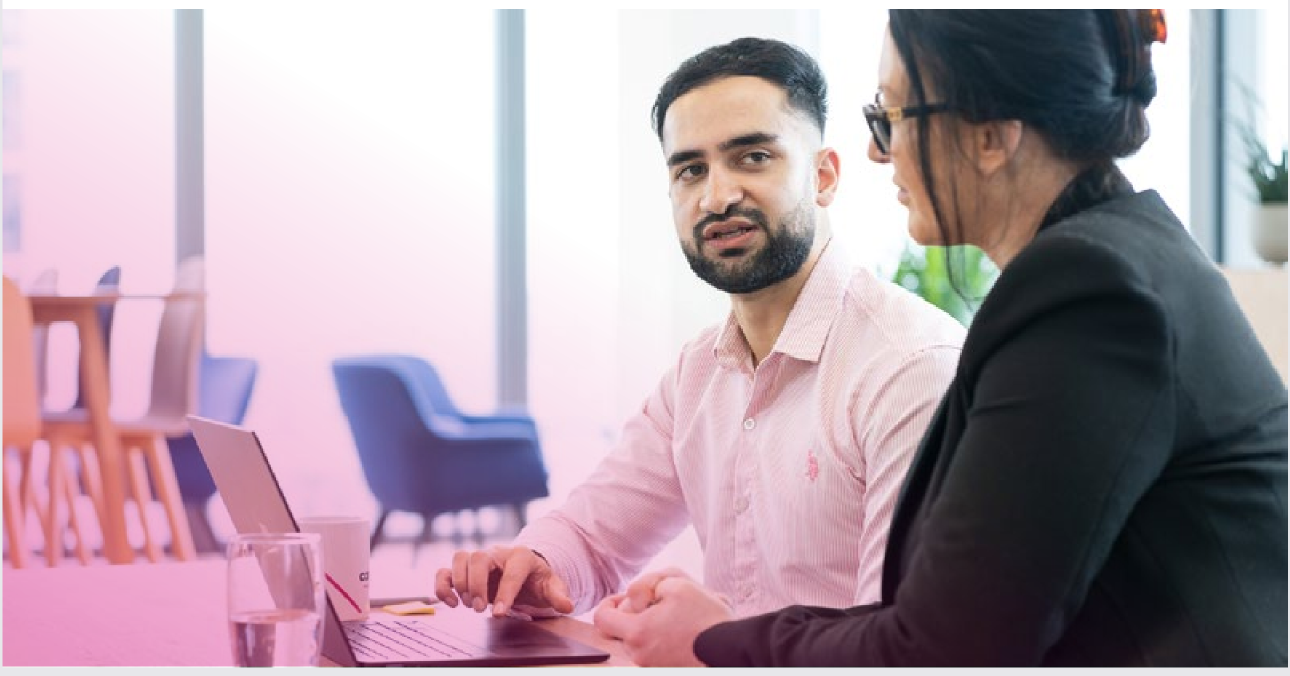
Board Committees and Oversight

The Board has established six Committees, each operating under clearly defined Terms of Reference to ensure accountability and transparency. These Committees provide focused oversight across critical areas, supporting alignment with the Group's strategic objectives and operational resilience.

Committees collaborate closely on areas of shared responsibility such as risk and internal controls where the Audit and Risk Committees adopt a coordinated approach. To reinforce this alignment, the Chairs of these Committees serve on each other's Committees, promoting seamless information flow and integrated oversight.

Following each Committee meeting, the respective Chair provides a formal update to the Board, ensuring timely escalation of key matters and enabling informed decision making at the highest level.

This structure enables proactive governance, timely decision making, and robust accountability across the Group.



Board Committee: Structure and functions

Committee	Composition	Chair	Purpose of Responsibility
Audit Committee	3 INEDs	Peter Hazell Incoming Chair (from March 2026): Katherine Letsinger	Responsible for overseeing the integrity of the Group's financial and non-financial reporting, the effectiveness of internal controls, and the performance of both internal and external auditors.
Risk Committee	3 INEDs	Torbjörn Magnusson (appointed following Paul Ceurvorst's tenure)	The Committee oversees the Group's risk management framework, including the evaluation of risk strategy, risk appetite and the effectiveness of the systems and controls in place. Through its oversight, the Committee supports the Board in safeguarding the Group's resilience and long-term sustainability.
Environment, Social, and Sustainability (ESS) Committee	4 INEDs	Miriam Greenwood	Oversees the integration of environmental, social, and sustainability objectives into business strategies. The Committee evaluates the Group's environmental impact, social responsibility initiatives, and sustainability efforts to ensure alignment with strategic objectives.
Remuneration Committee	3 INEDs	Peter Hazell	Reviews and oversees the Group's Remuneration Policy, ensuring it is performance-driven and aligned with business objectives. Determines remuneration packages for senior executives and evaluates the broader compensation framework to support the Group's goals.
Nominations and Governance Committee	4 INEDs	Andy Haste	Reviews Board composition, identifies and nominates directors, and ensures adherence to governance best practices. Recommends enhancements to the Group's governance framework.
Investment Committee	2 INEDs 2 Executives	Hitesh Patel	Oversees all aspects of the Group's investment policy and strategy, providing oversight of investment portfolios within established strategy and risk frameworks.

Each Committee operates with a clear mandate outlined in its Terms of Reference, enabling focused oversight and effective decision-making. Regular reports from executive management ensure alignment with the Group's strategic objectives and foster a culture of accountability.

Governance

CONTINUED

Director Attendance 2025

The Board recognises that active participation is fundamental to effective stewardship. Throughout 2025, Directors demonstrated a strong commitment to their responsibilities, with consistently high attendance at Board and Committee meetings. Attendance forms a key component of the Board's annual effectiveness assessment and reflects the importance placed on informed challenge, robust oversight and collective accountability.

In addition to formal Committee memberships, several Directors attended meetings as invited participants to remain closely engaged with areas of strategic or operational significance. This practice supports transparency, enhances cross-Committee awareness and strengthens the Board's ability to make well-informed decisions in line with the Group's long-term objectives.

The table below sets out Directors' attendance as Committee members only.

NON-EXECUTIVE DIRECTOR	Board (5)	Board Strategy Day	Audit Committee (4)	Risk Committee (4)	Nominations & Governance Committee (4)	Environment, Social, and Sustainability (4)	Investment Committee (2)	Remuneration Committee (4)
Non-Executive Director								
Andy Haste	5	1	–	–	4	4	2	–
Miriam Greenwood	5	1	–	–	3	4	–	4
Peter Hazell	4	1	4	4	3	–	–	4
Paul Ceurvorst	5	1	4	4	4	4	–	4
Paul Meader*	1	–	–	–	–	1	–	2
Ian Owen	5	1	4	4	–	–	–	–
Hitesh Patel**	4	1	–	–	–	2	2	–
Shareholder Representative								
Giorgia Rodigari	5	–	–	–	–	–	–	2
Executive Directors								
Neil Robertson	5	1	–	–	–	–	–	–
Gavin Phillips	5	1	–	–	–	–	2	–
Sam Harrison	4	1	–	–	–	–	–	–
Gareth Russell***	–	–	–	–	–	–	2	–

*Paul Meader stepped down on 31 March 2025.
**Hitesh Patel was appointed on 1 April 2025
***Gareth Russell is not a director of the CGL Board but a member of the Investment Committee

SHELDON LACY
Group Chief Risk Officer

10 March 2026

CANOPIUS IN ACTION

Canopius' Month of Giving 2025

Each October, Canopius' Month of Giving brings colleagues together across the globe to support charities and local causes through volunteering and fundraising. This year, more than 350 employees made a meaningful impact. In the UK, teams packed 6,000 Toy Boxes for children escaping domestic abuse, donated 850kg of food to lower income families, cleared litter along the River Thames, and sold The Big Issue, supporting London's homeless community. Across APAC, colleagues created joyful experiences for children, prepared sandwiches for schoolchildren without lunches, and supported bereaved families. In the US, teams packed snack bags, cleaned beaches, made blankets for pets fighting cancer, and helped pack food and distribute clothing to families facing hardship. Meanwhile, in Bermuda, our team delivered 65 support bags to families in need. Mark Newman, UK CEO and Chair of the Charity Forum, said: "This year has truly been a milestone for Canopius in charitable giving. Colleagues across the business have generously given their time, resources, and commitment to make a real difference to those that need it most."

Governance

CONTINUED

Independent Non-Executive Directors' Profiles

ANDY HASTE

INDEPENDENT NON-EXECUTIVE GROUP CHAIR

CHAIR OF THE NOMINATIONS & GOVERNANCE COMMITTEE

Initial appointment: July 2024

Andy has over 40 years' experience in financial services, with a strong track record of leading organisations through growth, transformation, governance enhancement, and risk-focused oversight. He previously served as Group CEO of RSA, CEO of AXA Sun Life, and Senior Independent Director and Deputy Chairman of Lloyd's. Most recently, he served as Chair of Esure Group PLC, leading the Board through its governance and transformation activities, and oversight of the acquisition by Ageas UK. In addition to his role at Canopius, Andy currently serves as Non-Executive Chair of RiskPoint Group A/S.

Skills and Expertise:

Insurance & Reinsurance; Governance & Leadership; Board Composition & Succession Strategy.

Board Committees:

- Chair, Nominations & Governance Committee
- Member of the Investment Committee
- Member of the Environmental, Social & Sustainability (ESS) Committee

MIRIAM GREENWOOD, OBE DL

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

CHAIR OF THE ENVIRONMENTAL, SOCIAL, AND SUSTAINABILITY (ESS) COMMITTEE

Initial appointment: November 2021

Miriam spent more than 30 years working for a number of leading investment banks and other financial institutions and has been a Non-Executive director of a number of publicly listed and private companies. She is an experienced Non-Executive Director and brings extensive financial services experience to the Board. Miriam is the Chair of ESP Utilities Group and Aquila Energy Efficiency Trust plc and a Non executive director of Liontrust Asset Management plc and Encyclis Group plc where she chairs the Remuneration Committee and Sustainability Committee respectively. Miriam held senior corporate finance and advisory roles at leading investment banks and financial services. Miriam qualified as a Barrister and holds a law degree from Queen Mary College, University of London. In addition to her role in Canopius, Miriam is a member of the advisory committee of the Mayor of London's Energy Efficiency Fund and was a Senior advisor to OFGEM, where she also served three terms as a non executive Director. A Deputy Lieutenant of the City of Edinburgh, Miriam was awarded an OBE for services to corporate finance.

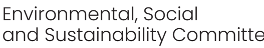
Skills and Expertise:

Regulatory Compliance; Sustainability Strategy; Corporate Governance; Environmental & Social Stewardship.

Board Committees:

- Chair of the Environmental, Social & Sustainability (ESS) Committee
- Member of the Remuneration Committee
- Member of the Nomination & Governance Committee

KEY

NED	Non-Executive Director	**E**	Executive Director	**RED**	Retired Executive Director	**SLT**	Senior Leadership Team
	Chair	AC	Audit Committee	RC	Risk Committee	IC	Investment Committee
 ESS	Environmental, Social and Sustainability Committee			REM	Remuneration Committee	NG	Nomination & Governance Committee

PETER HAZELL

INDEPENDENT NON-EXECUTIVE DIRECTOR

CHAIR OF AUDIT COMMITTEE

CHAIR OF REMUNERATION COMMITTEE

NED

Initial appointment: May 2018

Peter has over 40 years' experience in financial services with extensive experience across asset management, insurance, financial auditing and governance. Following a prominent career at PwC, where he was latterly the firm's Managing Partner in the UK, he held a range of senior Non-Executive Directorships including roles at Brit Insurance, AXA in the UK and Ireland, Smith & Williamson and UK Coal. He also chaired Argent Group and contributed to national oversight bodies such as the Competition Commission and the Natural Environment Research Council. In addition to his role at Canopius, Peter currently serves as a Non-Executive Director at Argent Investment.

Skills and Expertise:

Financial Auditing; Risk Management; Regulatory Compliance; Executive Compensation; Corporate Governance; Asset Management Oversight.

Board Committees:

- Chair of the Audit Committee
- Chair of the Remuneration Committee
- Member of the Nomination & Governance Committee
- Member of the Risk Committee

PAUL CEURVORST

FORMER INDEPENDENT NON-EXECUTIVE DIRECTOR

FORMER CHAIR OF RISK COMMITTEE

NED

Initial appointment: May 2018
Resignation date: December 2025

Paul has over 45 years' experience in the Lloyd's and London Market (re)insurance industry. He previously served as Chief Executive Officer of Faraday Managing Agents and Faraday Reinsurance Company Ltd., where he led those organisations' underwriting strategies, operational performance and risk management frameworks, before moving into non-executive roles, including as a Non-Executive Director at Vibe Syndicate Management Ltd. Earlier in his career, he held senior positions at Cologne Re and Mercantile and General Re. In addition to his role on the Canopius Group board, Paul serves as Chair of the Risk Committee of Canopius Managing Agents and as Chair of Vave Digital Services.

Skills and Expertise:

Risk Management; Insurance & Reinsurance; Strategic Governance; Risk Framework Oversight; Board Leadership.

Board Committees:

- Served as Chair of the Risk Committee
- Served on the Audit Committee
- Served on the Environmental, Social & Sustainability (ESS) Committee
- Served on the Nominations & Governance Committee
- Served on the Remuneration Committee

Governance

CONTINUED

Independent Non-Executive Directors' Profiles continued

IAN OWEN

FORMER INDEPENDENT
NON-EXECUTIVE DIRECTOR

NED

RC

Initial appointment: September 2015
Resignation date: December 2025

Ian has over 40 years' experience in the insurance industry, holding senior executive roles at Zurich Financial Services, BAT Financial Services and Eagle Star. He has since developed a substantial non-executive portfolio, serving as Chair of Direct Commercial and Lucida Groups and previously chairing AllClear Group, Kingsbridge, A Plan, 7IM, Guardian Financial Services and Partnership Assurance. His wider board experience includes roles with Prudential Assurance, Resolution Life companies, Unum, Liverpool Victoria, Endsleigh and AA Insurance. Ian also served on the Fortuna Holdings board within the Canopius Group, contributing to strategic decision making and governance matters. His breadth of executive and non-executive leadership provides deep expertise across insurance operations, governance, and organisational performance.

Skills and Expertise:

Insurance & Reinsurance; Strategic & Operational Leadership; Board Governance; Turnaround & Growth.

Board Committees:

- Former Member, Audit Committee
- Former Member, Risk Committee

HITESH PATEL

INDEPENDENT NON-EXECUTIVE DIRECTOR
CHAIR OF THE INVESTMENT COMMITTEE

Initial appointment: April 2025

Hitesh has over 40 years' experience across insurance, financial services, and professional services, bringing expertise in board governance, financial oversight, risk management, and strategic leadership. He previously served as an Independent Non-Executive Director on the Boards of Enstar Group Limited, Capital Home Loans, Aviva Life, and Aviva UK. Hitesh spent a significant portion of his career at KPMG, where he held a number of senior leadership roles and latterly served as the firm's Insurance Lead Partner. In addition to his role at Canopius, Hitesh serves as Chair of the Board of Canopius Managing Agents (CMA) and on the Boards of Landmark Mortgages, and Augusta Ventures.

Skills and Expertise:

Board Governance; Financial Oversight; Risk Management. Insurance & Financial Services; Strategic Leadership; Professional Services & Advisory.

Board Committees:

- Chair of the Investment Committee
- Member of the Environmental, Social & Sustainability (ESS) Committee

KEY

NED Non-Executive Director

E Executive Director

RED Retired Executive Director

SLT Senior Leadership Team

(Blue circle) Chair

AC Audit Committee

RC Risk Committee

IC Investment Committee

ESS Environmental, Social and Sustainability Committee

REM Remuneration Committee

NG Nomination & Governance Committee

KATHERINE LETSINGER

INCOMING INDEPENDENT NON-EXECUTIVE DIRECTOR

INCOMING CHAIR OF THE AUDIT COMMITTEE

NED

Initial appointment: March 2026 (subject to regulatory approval for CMA)

Katherine brings nearly 40 years' experience in the specialty insurance sector, underpinned by financial, regulatory and governance expertise. She was most recently Group Chief Financial Officer at Tokio Marine HCC Insurance Holdings (International) Ltd and previously held senior leadership roles at Wellington Underwriting plc and Price Waterhouse Insurance Services. Katherine has also served as an Independent Non-Executive Director at UK Trade Exports. In addition to her role of the Canopius Group Board, and subject to regulatory approval, Katherine will be appointed as an Independent Non-Executive Director to the Canopius Managing Agents (CMA) Board and will serve as Chair of its Audit Committee.

Skills and Expertise:

Audit & Financial Oversight; Insurance & Specialty Underwriting; Regulatory Compliance; Governance; Financial Strategy.

Board Committees:

- Incoming Chair of the Audit Committee
- Will serve on the Remuneration Committee
- Will serve on the Risk Committee
- Will serve on the Nominations & Governance Committee

TORBJÖRN MAGNUSSON

INDEPENDENT NON-EXECUTIVE DIRECTOR

CHAIR OF THE RISK COMMITTEE

NED

Initial appointment: December 2025

Torbjörn brings over 30 years' experience in European insurance and financial services, with a strong track record of leading complex organisations through operational, strategic, and risk-focused transformation and with strong expertise in risk management, strategy, and board-level governance. He previously served as Group CEO of Sampo Group plc and earlier as CEO of If P&C Insurance, where he led significant structural transformation, organisational development and performance enhancement. He also chaired the board of Nordea Bank through a period of major strategic change. In addition to his role at Canopius, Torbjörn currently serves as a Board Director at Hastings Group.

Skills and Expertise:

Risk Management; Insurance & Financial Services Leadership; Corporate Strategy; Board Governance; Operational Oversight.

Board Committees:

- Chair of the Risk Committee
- Member of the Audit Committee
- Member of the Remuneration Committee
- Member of the Environmental, Social & Sustainability (ESS) Committee
- Member of the Nominations & Governance Committee

Non-Executive Directors Profiles continued

THOMAS BRADLEY

INDEPENDENT NON-EXECUTIVE DIRECTOR

NED

Initial appointment: December 2025

Thomas has over 40 years' experience across insurance, reinsurance, and financial services, bringing strong expertise in financial reporting, audit oversight, strategic transactions, investor engagement, and performance management. He has previously held senior leadership roles including Executive Chair and Chief Executive Officer of Argo Group, Executive Vice President and Chief Financial Officer at Allied World Assurance Company and Fair Isaac Corporation, and Head of Operations at Zurich North America. In addition to his role at Canopius, Thomas currently serves as an Independent Director at Horace Mann Educators Corporation, Palomar Holdings, and CopperPoint Insurance Co.

Skills and Expertise:

Insurance & Reinsurance; Financial Reporting; Audit Oversight; Strategic Transactions; Investor Engagement; Executive Leadership.

Board Committees:

- Member of the Audit Committee
- Member of the Risk Committee

Shareholder Representatives Non-Executives Profiles

GIORGIA RODIGARI

SHAREHOLDER NON-EXECUTIVE DIRECTOR

NED

Initial appointment: December 2024

Giorgia brings extensive experience in private equity, investment banking, and risk management, with a strong track record of driving strategic investments and supporting governance across regulated financial services businesses. She joined Centerbridge in 2012 and focuses on investments in the Financial Services sector, providing deep expertise in investment strategy, corporate governance, and regulatory awareness. Prior to this, she worked in TMT Investment Banking at Goldman Sachs in London and held roles at Royal Dutch Shell in the Netherlands.

Skills and Expertise:

Private Equity; Investment Banking; Risk Management; Investment Strategy; Corporate Governance; Regulatory Compliance.

KEY

NED Non-Executive Director | **E** Executive Director | **RED** Retired Executive Director | **SLT** Senior Leadership Team

Chair | AC Audit Committee | RC Risk Committee | IC Investment Committee

ESS Environmental, Social and Sustainability Committee | REM Remuneration Committee | NG Nomination & Governance Committee

Shareholder Representatives Non-Executives Profiles continued

JAMES PARK

SHAREHOLDER NON-EXECUTIVE DIRECTOR **NED**

Initial appointment: January 2026

James has over 25 years of diverse experience in the global P&C and reinsurance industry. He has held senior roles across Asia, Australia/NZ, Europe and Singapore, including CEO for Southeast Asia at Munich Re and Regional Head of Property Treaty Underwriting. At Samsung Fire & Marine Insurance (SFMI), he has led the company's global insurance business and growth strategy. With his strong technical background and proven leadership across multinational markets, He is well positioned to provide strategic insight, enhance cross-border underwriting capabilities, and contribute meaningfully to Canopius' global growth strategy.

Skills and Expertise:

Global P&C Insurance & Reinsurance;
Underwriting & Actuarial Analytics; International Strategy & Market Expansion; Executive Leadership;
Risk, Portfolio & Performance Oversight;
Multi-Jurisdictional Governance.

KYUNGEUN (CLARA) JUN

SHAREHOLDER NON-EXECUTIVE DIRECTOR **NED**

Initial appointment: January 2026

Kyungeun (Clara) has over 20 years of international experience in M&A, investment strategy and the global insurance sector. After early career roles, she moved into investment banking at HSBC Korea, advising on cross-border transactions and corporate finance. Since joining Samsung Fire & Marine Insurance (SFMI), she has held senior roles across global strategy, operations and reinsurance, supporting inorganic growth. She brings a commercially grounded, internationally informed perspective in support of Canopius' long-term development and global competitiveness.

Skills and Expertise:

Global Strategy & International Expansion;
Corporate Finance & M&A Strategy; Business Development & Capital Markets Insight; Financial Modelling & Analysis.

Governance

CONTINUED

Executive Directors Profiles

NEIL ROBERTSON

GROUP CHIEF EXECUTIVE OFFICER **E SLT**

Initial appointment: January 2022 (Group CEO);
May 2021 (joined as Group Deputy CEO)

Neil was appointed Group CEO in January 2022, having joined Canopius as Group Deputy CEO in May 2021. He previously served as CEO of Global Specialty at AXA XL, overseeing a multi-billion-dollar portfolio across international markets. With over 30 years of experience in the insurance industry, Neil has held significant leadership roles, including Chief Executive of Insurance Underwriting at XL Catlin and CEO of XL Group's Lloyd's Managing Agency for seven years. He brings extensive strategic, underwriting and portfolio management expertise to the Group.

Skills and Expertise:

Leadership; Strategic Vision; Insurance Underwriting; Portfolio Management; Shareholder Value Creation.

GAVIN PHILLIPS

GROUP CHIEF FINANCE OFFICER **E SLT**

Initial appointment: January 2022

Gavin joined Canopius as Group CFO in January 2022 and is responsible for Finance, Actuarial, Investments and M&A. He began his career at Lloyd's and subsequently spent nearly 30 years at PwC, where he held senior leadership positions including Regional Financial Services Leader. From 2017 to 2019, Gavin served as CFO of Prudential plc's UK life insurance business. He brings deep experience in financial leadership, actuarial oversight and transformational change across the financial services sector.

Skills and Expertise:

Financial Leadership; Actuarial Expertise; M&A; Risk Management; Financial Strategy, Shareholder Value Creation.

KEY

NED Non-Executive Director
E Executive Director
RED Retired Executive Director
SLT Senior Leadership Team
Chair
AC Audit Committee
RC Risk Committee
IC Investment Committee
ESS Environmental, Social and Sustainability Committee
REM Remuneration Committee
NG Nomination & Governance Committee

SAM HARRISON

GROUP CHIEF UNDERWRITING OFFICER **SLT**

Initial appointment: October 2023

Sam was appointed Group Chief Underwriting Officer in October 2023. He began his 30-year insurance career at Commercial Union in 1995 before moving to QBE Syndicate 1036 in 1998, where he progressed into senior underwriting and leadership roles. In 2017 he became Managing Director of QBE European Operations (Insurance Division), with responsibility for underwriting performance across multiple markets. Sam brings extensive experience in underwriting leadership, risk management and international portfolio diversification.

Skills and Expertise:

Insurance Underwriting; Risk Management; Leadership; Portfolio Diversification; International Markets.

Governance

CONTINUED

The Leadership Team and Governance Profiles

The Leadership Team, led by the Group Chief Executive Officer, brings together a diverse blend of perspectives, expertise, and backgrounds, reflecting the Group's commitment to inclusive leadership and high performance. This collective strength enables the team to drive the Group's strategic objectives and manage daily operations with agility and vision.

Supported by Management Forums and Executive Committees (ExCo), the Leadership Team leverages collaborative decision-making, streamlined communication, and the sharing of best practices across the Group. Together, Canopius' governance structures foster robust oversight and drive operational excellence.

LINDSAY ASTOR

CHIEF OF STAFF AND HEAD OF STRATEGY **SLT**

Lindsay joined Canopius in December 2021 from AXA XL, where she led Underwriting Management for UK & Lloyd's and managed underwriting governance. She previously worked as Chief of Staff at AXA XL, reporting to Neil Robertson during his tenure there.

KATE ROY

GROUP CHIEF OPERATING OFFICER **SLT**

Kate joined Canopius in early 2022 as Group COO. With vast experience across brokers, carriers, and outsourced service providers, Kate previously served as COO for Willis Towers Watson and held senior positions at AIG and Capita Insurance Services.

BARBARA TURNER

GROUP CHIEF HR OFFICER **SLT**

Barbara joined Canopius in 2013 as Group Head of HR and has over 30 years of HR experience in international financial services. She previously managed HR for the EMEA region at Bank of Tokyo Mitsubishi UFJ Ltd. Barbara has also held senior HR positions at UBS and ABN AMRO, driving major cultural change.

SHELDON LACY

GROUP CHIEF RISK OFFICER **SLT**

Sheldon joined Canopius in 2019 following a career in risk management. After starting in banking, he transitioned to insurance in 2005, holding key roles in financial risk, capital management, and enterprise risk management at firms including RSA, Talbot Underwriting, and AmTrust at Lloyd's.

KEY

SLT Senior Leadership Team

NICK BETTERIDGE

GROUP CHIEF ACTUARY **SLT**

Nick has been with Canopius since 2011 and became Group Chief Actuary in 2018, leading pricing, reserving, and capital management. Before joining Canopius, he worked as an actuarial consultant at Lane Clarke & Peacock.

MARK NEWMAN

UK CHIEF EXECUTIVE OFFICER **SLT**

Mark was previously CEO of APAC & MENA and returned to the UK to formally begin his new role as CEO of Canopius UK in June 2024. He joined Canopius in 2016 as CEO of APAC & MENA, responsible for business development and operations in Singapore, Australia, and with Lloyd's China. Mark has held leadership roles at Sedgwick, Marsh, Guy Carpenter, and XL Catlin.

LISA DAVIS

US CHIEF EXECUTIVE OFFICER **SLT**

Lisa joined Canopius in 2020 as President and Chief Underwriting Officer, later becoming CEO of the US & Bermuda operations. She previously held senior roles at Sompo International and Zurich Insurance.

SOON KEEN LEE

APAC & MENA CHIEF EXECUTIVE OFFICER **SLT**

Soon Keen (SK) joined Canopius in June 2024 and has over 25 years of experience in broking, insurance and reinsurance. Previously holding a number of property underwriting leadership and management roles at AIG, Catlin and Aspen Re Singapore.

CHARLES COOPER

GLOBAL HEAD OF REINSURANCE, BERMUDA CHIEF EXECUTIVE OFFICER **SLT**

Charles has over 25 years of experience in insurance and reinsurance, having held senior roles at AIG, Zurich North America, Validus Re, XL Re Ltd, and AXA XL. He currently heads Canopius Reinsurance Ltd and oversees its global reinsurance business.

Directors' Report

The Directors of Canopius Group Limited ("CGL") present their Directors' Report for the Group for the year ended 31 December 2025. The names of all persons who were Directors during the year are listed on page 62.

Review of the business

The principal activity of Canopius Group Limited (the "Company") is as the parent holding company to the Canopius Group (the "Group"). The principal activity of the Group is the underwriting of insurance and reinsurance business transacted both through direct channels and via delegated underwriting.

During the year the Company declared and paid dividends of $39.0m (2024: $31.6m).

Results and Performance

The Group result for the year ending 31 December 2025 was a profit after tax of $467.2m (2024: $401.3m). The key performance indicators are shown on pages 2 and 3.

Disclosure of information to auditors

In the case of each of the persons who are Directors of the Company at the time the report is approved:

- So far as the Director is aware, there is no relevant audit information, being information needed by the Company's auditor in connection with the auditor's report, of which the auditor is unaware; and
- Having made enquiries of fellow Directors of the Company and the Company's auditor, each Director has taken all the steps that he or she ought to have taken as a Director to become aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Appointment of Auditors

Ernst & Young LLP have expressed their willingness to continue in office as auditor.

Third party indemnity provision

The Company has put in place D&O Insurance and an indemnity in the Articles of Association to indemnify Directors and officers of the Company against losses or liabilities sustained in the execution of the duties of office.

Financial risk management

In the normal course of business, the Group is exposed to many risks. Risk policies are in place for the major risk categories. Please refer to note 27 of these consolidated financial statements for more details.

Future developments

At a Board meeting on 10 March 2026 the Directors declared a dividend of $11.5m.

The Directors' report was approved by the Board on 10 March 2026 and signed on its behalf on 10 March 2026 by:

ANDY HASTE
Chair

GAVIN PHILLIPS
Chief Financial Officer

Statement of directors' responsibilities in relation to the financial statements

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

Jersey Company law requires the Directors to prepare financial statements for each financial period in accordance with any generally accepted accounting principles. The Directors have elected to prepare the group and parent company financial statements in accordance with International Financial Reporting Standards ("IFRS"). The financial statements of the Company are required by law to give a true and fair view of the state of affairs of the Company at the period end and of the profit or loss of the Company for the period then ended. In preparing these financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- specify which generally accepted accounting principles have been adopted in their preparation; 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 keeping accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements prepared by the Company comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors and Professional Advisers

Directors

Thomas Bradley (appointed 10 December 2025)

Paul Ceurvorst (resigned 10 December 2025)

Miriam Greenwood OBE DL

Samuel Harrison

Andy Haste

Peter Hazell

Torbjörn Magnusson (appointed 10 December 2025)

Paul Meader (resigned 31 March 2025)

Ian Owen (resigned 10 December 2025)

Hiteshkumar Patel (appointed 1 April 2025)

Gavin Phillips

Neil Robertson

Giorgia Rodigari

James Park (appointed 21 January 2026)

Kyungeun Jun (appointed 21 January 2026)

Company Secretary

Mourant Secretaries (Jersey) Limited
22 Grenville Street,
St Helier, Jersey, JE4 8PX

Registered Office

22 Grenville Street,
St Helier,
Jersey,
JE4 8PX

Company Number

129591

Independent Auditors

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Independent Auditor's Report to the Members of Canopius Group Limited

Opinion

We have audited the financial statements of Canopius Group Limited (the "company") and its subsidiaries (the "group") for the year ended 31 December 2025 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 32, to the consolidated financial statements, and the Statement of Profit or Loss and Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 19 to the company financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2025 and of the group's profit and the company's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 group's and company's ability to continue as a going concern for a period to 31 March 2027.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Canopius Group Limited CONTINUED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 61, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the relevant laws and regulations related to elements of company law and tax legislation, and the financial reporting framework. Our considerations of other laws and regulations that may have a material effect on the financial statements included permissions and supervisory requirements of the regulated business carried out by the group's subsidiaries which include Lloyd's of London, the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA').
- We understood how Canopius Group Limited is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance matters. We also reviewed correspondence between the company and regulatory bodies, reviewed minutes of the Board and the Audit Committee and attended the Audit Committees and gained an understanding of the group's approach to governance.

- The group operates in the insurance industry which is a highly regulated environment. As such the auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.
- We assessed the susceptibility of the group's and company's financial statements to material misstatement, including how fraud might occur by considering the controls that the group has established to address risks identified by the group, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, including complex transactions, performance targets, external pressures and their potential to influence management to manage earnings or influence the perceptions of investors and stakeholders. The fraud risk was considered to be higher within:
  - insurance revenue recognition with a particular focus on the estimation of pipeline premium and binder premium within the syndicate operations; and
  - valuation of (re)insurance contract assets/liabilities including the estimation technique used to calculate the risk adjustment and the methodology and assumptions used in determining discount rates.

Our audit procedures included:

- Reviewing accounting estimates for evidence of management bias. Supported by our actuaries we assessed if there were any indicators of management bias in the estimation of pipeline premium and binder premium within the syndicate operations and the methodology and assumptions used in calculating the (re) insurance contract assets/liabilities including the risk adjustment and discount rates;
- Evaluating the business rationale for significant and/or unusual transactions; and
- Testing the appropriateness of journal entries recorded in the general ledger on a sample basis.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of those charged with governance and senior management for their awareness of any non-compliance with laws or regulations; enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees at a group level; enquiring about the group's methods of enforcing and monitoring compliance with such policies; and inspecting significant correspondence with regulators including Lloyd's of London, the FCA and the PRA.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

ANDREW BLACKMORE
for and on behalf of
Ernst & Young LLP
London

10 March 2026

Consolidated Statement of Profit or Loss

AS AT 31 DECEMBER 2025

$'000	Notes	31 December 2025	31 December 2024
Insurance revenue	23(a)	**4,092,887**	3,125,124
Insurance service expenses	23(a)	**(3,124,636)**	(2,384,830)
Insurance service result before reinsurance contracts held		**968,251**	740,294
Allocation of reinsurance premiums	6, 23(b)	**(1,156,747)**	(861,204)
Amounts recoverable from reinsurers for incurred claims	6, 23(b)	**691,182**	479,936
Net expense from reinsurance contracts held	6	**(465,565)**	(381,268)
Insurance service result		**502,686**	**359,026**
Net fair value gains on financial assets at fair value through profit or loss	8	**54,965**	47,960
Other investment revenue	9	**177,848**	149,780
Investment fees and expenses	10	**(5,257)**	(3,970)
Net investment result		**227,556**	**193,770**
Insurance finance expense (insurance contracts issued)	11	**(224,199)**	(167,733)
Reinsurance finance income (reinsurance contracts held)	11	**87,455**	69,769
Net insurance financial result		**(136,744)**	**(97,964)**
Other operating income	7	**23,621**	23,922
Finance costs	12	**(4,323)**	(7,516)
Other operating and administrative expenses	5	**(59,999)**	(77,286)
Foreign exchange gains/(losses)		**392**	(645)
Profit before tax		**553,189**	**393,307**
Income tax (charge)/credit	14	**(85,974)**	7,971
Profit for the year		**467,215**	**401,278**
Profit attributable to:			
Equity holders of the parent		**468,016**	401,155
Non-controlling interest		**(801)**	123
Profit for the year		**467,215**	**401,278**

The notes on pages 71 to 146 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

AS AT 31 DECEMBER 2025

$'000	31 December 2025	31 December 2024
Profit for the year	**467,215**	401,278
Other comprehensive income (OCI):		
OCI that may be reclassified to profit or loss in subsequent periods:		
Net gain/(loss) on cash flow hedges	**–**	–
Exchange gain/(loss) on translation of foreign operations	**5,951**	**(1,345)**
OCI that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement (loss)/gain on defined benefit plans	**(273)**	–
Total comprehensive income recognised for the year	**472,893**	399,933
Total comprehensive income is attributable to:		
Equity holders of the parent	**473,694**	399,810
Non-controlling interest	**(801)**	123
	472,893	**399,933**

All the above amounts are derived from continuing operations and attributable to equity holders of the parent.

The notes on pages 71 to 146 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2025

$'000	Notes	2025	2024
Assets			
Intangible assets	15	**199,106**	198,023
Property and equipment		**10,779**	9,313
Right-of-use assets	28	**21,012**	17,589
Deferred tax asset	14(d)	**33,485**	61,171
Reinsurance contract assets	23(b)	**1,441,493**	1,292,393
Financial investments			
- Measured at fair value through P&L	16	**4,838,042**	3,650,522
- Measured at amortised cost	16	**84,004**	69,330
Derivative financial instruments	17	**2,768**	14,830
Income tax receivable	14(c)	**843**	4,813
Trade and other receivables	19	**123,085**	112,598
Assets classified as held for disposal	31	**34,303**	–
Other assets	20	**213,748**	152,214
Cash and cash equivalents	21	**199,753**	197,360
Total assets		**7,202,421**	**5,780,156**
Equity			
Issued share capital	22	**341,868**	341,868
Issued share premium	22	**345,332**	345,332
Capital reserves		**759,956**	759,956
Cash flow hedge reserve	27.4.3(iii)	**–**	–
Foreign currency translation reserve		**(50,033)**	(55,984)
Retained earnings		**1,023,737**	594,994
Equity attributable to equity holders of the parent		**2,420,860**	**1,986,166**
Non-controlling interests		**–**	801
Total equity		**2,420,860**	**1,986,967**
Liabilities			
Insurance contract liabilities	23(a)	**4,468,887**	3,542,596
Lease liabilities	28	**29,819**	26,016
Deferred tax liabilities	14(d)	**–**	38
Derivative financial liabilities	17	**4,866**	2,456
Income tax payable	14(c)	**9,782**	1,058
Trade and other payables	24	**247,783**	221,025
Liabilities associated with assets classified as held for disposal	31	**20,424**	–
Total liabilities		**4,781,561**	**3,793,189**
Total equity and liabilities		**7,202,421**	**5,780,156**

The notes on pages 71 to 146 form part of these consolidated financial statements.

These financial statements were approved by the Board of Directors on 10 March 2026 and signed on its behalf on 10 March 2026 by:

ANDY HASTE
Chair

GAVIN PHILLIPS
Chief Financial Officer

Consolidated Statement of Changes in Equity

AS AT 31 DECEMBER 2025

	Attributable to equity holders of the parent								
$'000	Issued Share Capital	Issued Share Premium	Capital reserves	Cash flow hedge reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling Interest	Total equity
At 1 January 2024	**341,868**	**345,332**	**759,956**	**–**	**(54,639)**	**225,409**	**1,617,926**	**678**	**1,618,604**
Profit for year	–	–	–		–	401,155	401,155	123	401,278
Other comprehensive income	–	–	–	–	(1,345)	–	(1,345)	–	(1,345)
Total comprehensive income/(loss)	–	–	–	–	(1,345)	401,155	399,810	123	399,933
Dividends paid	–	–	–	–	–	(31,570)	(31,570)	–	(31,570)
At 31 December 2024	**341,868**	**345,332**	**759,956**	**–**	**(55,984)**	**594,994**	**1,986,166**	**801**	**1,986,967**
Profit/(loss) for year	**–**	**–**	**–**	**–**	**–**	**468,016**	**468,016**	**(801)**	**467,215**
Other comprehensive income	**–**	**–**	**–**	**–**	**5,951**	**(273)**	**5,678**	**–**	**5,678**
Total comprehensive income/(loss)	**–**	**–**	**–**	**–**	**5,951**	**467,743**	**473,694**	**(801)**	**472,893**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(39,000)**	**(39,000)**	**–**	**(39,000)**
At 31 December 2025	**341,868**	**345,332**	**759,956**	**–**	**(50,033)**	**1,023,737**	**2,420,860**	**–**	**2,420,860**

Dividends per share in 2025 amounted to $0.11 (2024: $0.09).

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the results and financial position of Group entities that have a functional currency different from the Group's presentation currency.

The cash flow hedge reserve comprises the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges where amounts have not yet been reclassified to profit or loss as the associated hedged items have not yet affected profit or loss.

The capital reserves are comprised of capital contributions received.

The notes on pages 71 to 146 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2025

$'000	Notes	2025	2024
Operating activities			
Profit before tax		**553,189**	393,307
Adjustments for:			
Net change in insurance contract assets and liabilities		**926,291**	468,491
Net change in reinsurance contract assets and liabilities		**(149,100)**	(212,671)
Net change in other assets and liabilities		**(42,117)**	31,640
Net change in net assets classified as held for disposal	31	**(13,879)**	–
Finance costs	12	**4,323**	7,516
Net fair value gains on financial assets at fair value through profit or loss	8	**(54,965)**	(47,960)
Other investment revenue and investment fees and expenses	9, 10	**(177,689)**	(145,810)
Amortisation of intangibles	5, 15	**14,415**	7,483
Depreciation of property and equipment	5	**2,850**	2,458
Depreciation of right-of-use assets	5, 28	**4,004**	3,955
Net foreign exchange differences		**760**	1,843
Income tax paid	14(c)	**(45,274)**	(14,141)
Net cash flows from operating activities		**1,022,808**	**496,111**
Investing activities			
Purchases of financial investments		**(3,186,758)**	(1,881,191)
Disposal of financial investments		**2,054,203**	1,376,843
Investment income – interest	9	**176,366**	145,796
Investment income – dividends	9	**1,482**	3,984
Investment fees and expenses		–	(3,835)
Net purchase of intangible assets	15	**(16,530)**	(12,326)
Net purchase of property and equipment		**(4,316)**	(497)
Net cash flows used in investing activities		**(975,553)**	**(371,226)**
Financing activities			
Dividends paid		**(39,000)**	(31,570)
Finance costs		**(5,395)**	(6,889)
Payment of principal portion of lease liabilities	28	**(5,658)**	(4,716)
Net cash flows used in financing activities		**(50,053)**	**(43,175)**
Net (decrease)/increase in cash and cash equivalents		**(2,798)**	81,710
Net foreign exchange on cash and cash equivalents		**5,191**	(4,349)
Cash and cash equivalents at beginning of year		**197,360**	119,999
Cash and cash equivalents at end of year	21	**199,753**	**197,360**

The notes on pages 71 to 146 form part of these consolidated financial statements

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

1. Corporate information

Canopius Group Limited, a limited company incorporated and domiciled in Jersey, is the parent undertaking and controlling party of the Canopius group of companies (the "Group"). The principal activity of the Group is the underwriting of insurance and reinsurance business transacted both through direct channels and via delegated underwriting.

A summary of the material accounting policies applied in the preparation of these consolidated financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements were authorised for issue by the Board of Directors on 10 March 2026.

2. Material accounting policies, judgements and estimates

2.1 Basis of preparation and presentation

The Group has elected to prepare its consolidated financial statements in accordance with IFRS accounting standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with the Companies (Jersey) Law 1991.

The financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities (including derivatives instruments), which are measured at fair value, and insurance and reinsurance contracts which are measured in accordance with the requirements of IFRS 17. The financial statements are presented in US dollars and values are rounded to the nearest thousand ($000), except where indicated.

The preparation of financial statements in conformity with IFRS accounting standards requires the Group's Board to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the consolidated financial statements are explained in note 2.5.

The Directors have considered the going concern basis of preparation of the Group's financial statements as at 31 December 2025 including the factors likely to affect its future performance as well as the Group's principal risks and uncertainties. The Directors have considered those circumstances which may cause the business to cease to function effectively as a going concern, e.g. a breach of its capital requirements and/or liquidity position. Scenario testing was performed to assess the impact of reasonably foreseeable scenarios. These scenarios include, but are not limited to, significant catastrophe events, both individually and in combination, a global economic shock, non-performance of reinsurers, an increase in loss ratios and a significant decrease in operational cash flow together with available management actions.

The Directors believe that the conclusion on the use of the going concern basis of preparation remains unchanged under these reasonably foreseeable, but unlikely, scenarios.

The Directors have concluded that there are no material uncertainties that may cast significant doubt about the Group's ability to continue as a going concern and they have a reasonable expectation that the Group and the Parent Company have adequate resources to continue in operational existence for the period to 31 March 2027 and that, therefore, it is appropriate to adopt a going concern basis for the preparation of the financial statements.

In preparing these financial statements, the Directors have considered the impact of the physical and transition risks of climate change and identified this as an area of focus, but as explained in note 27.4.4 have concluded that it does not have a material impact on the recognition and measurement of the assets and liabilities in these financial statements as at 31 December 2025.

2. Material accounting policies, judgements and estimates (continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The financial statements of subsidiaries are prepared for the same reporting year end as the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Profit or loss and other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance. A list of the principal subsidiaries included in these financial statements is contained in note 3.2.

BUSINESS COMBINATIONS AND GOODWILL

The Group uses the acquisition method to account for business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition-related expenses are charged to profit or loss when incurred and included within other operating and administrative expenses.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets acquired net of liabilities and contingent liabilities is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss for the period.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's CGUs that are expected to benefit from the business combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2.3 New and amended standards and interpretations

2.3.1 New and amended standards and interpretations – adopted

In the current year, the Group has applied amendments to IFRS issued by the IASB that are mandatorily effective for a reporting period that begins on or after 1 January 2025. The new effective requirements are:

- Lack of exchangeability – Amendments to IAS 21. This amendment has not had a material impact on the Group.

2.3.2 New and amended standards and interpretations – not yet adopted

The following new standards, amendments and interpretations are issued but not yet mandatorily effective for the reporting period ending 31 December 2025 and have not been early adopted:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on, or after, 1 January 2026). These amendments are not expected to have a material impact on the Group's financial statements.
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual improvements to IFRS Accounting Standards Volume 11 (effective for annual periods beginning on, or after 1 January 2026). These amendments are not expected to have a material impact on the Group's financial statements.
- IFRS 19 Subsidiaries without Public Accountability - Disclosures (effective for annual periods beginning on, or after, 1 January 2027). The Group does not expect this standard to have an impact on the Group's financial statements as the Group does not meet the eligibility criteria for applying this standard.
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on, or after, 1 January 2027). IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations. Furthermore, it also requires disclosure of newly defined management-defined performance measures. The Group is currently assessing the implications of applying the new standard on the Group's financial statements.

2.4 Summary of material accounting policies

(a) Insurance and reinsurance contracts

(I) CLASSIFICATION

Insurance contracts are defined as those that transfer significant insurance risk. Insurance risk is considered significant if, and only if, an insured event could cause an insurer to pay significant additional amounts in any single scenario, excluding scenarios that lack commercial substance. Such contracts remain insurance contracts until all rights and obligations are extinguished or expire.

(II) LEVEL OF AGGREGATION AND ONEROUS CONTRACTS

The Group applies the requirements of IFRS 17 at the level of groups of insurance contracts issued. These groups are determined at initial recognition as follows:

- Firstly, insurance contracts issued are divided into portfolios, which comprise sets of contracts with similar risks that are managed together;
- Secondly, each portfolio of contracts is divided based on expected profitability at inception into three categories:
  - Onerous contracts;
  - Contracts with no significant risk of becoming onerous; and
  - Other contracts.

  In dividing each portfolio, the Group assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. In assessing whether such facts and circumstances arise, the Group primarily leverages existing actuarial analysis performed for reserving and planning purposes, adjusted, where appropriate, to reflect the measurement principles of IFRS 17. Other internal and external information, such as changes in the commercial or regulatory environment, are also considered.
- Each set of contracts determined following the first two steps is further divided into annual cohorts based on the date of initial recognition.

2. Material accounting policies, judgements and estimates (continued)

The resulting sets of contracts are IFRS 17 groups of contracts, which represent the level of aggregation at which insurance contracts are recognised and measured. The classification of such groups is not subsequently reconsidered once set for a particular annual cohort.

For reinsurance contracts held the requirements of IFRS 17 are applied at the level of individual contracts.

(III) RECOGNITION

The Group recognises groups of insurance contracts issued from the earliest of:

- The beginning of the coverage period;
- The date when the first payment from a policyholder becomes due, or, if there is no due date, when the first payment is received; and
- When the group becomes onerous.

The Group recognises groups of reinsurance contracts held from the earlier of:

- The beginning of the coverage period of the group, (however, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held); or
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held at, or before, that date.

The Group adds new contracts to groups when those contracts individually meet the recognition criteria, subject to the annual cohort restriction.

Insurance contracts acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

(IV) CONTRACT BOUNDARY

The contract boundary determines which cash flows are considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract issued if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with services.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer, or has a substantive right to receive services from the reinsurer.

Cash flows outside of the insurance contract boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

(V) SUMMARY OF MEASUREMENT UNDER THE PREMIUM ALLOCATION APPROACH (“PAA”)

The following sections set out the Group’s approach to measuring groups of insurance contracts issued under the PAA at initial recognition and subsequently. Groups of reinsurance contracts held are measured on the same basis, adapted as appropriate to reflect the different features of reinsurance contracts held.

(a) Measurement at initial recognition

In applying the PAA, the Group measures the liability for remaining coverage ("LRC") for groups of insurance contracts issued at initial recognition as:

- Any premiums received at initial recognition; less
- Any insurance acquisition cash flows paid on, or before, the date of initial recognition that are allocated to the group; plus
- A loss component (only for groups of contracts that are expected to be onerous at initial recognition).

On initial recognition of an onerous group of contracts, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group of contracts over the carrying amount of the liability for remaining coverage of the group. The loss component is recognised immediately in profit or loss and added to the liability for remaining coverage in the statement of financial position.

For reinsurance contracts held, the Group measures the asset for remaining coverage ("ARC") on initial recognition at the amount of ceding premiums paid.

For a group of reinsurance contracts held covering onerous underlying contracts, the Group establishes a loss-recovery component of the ARC to depict the recovery of losses if the reinsurance contracts held covering those onerous underlying contracts is entered into before, or at the same time as, those onerous underlying contracts are recognised. The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held.

(b) Subsequent measurement

LIABILITY FOR REMAINING COVERAGE

At the end of each reporting period the carrying amount of the liability for remaining coverage (excluding the loss component) is equal to:

- The opening carrying amount of the LRC; plus
- Premiums received in the period; less
- Insurance acquisition cash flows costs paid in the period; plus
- Amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the period; plus
- Any adjustment in relation to significant financing components; less
- The amount recognised as insurance revenue for coverage provided in the period; less
- Any investment component paid or transferred to the liability for incurred claims.

For reinsurance contracts held, at each subsequent reporting date, the ARC is increased for ceding premium paid and decreased for the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

2. Material accounting policies, judgements and estimates (continued)

LIABILITY FOR INCURRED CLAIMS

As coverage is provided, the Group establishes a liability for incurred claims. The liability is estimated based on the fulfilment cash flows relating to incurred claims, including both claims that have been notified (i.e. outstanding claims) and claims incurred but not reported ("IBNR"). These fulfilment cash flows:

- Include an estimate of claims-handling costs and the expected value of salvage and other recoveries;
- Incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows;
- Reflect current estimates from the Group's perspective;
- Are discounted to reflect the time value of money and effect of financial risk. The PAA contains an option not to adjust for the time value of money where claims are expected to be paid within one year of the loss event, the Group has not used this option; and
- Include an explicit adjustment for non-financial risk (the risk adjustment).

There is inherent uncertainty in measuring the liability for incurred claims and it is likely that the final outcome will prove to be different from the original estimate of the liability.

In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

For groups of insurance contracts issued that were onerous at initial recognition:

- The loss component is reversed as coverage is provided, reducing the liability for remaining coverage. The corresponding credit to profit or loss means that the loss is not recognised a second time when a liability for incurred claims is established as coverage is provided.
- The expected profitability of remaining coverage is reassessed, with any changes since initial recognition reflected in the valuation of the remaining loss component with a corresponding impact on profit or loss.

For other groups of insurance contracts issued, the Group considers whether facts and circumstances indicate that the remaining coverage of any group has become onerous. This consideration is similar to the consideration of facts and circumstances at initial recognition.

For reinsurance contracts held where the Group has established a loss-recovery component, the loss-recovery component is amortised as services are received and is recognised within profit or loss as a reduction to amounts recoverable from reinsurers for incurred claims. The loss-recovery component is amortised based on the passage of time over the remaining coverage period of the onerous group of contracts until the loss-recovery component is reduced to nil.

(VI) SUMMARY OF MEASUREMENT - GROUPS OF CONTRACTS NOT MEASURED UNDER THE PAA

The Group has reinsurance contracts held providing adverse development coverage. For these contracts, the insured event is the determination of the ultimate cost of the underlying claims. As such, the coverage period of these contracts is considered to be the settlement period of the underlying claims and these reinsurance contracts held are presented within the asset for remaining coverage. As the average settlement period of the underlying claims is typically greater than 12 months, the IFRS 17 general measurement model ("GMM") is applied to the measurement of these reinsurance contracts held within the asset for remaining coverage.

All other insurance contracts issued and reinsurance contracts held are measured under the PAA; as such this section focuses solely on the reinsurance contracts held providing adverse development coverage which are not measured under the PAA.

(a) Initial measurement – groups of contracts not measured under the PAA

Under the GMM, the asset for remaining coverage is measured as the sum of the fulfilment cash flows and the contractual service margin.

FULFILMENT CASH FLOWS

The fulfilment cash flows are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to pay out for reinsurance premiums and recover for claims, benefits and expenses, adjusted to reflect the timing and uncertainty of those amounts.

The estimates of future cash flows:

- are based on a probability-weighted mean of the full range of possible outcomes; and
- reflect conditions existing at the measurement date.

The estimates of future cash flows are discounted to take account of the time value of money and effects of financial risks, and reflect the risk of non-performance of the reinsurer, including the risk of non-performance arising from potential credit losses and other disputes with the reinsurer.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. This risk adjustment for non-financial risk represents the amount of non-financial risk being transferred to the reinsurer.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

CONTRACTUAL SERVICE MARGIN ("CSM")

The CSM is a component of the carrying amount of the asset or liability for a group of reinsurance contracts held representing the net cost or net gain on purchasing the reinsurance, which the Group will recognise as it receives coverage in the future.

For the reinsurance contracts held by the Group providing adverse development coverage, the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts held and, as such, this cost is recognised immediately in profit or loss as an expense.

As at 31 December 2025 and 31 December 2024, the Group has not recognised a CSM on any (re)insurance contract.

2. Material accounting policies, judgements and estimates (continued)

Subsequent measurement - groups of contracts not measured under the PAA

CHANGES TO THE FULFILMENT CASH FLOWS

The fulfilment cash flows are updated for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the fulfilment cash flows are treated depends on which estimate is being updated, therefore:

- changes that relate to current or past service are recognised in profit or loss; and
- changes that relate to future service are recognised by adjusting the CSM or the loss-recovery component within the ARC.

The following adjustments do not relate to future service and, thus, do not adjust the CSM:

- changes in the fulfilment cash flows arising from changes in the fulfilment cash flows of the underlying insurance contracts that have been recognised in profit or loss. For contracts providing adverse development coverage this includes changes in the fulfilment cash flows arising from changes in the liability for incurred claims of the underlying insurance contracts
- changes in the fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof;
- changes in the fulfilment cash flows relating to the asset for incurred claims ("AIC");
- changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held; and
- experience adjustments relating to amounts recoverable from reinsurers for incurred claims.

CHANGES TO THE CONTRACTUAL SERVICE MARGIN

For the reinsurance contracts held by the Group providing adverse development coverage, no CSM arises on initial recognition as the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts held. No CSM arises on subsequent measurement as changes in the fulfilment cash flows arising from changes in the liability for incurred claims of the underlying insurance contracts are recognised in profit or loss and do not create a CSM.

(VII) MEASUREMENT – RISK ADJUSTMENT FOR NON-FINANCIAL RISK

The risk adjustment for non-financial risk (the "risk adjustment") is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects the amount that the Group would hypothetically pay to remove the uncertainty that future cash flows will exceed the expected value amount.

(VIII) REVENUE RECOGNITION

As the Group provides services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of insurance services at an amount that reflects the portion of consideration the Group expects to be entitled to, in exchange for those services.

Under the PAA, insurance revenue is the amount of total expected premium receipts (excluding premium taxes) allocated to each period of coverage either:

- On the basis of the passage of time (i.e. a straight line basis) over the coverage period; or

- If the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred insurance service expenses (i.e. incurred claims). This primarily applies to contracts providing property coverage with a seasonal catastrophe exposure.

The total expected premium receipts that form the basis of this calculation includes estimates of future receipts based on underwriters' estimates or past experience.

(IX) REINSTATEMENT PREMIUMS

The terms of some of the Group's reinsurance contracts issued (inwards reinsurance) require the reinsured to pay an additional premium (a reinstatement premium) following a significant loss event(s). The Group:

- Recognises reinstatement premiums in profit or loss on the date of the loss event that triggers their payment; and
- Presents reinstatement premiums:
  - As a reduction to incurred claims within insurance service expenses in the statement of profit or loss because the payment of the reinstatement premiums is mandatory following relevant loss event(s), and as such they are considered contingent on claims.
  - As a reduction to the liability for incurred claims in the statement of financial position.

Reinstatement premiums that the Group is required to pay in relation to reinsurance contracts held (outwards reinsurance) are accounted for on a similar basis.

(X) ACQUISITION COSTS

Acquisition costs are the costs of selling, underwriting and starting insurance contracts. The costs are primarily commissions paid to brokers and an allocation of other operating expenses.

The Group has not used the option in IFRS 17 to expense acquisition costs immediately where the coverage period is one year or less.

With the exception of ceding commissions payable to ceding insurers, the Group capitalises acquisition costs within the liability for remaining coverage component of insurance contract assets or liabilities. These costs are then expensed over the coverage period of the related insurance contracts, following the pattern that is used to recognise revenue for those insurance contracts.

All acquisition costs incurred in the period are allocated to the specific insurance contracts to which they relate. The Group does not allocate any incurred acquisition costs to expected future renewals of those contracts as similar acquisition efforts and costs are expected to be incurred in the future to obtain those renewals.

Commissions payable to ceding insurers in relation to reinsurance contracts issued (inwards reinsurance) are not accounted for as acquisition costs. They are treated as follows:

- Profit commissions which are contingent on claims are treated as claims incurred and recognised as coverage is provided;
- Ceding commissions that are not contingent on claims are treated as a reduction in premiums and recognised as a reduction in insurance revenue as coverage is provided.

Commissions receivable in relation to reinsurance contracts held by the Group are accounted for on a similar basis.

2. Material accounting policies, judgements and estimates (continued)

(XI) INSURANCE SERVICE EXPENSES

Insurance service expenses include:

- incurred claims and benefits, excluding investment components;
- other incurred directly attributable insurance service expenses;
- amortisation of insurance acquisition cash flows;
- changes that relate to past service (i.e. changes in the fulfilment cash flows relating to the liability for incurred claims); and
- changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

For contracts measured under the PAA, insurance acquisition cash flows are amortised over the coverage period of the related insurance contracts, following the pattern that is used to recognise revenue for those insurance contracts.

Other expenses not meeting the above categories are included in other operating and administrative expenses in the consolidated statement of profit or loss.

(XII) INSURANCE FINANCE INCOME OR EXPENSE

Insurance finance income or expense is the change in the carrying amount of insurance contracts issued arising from the effect of the time value of money and changes in the time value of money, and the effect of financial risk and changes in financial risk. Primarily, this arises from:

- Unwinding the discounting of the liability for incurred claims in the period;
- Changes in discount rates in the period that impact the measurement of the liability for incurred claims; and
- Accreting interest on the liability for remaining coverage for groups of contracts with a significant financing component.

Reinsurance finance income or expense is the change in the carrying amount of amounts relating to reinsurance contracts held arising for the same reasons, except that the Group does not have any groups of reinsurance contracts held with a significant financing component.

(XIII) ALLOCATION OF REINSURANCE PREMIUMS AND AMOUNTS RECOVERABLE FROM REINSURERS

The Group presents separately on the face of the consolidated statement of profit or loss the allocation of reinsurance premiums and amounts recoverable from reinsurers.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of changes in the asset for remaining coverage that the Group expects to pay.

The allocation of reinsurance premiums excludes cash flows contingent on claims on the underlying contracts. Amounts the Group expects to receive from the reinsurer that are not contingent on the claims on the underlying contracts, such as ceding commissions, are presented as reductions in the premiums to be paid to the reinsurer.

Amounts expected to be recovered from reinsurers are recognised as they are incurred. The Group uses consistent assumptions to measure the estimates of the future cash flows of a group of reinsurance contracts with the underlying group of insurance contracts issued. Reinsurance cash flows that are contingent on claims incurred on the underlying insurance contracts issued are included as part of the cash flows that are expected to be reimbursed under the reinsurance contract held. The amounts expected to be recovered from reinsurers include the effect of any risk of non-performance by the issuer of the reinsurance contract.

For a group of reinsurance contracts held covering onerous underlying contracts issued, the loss recovery component and the reversal of such loss recovery component are included as amounts recoverable from the reinsurer.

(XIV) MODIFICATION AND DERECOGNITION

An insurance contract is derecognised when:

- It is extinguished (i.e. when the obligation expires or is discharged or cancelled); or
- There is a modification of the contract that is treated as a derecognition and recognition of a new contract. This is the case where the modified terms, if applied at inception, would have resulted in:
  - A component of the contract being accounted for under a different standard; or
  - A substantially different IFRS 17 contract boundary; or
  - The contract being included in a different group of contracts; or
  - The contract being accounted for under a different measurement model.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification as an adjustment to the liability for remaining coverage relating to the existing contract.

The criteria for derecognising reinsurance contracts held and the approach to accounting for modifications for those contracts are similar to those used for insurance contracts issued.

(XV) PRESENTATION

(a) Separate presentation of portfolios in an asset or liability position

In the statement of financial position, where applicable, the Group presents separately the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets, and portfolios of reinsurance contracts held that are liabilities.

(b) Changes in the risk adjustment

The Group has elected not to disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion. Consequently, the change in the risk adjustment for non-financial risk is recognised entirely within insurance service expenses.

(c) Acquisition cash flows

Any assets or liabilities for insurance acquisition cash flows recognised before the recognition of the corresponding insurance contracts are included in the carrying amount of the related portfolios of insurance contracts issued.

2. Material accounting policies, judgements and estimates (continued)

(d) Reinsurance held

On the face of the consolidated statement of profit or loss:

- Income or expenses from reinsurance contracts held are presented separately from the income or expenses from (re)insurance contracts issued.

The Group has elected to disaggregate amounts expected to be recovered from reinsurers and an allocation of the reinsurance premiums paid. These amounts are analysed in note 23(b), within which:

- Reinsurance cash flows that are contingent on claims on the underlying contracts are presented as part of the claims that are expected to be reimbursed under the reinsurance contract held;
- Both the allocation of reinsurance premiums and claims expected to be reimbursed are presented net of investment components;
- The allocation of reinsurance premiums is presented net of ceding commissions received.

(b) Other operating and administrative expenses

Other operating and administrative expenses include the non-underwriting expenses of the Group after the elimination of intra-group charges.

(c) Employee benefits

The Group operates defined contribution pension plans and a closed defined benefit pension scheme for its employees. The defined benefit pension scheme was acquired in 2010 with the acquisition of a business. The scheme is closed to new entrants and has ceased accruing new benefits for current members. Any liability recognised in the consolidated statement of financial position in respect of the scheme ("scheme liability") is the present value of the defined benefit obligation less the fair value of the scheme's assets as at the reporting period date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit-credit method. To the extent that a surplus emerges on the scheme liability, it is only recognised as an asset in the statement of financial position when it is probable that future economic benefits will be recovered by the scheme sponsor in the form of refunds or reduced contributions.

The cost of providing pension contributions for all staff is charged to the statement of profit or loss in the period to which it relates.

(d) Finance costs

Finance costs consist of trustee fees and bank charges, interest on lease liabilities, fees accruing on the Group's borrowings and costs of arrangements with the parent company and third parties that secure or provide Funds at Lloyd's ("FAL") for the Group's corporate members underwriting on the Lloyd's syndicate. Arrangement fees in respect of financing arrangements are charged over the life of the related facilities.

(e) Revenue recognition

FEE AND COMMISSION INCOME

Fees, including profit commissions, are accounted for on the following basis:

i. Managing agent's fees relates to managing and operating the Lloyd's syndicate, and is, therefore, provided continuously throughout the year. These services are considered a single performance obligation. The price is fixed with no variable element and is matched against the single performance obligation. The passing of time is used to measure the amount of fees to be recognised.
ii. Profit commission is recognised to the extent that it is highly probable it will not be subject to significant reversal.

iii. Other commission and service fees are recognised at the point in time that the performance obligations are satisfied.

OTHER INVESTMENT REVENUE

Other investment revenue comprises interest recorded using the effective interest method for all financial assets measured at amortised cost, as well as interest or dividends receivable on financial assets measured at fair value through profit and loss.

The effective interest rate ("EIR") is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset. The EIR (and, therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on acquisition of the financial asset as well as fees and costs that are an integral part of the EIR.

If expectations of a fixed-rate financial asset's cash flows are revised for reasons other than credit risk, the changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference to the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset in the statement of financial position with a corresponding increase or decrease in interest income. For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

Interest on all financial assets measured at FVTPL is measured using the contractual interest rate.

(f) Foreign currency translation

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in US dollars, which is the Group's presentation currency.

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency at average, rather than spot, rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss for the period.

GROUP COMPANIES

The results and financial position of all Group entities that have a functional currency different from the Group's presentation currency ("foreign operations") are translated into the Group's presentation currency as follows:

- Assets and liabilities are translated at the closing rate on the balance sheet date;
- Income and expenses are translated at average exchange rates during the period; and
- All resulting exchange differences are recognised as a separate component of equity in the statement of financial position and included in the consolidated statement of comprehensive income.

Where there is an unsettled transaction between Group companies at the balance sheet date and the asset/(liability) in one Group entity is eliminated against the corresponding liability/(asset) in another Group entity, the exchange difference reported in the Group entity's own statement of profit or loss continues to be recognised in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025
CONTINUED

2. Material accounting policies, judgements and estimates (continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as the foreign entity's assets and liabilities and are translated at the closing rate on the reporting period date.

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as part of other operating and administrative expenses.

Intangible assets with finite lives are amortised over:

Distribution channels	10	to	15	years
IT software and licences	3	to	10	years

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets net of liabilities and contingent liabilities of the acquired entity at the acquisition date. Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses.

Where rights to capacity on a syndicate are acquired from third parties, the cost of acquisition is adopted as the fair value of the associated syndicate participation rights. Where an intangible asset of syndicate participation rights is acquired on a business combination, it is fair valued at the date of acquisition. Syndicate participation rights intangible assets are not amortised but are tested annually for impairment and carried at cost less accumulated impairment losses.

Distribution channels acquired in a business combination are recognised at fair value and amortised on a straight-line basis over their estimated useful economic life.

Software development costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. IT software and licences acquired are capitalised at cost and amortised on a straight-line basis over the shorter of the estimated useful economic life or the duration of the licence agreement.

(h) Financial assets

INITIAL RECOGNITION AND MEASUREMENT

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms. The categories include the following:

- Financial assets at fair value through profit and loss (FVTPL); and
- Financial assets at amortised cost

Financial assets are initially recognised on the trade date measured at their fair value. Except for financial assets recorded at fair value through profit and loss, transaction costs are added to this amount.

SUBSEQUENT MEASUREMENT

Subsequent measurement of financial assets depends on their classification, as follows:

FINANCIAL ASSETS AT FVTPL

Financial assets in this category are those that are managed in a fair value business model, or that have been designated as such by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

This category includes debt instruments whose cash flow characteristics fail the 'solely payments of principal and interest' criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss. Interest earned on assets measured at FVTPL is recorded using the contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss as other investment revenue when the right to the payment has been established.

FINANCIAL ASSETS AT AMORTISED COST

Financial assets in this category are those that are managed in a business model where assets are held for collection of contractual cash flows, and where those cash flows represent solely payments of principal and interest ("SPPI"), and that are not designated as FVTPL.

After initial measurement these financial assets are measured at amortised cost, using the effective interest rate ("EIR") method, less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2. Material accounting policies, judgements and estimates (continued)

IMPAIRMENT OF FINANCIAL ASSETS AT AMORTISED COST

The Group assesses the expected credit losses ("ECL") associated with its financial assets carried at amortised cost on a forward-looking basis. The Group recognises a loss allowance for such losses at each reporting date. The measurement of the ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 27.4.3(b)(ii) provides more detail on how the ECL allowance is measured.

DERECOGNITION OF FINANCIAL ASSETS

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred, nor retained, substantially all the risks and rewards of the asset, but has transferred control of the asset.

(i) Financial liabilities

INITIAL RECOGNITION AND MEASUREMENT

The Group classifies its financial liabilities into one of the following categories:

- financial liabilities at fair value through profit and loss, and within this category as:
  - held-for-trading;
  - derivative hedging instruments; or
  - designated as at FVTPL; and
- financial liabilities at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities carried at amortised cost, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and derivative financial instruments.

SUBSEQUENT MEASUREMENT

Subsequent measurement of financial liabilities depends on their classification, as follows:

FINANCIAL LIABILITIES AT FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Financial liabilities are designated as at FVTPL at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Gains or losses on designated or held for trading liabilities are recognised in fair value gains and losses in the statement of profit or loss.

FINANCIAL LIABILITIES AT AMORTISED COST

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

(j) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(k) Derivative financial instruments and hedge accounting

Derivative financial instruments are classified as held for trading unless they are designated as effective hedging instruments. Derivative financial instruments held for trading are typically entered into with the intention to settle in the near future.

The Group uses derivative financial instruments, such as forward currency contracts and interest rate futures, to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Fair values are determined by reference to quoted market prices for similar instruments where available and using appropriate valuation techniques, including discounted cash flow and option pricing models.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of highly probable forecast transactions. Specifically, the Group designates foreign currency forward contracts as hedges of the currency risk associated with its Sterling operating expenses. These operating expenses do not include claims, commissions or outwards reinsurance premiums.

2. Material accounting policies, judgements and estimates (continued)

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments (foreign currency forwards) and hedged items (Sterling expense cash flows), including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of the hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within net fair value gains or losses on financial assets at fair value through profit and loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Amounts accumulated in equity are reclassified to insurance service expenses and other operating and administrative expenses in profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

For derivatives other than those designated as hedging instruments, subsequent changes in fair value are recognised immediately in profit and loss, within net fair value gains or losses on financial assets at fair value through profit and loss.

All derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(I) Fair value measurement

The Group measures certain financial instruments such as derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal, or the most advantageous market, must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets, liabilities and equity items for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described in note 18.

(m) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term cash deposits with original maturities of three months or less. These assets are readily convertible into known amounts of cash.

Lloyd's overseas deposits are not included within the balance of cash at bank and in hand on the balance sheet as the amounts represent capital requirements for underwriting in certain overseas territories. These are measured at fair value and recognised separately in their own category within other assets as the capital is restricted. See note 20.

Cash at bank and in hand relate to amounts that are held at a bank in the form of on-demand deposits such as current accounts and savings accounts. Short-term deposits with a maturity of three months or less are considered cash equivalents.

(n) Taxation

The tax expense represents the sum of current and deferred tax.

Current tax is determined based on the taxable profit or loss for the year and adjustments to tax payable or recoverable on prior years' profits or losses. The taxable profit or loss differs from the profit or loss before tax as reported in the statement of profit or loss because it excludes items of income or expense that may be taxable or deductible in other years or are expected never to be taxable or deductible. The Group's liability or asset for current tax is calculated using tax rates that have been enacted, or substantially enacted, by the end of the reporting period.

Deferred tax is recognised on temporary differences, which are gains or losses that will be taxable in future periods and are not included in the current tax calculation. Deferred tax liabilities are generally recognised for all gains that are not currently taxable but will be taxable in the future. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which non-current taxable losses can be deducted. Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting period date and adjusted for changes in estimates of the taxable profits that will be available to allow all, or part, of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is expected to settle or the asset is expected to be realised. Deferred tax is charged or credited to the statement of profit or loss, except when it relates to items charged or credited to other comprehensive income or directly to other reserves in equity, in which case, the deferred tax is also dealt with in the Statement of Comprehensive Income or directly to other reserves in equity, respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. Deferred tax assets and liabilities are not discounted for the time value of money.

(o) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

(p) Dividends

Dividends are recognised as payable when the Directors make a solvency statement before payment.

2. Material accounting policies, judgements and estimates (continued)

(q) Non-controlling interests

Non-controlling interests represent equity in a subsidiary not attributable, directly or indirectly, to a parent. The non-controlling interest is measured as their share in the recognised amounts of the acquiree's identifiable net assets.

(r) Leases

The Group assesses, at contract inception, whether a contract is, or contains, a lease. That is, whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

GROUP AS A LESSEE

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligation to make lease payments required by a lease and right-of-use assets representing the right to use the underlying assets.

(I) RIGHT-OF-USE ASSETS

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at, or before, the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets. The right-of-use assets are subject to impairment.

(II) LEASE LIABILITIES

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of any purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

(r) Leases (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the unwind of discounting and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(III) SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Group applies IFRS 16 recognition exemptions in relation to the following types of leases:

- Short-term leases: Leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.
- Leases of low-value assets: Leases where the underlying asset has a low value

No right-of-use assets or lease liabilities are recognised in relation to these leases. Lease payments are recognised as an expense on a straight-line basis over the lease term.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some, or all, of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Material accounting policies, judgements and estimates (continued)

2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future reporting periods.

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

More details on the most important judgements, estimates and assumptions used when preparing the Group's consolidated financial statements are set out below. The most critical accounting estimate made by the Group is the estimate of the ultimate claims liability from insurance contracts underwritten, which is described in note 2.5.1(b)(i).

2.5.1 Insurance contracts

(a) Relating to the liability for remaining coverage

(I) PAA ELIGIBILITY

The Group applies the PAA to all insurance contracts issued and reinsurance contracts held (except for the specific transactions and scenarios described in note 2.4(a)(vii)). These contracts are eligible to be accounted for under the PAA as follows:

- A significant proportion of the Group's contracts are eligible based on having a coverage period of one year or less.
- Contracts with a longer coverage period are eligible because the Group reasonably expects that the measurement of the liability for remaining coverage under the PAA does not differ materially from the measurement that would be produced when applying the general measurement model. This expectation is based on the results of modelling future scenarios under reasonably expected economic and business scenarios linked to factors that drive differences between the PAA and GMM.

(II) INSURANCE REVENUE RECOGNITION

Insurance revenue recognised in each period requires an estimate of the total premiums expected to be received under each insurance contract issued. A proportion of these contracts are written through arrangements with third parties, such as binding authorities and line slips, for which the Group may not receive full underwriting data until after the contracts have been issued. For these contracts, estimation of the total premiums expected to be received uses expert judgement, the quality of the estimate being influenced by the nature and maturity of the portfolio, availability of timely data, relevant underwriting input to the estimating process and management review. The estimates are reviewed regularly using underwriter estimates and actuarial projections, with any adjustments to estimates from previous years included in insurance revenue in the current period.

The allocation of expected premium receipts to each period of insurance contract services is estimated by reference to the exposure length of the type of business written and the pattern of insurance services provided by the contract. Judgement is required in determining whether the pattern of insurance service provided by a contract requires recognition of insurance revenue on a basis other than time apportionment, for example, to reflect seasonal weather patterns for natural catastrophe-exposed policies.

For further details related to insurance revenue, refer to note 23(a).

(b) Relating to the liability for incurred claims

(I) EXPECTED FUTURE CASH FLOWS FOR INCURRED CLAIMS (WITHIN THE LIABILITY FOR INCURRED CLAIMS)

Estimating the liability for incurred claims and associated reinsurance recoveries is a key judgement in preparing the Group's financial statements. Classes of business with a high proportion of incurred but not reported ("IBNR") within the total expected future cash flows for incurred claims will, typically, display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves, which, in turn is due to less information about the claim event being available. Classes of business in which claims are reported relatively quickly after the claim event tend, to display lower levels of variations between initial estimates and final outcomes.

Where possible, the Group adopts multiple techniques, often based on historical claims data, to estimate the expected future cash flows. The estimates given by the various methodologies assist in setting the range of possible outcomes and the most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each underwriting year of account. For this purpose, a key characteristic of each business class is whether there tends to be a significant delay between the occurrence of the claim and the claim being reported:

- **Short-tail business**: Property, motor and accident and health business are generally "short tail", whereby there is not normally a significant delay between the occurrence of the claim and the claim being reported. The costs of claims notified at the balance sheet date are estimated on a case-by-case basis to reflect the individual circumstances of each claim. The ultimate expected cost of claims, including IBNR claims, is projected from this data by reference to historical claims development data, which show how estimates of claims incurred in previous periods have developed over time.
- **Longer-tail business**: Casualty, liability (including motor liability) and marine claims are generally "longer tail" and so a larger element of the claims provision relates to IBNR claims. Claims estimates for business in this category are derived from a combination of expected loss ratios and actual claims experience, using a predetermined formula whereby increasing weight is given to actual claims experience as time passes. The initial estimates of the claims provisions are based on the experience of previous years and available market data adjusted for factors such as premium rate changes and claims inflation. For liability claims, the assessment of claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. The liability classes of business are also subject to the emergence of new types of latent claims.

Allowance is made for changes or uncertainties that may create distortions in the claims data or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including:

- changes in the business environment or processes which might accelerate or slow down the development and/or recording of paid or incurred claims compared with previous periods;
- changes in the legal environment;
- the effects of inflation;
- changes in the mix of business;
- the impact of large losses; and
- movements in industry benchmarks.

In estimating the cost of notified, but not paid, claims (outstanding claims), the Group has regard to the claim circumstance as reported, any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods.

2. Material accounting policies, judgements and estimates (continued)

Large claims and catastrophe events impacting each relevant business class are generally assessed separately, being measured on a case-by-case basis or projected separately to allow for the possible distortive effect of the development and incidence of these large claims.

Related to the estimate of expected future cash flows for incurred claims is the estimate of reinstatement premiums to be received in relation to past loss events. Reinstatement premiums are estimated in accordance with the contract terms and recorded based upon paid losses, case reserves and IBNR estimates.

For further details related to expected future cash flows for incurred claims, refer to note 23, for sensitivities with regard to significant assumptions, refer to note 27.

(II) AMOUNTS RECOVERABLE FROM REINSURERS FOR INCURRED CLAIMS

Expected future cash flows for incurred claims are calculated separately from the estimate of the amounts that will be recoverable from reinsurers. The estimate of amounts recoverable from reinsurers is based on historical recoveries on paid and outstanding claims, adjusted to reflect changes in the nature and extent of the Group's reinsurance contracts held.

For further details related to expected future cash flows for amounts recoverable from reinsurers for incurred claims refer to note 23. For sensitivities with regard to significant assumptions, refer to note 27.

(III) RISK ADJUSTMENT

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates.

The risk adjustment is calculated at Group level and allocated down to each group of contracts in accordance with their risk profiles. The approach to calculating the risk adjustment involves estimating the amount of uncertainty within the liabilities through a variety of statistical techniques, including scenario and sensitivity analysis.

The corresponding confidence level is determined using a consolidated Group-wide loss distribution, which reflects the diversification in contracts sold across all entities, products and geographies as this reflects the compensation that the entity requires.

The resulting amount of the calculated risk adjustment at 31 December 2025 corresponds to a confidence level of 75% (2024: 75%). This is in line with the Group's target reserve confidence level range of 72.5% to 77.5%.

(IV) DISCOUNT RATE FOR THE LIABILITY FOR INCURRED CLAIMS

The liability for incurred claims and related amounts recoverable from reinsurers are discounted to reflect the time value of money and effect of financial risk. The discount rates used comprise:

- **A risk-free rate**: The Group uses risk-free discount rate curves by currency that Syndicate 4444 is required to use for Solvency II purposes. These curves are primarily derived from interest rates implied in financial swap markets.
- **An illiquidity premium**: The illiquidity premium is derived by taking a fixed percentage of spreads on corporate bonds above risk-free rates.

The curves used are summarised in the following table for the most material currencies that are relevant to the Group:

At 31 December 2025

Currency	1 year	3 years	5 years	10 years
USD	**3.61%**	**3.51%**	**3.64%**	**3.97%**
GBP	**3.83%**	**3.82%**	**3.94%**	**4.28%**
EUR	**2.29%**	**2.48%**	**2.67%**	**3.04%**
CAD	**2.60%**	**2.87%**	**3.05%**	**3.42%**
AUD	**4.06%**	**4.22%**	**4.37%**	**4.68%**

At 31 December 2024

Currency	1 year	3 years	5 years	10 years
USD	4.37%	4.23%	4.20%	4.23%
GBP	4.81%	4.52%	4.41%	4.43%
EUR	2.58%	2.45%	2.52%	2.69%
CAD	3.17%	2.99%	3.01%	3.24%
AUD	4.08%	3.86%	3.94%	4.26%

2.5.2 FAIR VALUES

The Group uses prices provided by third-party suppliers, investment managers and counterparty banks in determining the fair value of financial assets. Depending on the methods and assumptions used, for example, in the fair valuation of Level 3 financial assets, the fair valuation is subject to a higher degree of estimation uncertainty. These methods and assumptions are described in note 18.

2.5.3 INTANGIBLE ASSETS

Where an acquisition of a subsidiary gives rise to the recognition of intangible assets, such as distribution channels and syndicate participation rights, the value of such intangibles is largely based on the expected cash flows of the business acquired. Certain key assumptions are used to assess the value of the intangible, such as forecast underwriting performance and past business retention rates.

These are the subject of specific uncertainty and a reduction in underwriting profitability or renewal patterns of business acquired may result in the value of the intangible being impaired and written off in the current reporting period. Details of these assumptions are included in note 15.

2.5.4 DEFERRED TAX

Recognition of underwriting losses for deferred taxation purposes is based on management's projections of future profitability and the probability of losses being utilised against taxable profits within a reasonable time frame. Further details regarding deferred tax are set out in note 14.

3. Group information

3.1. Ultimate parent undertaking and controlling party

The ultimate controlling parties of CGL are CCP GP Investors Holdings (Cayman) LP, CCP III Cayman GP Limited and CCP III SBS Cayman Limited.

The immediate parent company of CGL is Fortuna Holdings Limited ("FHL").

3.2 Subsidiaries

The principal subsidiaries of Canopius Group Limited, which are consolidated in these financial statements, are listed below. The Group holds no investments in joint ventures or associates.

Subsidiary	Country of incorporation	Principal activities	% equity interest 2025	% equity interest 2024
Canopius Holdings UK Limited	England and Wales	Holding company	100%	100%
Canopius US Holdings, Inc.	USA (Delaware)	Holding company	100%	100%
Canopius Underwriting Agency Inc.	USA (Delaware)	Managing General Agent	100%	100%
Canopius US Insurance, Inc.	USA (Delaware)	Insurance company	100%	100%
Canopius Reinsurance Limited	Bermuda	Reinsurance company	100%	100%
Canopius Services Limited	England and Wales	Service company	100%	100%
Canopius Managing Agents Limited	England and Wales	Managing agent at Lloyd's	100%	100%
Canopius Asia Pte. Ltd.	Singapore	Syndicate service company	100%	100%
Canopius Underwriting Bermuda Limited	Bermuda	Service company	100%	100%
Canopius ILS Limited	Bermuda	Reinsurance company	100%	100%
Vave Holdings Limited	Jersey	Holding company	100%	100%
Vave Underwriting Agency Inc.	USA (Delaware)	Appointed representative	100%	100%
Vave Digital Services Limited	England and Wales	Service company	100%	100%
Canopius Capital Seven Limited	England and Wales	Lloyd's corporate member	100%	100%
Canopius Capital Twelve Limited	England and Wales	Lloyd's corporate member	100%	100%
Canopius Corporate Capital Limited	England and Wales	Lloyd's corporate member	100%	100%
Flectat 2 Limited	England and Wales	Lloyd's corporate member	100%	100%
Multi-Strat Holdings Limited ("MSH")	Bermuda	Holding company	100%	65%
Multi-Strat Reinsurance Limited	Bermuda	Reinsurance company	100%	65%

4. Segmental reporting

Segment information is presented based on the Group's management and internal reporting structures, which represent the level at which financial information is reported, performance is analysed and resources are allocated. The Group's operating segments are aligned with the regional business units: UK, USA, Bermuda and Asia Pacific ("APAC"). Previously USA and Bermuda were grouped as one operating segment, but, following changes to internal reporting structures in the reporting period, these are now separate operating segments. Comparative information has been restated to reflect this change, as well as to align the allocation of other income with the presentation used in internal financial reporting.

The Corporate segment represents transactions associated with Group management, which are analysed and reported at Group level. Eliminations and other adjustments consist of adjustments to eliminate the share of Syndicate 4444's results attributable to third-party capital providers, as well as Group consolidation adjustments.

The Group is domiciled in Jersey but its operating segments principally operate out of other jurisdictions and, therefore, almost all revenues and non-current assets of the Group are not from the country of its domicile.

At December 2025

$'000	Note	UK	USA	Bermuda	APAC	Eliminations and other adjustments	Corporate	Total
Insurance revenue	23(a)	2,891,044	602,201	198,788	423,309	(22,455)	–	4,092,887
Insurance service expenses	23(a)	(2,187,816)	(497,669)	(151,559)	(328,173)	50,772	(10,191)	(3,124,636)
Insurance service result before reinsurance contracts held		703,228	104,532	47,229	95,136	28,317	(10,191)	968,251
Allocation of reinsurance premiums	6, 23(b)	(786,054)	(187,155)	(23,462)	(86,419)	(25,382)	(48,275)	(1,156,747)
Amounts recoverable from reinsurers for incurred claims	6, 23(b)	466,043	97,270	7,967	54,519	17,108	48,275	691,182
Net expense from reinsurance contracts held	6	(320,011)	(89,885)	(15,495)	(31,900)	(8,274)	–	(465,565)
Insurance service result		383,217	14,647	31,734	63,236	20,043	(10,191)	502,686
Net investment result	11	116,197	28,878	41,877	18,481	(5,053)	27,176	227,556
Insurance finance expense (insurance contracts issued)	11	(165,613)	(27,529)	(13,773)	(18,594)	1,310	–	(224,199)
Reinsurance finance income (reinsurance contracts held)	11	67,931	11,357	631	5,421	2,115	–	87,455
Net insurance financial result	11	(97,682)	(16,172)	(13,142)	(13,173)	3,425	–	(136,744)
Other operating income		–	8,612	1,770	–	(24,967)	38,206	23,621
Finance costs	12	–	–	–	–	–	(4,323)	(4,323)
Other operating and administrative expenses	5	–	–	–	–	–	(59,999)	(59,999)
Foreign exchange gains		–	–	–	–	–	392	392
Profit before tax		401,732	35,965	62,239	68,544	(6,552)	(8,739)	553,189
Income tax charge	14	–	–	–	–	–	(85,974)	(85,974)
Profit for the year		401,732	35,965	62,239	68,544	(6,552)	(94,713)	467,215
Net undiscounted combined ratio		86.7%	101.8%	96.8%	86.1%	n/a	n/a	88.5%
Net discounted combined ratio		81.8%	96.5%	81.9%	81.2%	n/a	n/a	82.9%

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4. Segmental reporting (continued)

At December 2024

$'000	Note	UK	USA	Bermuda	APAC	Eliminations and other adjustments	Corporate	Total
Insurance revenue	23(a)	2,251,534	443,433	115,858	333,769	(19,560)	–	3,125,124
Insurance service expenses	23(a)	(1,723,139)	(324,563)	(82,457)	(270,502)	24,569	(8,735)	(2,384,830)
Insurance service result before reinsurance contracts held		528,485	118,870	33,401	63,267	5,006	(8,735)	740,294
Allocation of reinsurance premiums	6, 23(b)	(559,710)	(136,117)	(10,519)	(62,020)	(25,853)	(66,985)	(861,204)
Amounts recoverable from reinsurers for incurred claims	6, 23(b)	338,924	14,736	5,570	36,393	17,328	66,985	479,936
Net expense from reinsurance contracts held	6	(220,786)	(121,381)	(4,949)	(25,627)	(8,525)	–	(381,268)
Insurance service result		307,699	(2,511)	28,452	37,640	(3,519)	(8,735)	359,026
Net investment result	11	97,170	23,572	34,334	14,729	(6,247)	30,210	193,770
Insurance finance expense (insurance contracts issued)	11	(124,322)	(25,784)	(4,616)	(16,143)	3,153	–	(167,733)
Reinsurance finance income (reinsurance contracts held)	11	54,943	11,305	258	2,587	950	(275)	69,769
Net insurance financial result	11	(69,389)	(14,489)	(4,358)	(13,556)	4,103	(275)	(97,964)
Other operating income		–	7,740	1,921	–	(18,603)	32,864	23,922
Finance costs	12	–	–	–	–	–	(7,516)	(7,516)
Other operating and administrative expenses	5	–	–	–	–	–	(77,286)	(77,286)
Foreign exchange losses		–	–	–	–	–	(645)	(645)
Profit before tax		335,480	14,312	60,349	38,813	(24,266)	(31,381)	393,307
Income tax credit	14	–	–	–	–	–	7,971	7,971
Profit for the year		335,480	14,312	60,349	38,813	(24,266)	(23,410)	401,278
Net undiscounted combined ratio		87.4%	106.1%	89.7%	92.1%	n/a	n/a	90.2%
Net discounted combined ratio		81.8%	100.8%	73.0%	86.1%	n/a	n/a	84.1%

No policyholders comprise greater than 10% of the Group's insurance revenue. The Group has total non-current assets (other than financial assets, deferred tax assets, pension schemes and rights arising under insurance contracts) of $230.9m (2024: $224.9m). The non-current assets are predominantly located in the UK.

5. Other operating and administrative expenses

$'000	Note	2025	2024
Employee benefit expenses	13	**(256,142)**	(239,540)
Amortisation of intangible assets	15	**(14,415)**	(7,483)
Depreciation of property and equipment		**(2,850)**	(2,458)
Depreciation of right-of-use assets	28	**(4,004)**	(3,955)
Intercompany expense recharge in relation to Pillar Two top-up taxes	14	**(2,238)**	(27,151)
Premises expenses		**(6,616)**	(8,883)
Syndicate personal expenses and Lloyd's charges		**(56,269)**	(42,138)
Professional fees		**(37,819)**	(35,926)
IT costs		**(40,431)**	(37,261)
Cash flow hedge reserve reclassified from OCI to profit or loss	27.4.3.iii	**7,581**	–
Other expenses		**(22,151)**	(25,746)
Total		**(435,354)**	(430,541)
Directly attributable expenses reclassified to insurance service expenses		**375,355**	353,255
Total other operating and administrative expenses		**(59,999)**	(77,286)

6. Net expense from reinsurance contracts held

$'000	2025	2024
Allocation of reinsurance premiums		
Contracts measured under the PAA	**(1,108,472)**	(794,221)
Contracts not measured under the PAA	**(48,275)**	(66,983)
	(1,156,747)	(861,204)
Amounts recoverable from reinsurers for incurred claims		
Recoveries of incurred claims and other insurance service expenses	**718,304**	566,144
Changes that relate to past service – adjustments to incurred claims	**(26,008)**	(76,459)
Recoveries and reversal of recoveries of losses on onerous underlying contracts	**105**	(13,131)
Changes in the risk of reinsurers' non-performance	**(1,219)**	3,382
	691,182	479,936
Total net expense from reinsurance contracts held	**(465,565)**	(381,268)

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7. Other operating income

$'000	2025	2024
Commission and fee income	**22,092**	22,368
Other income	**1,529**	1,554
	23,621	23,922

8. Net fair value gains and losses on financial instruments at fair value through profit and loss

$'000	2025	2024
Realised gains on financial investments	**24,735**	10,413
Unrealised gains on financial investments	**73,776**	71,187
Realised losses on financial investments	**(12,916)**	(13,094)
Unrealised losses on financial investments	**(30,630)**	(20,546)
Total	**54,965**	47,960

All financial instruments held at fair value through profit and loss are mandatorily measured at fair value through profit and loss.

9. Other investment revenue

$'000	2025	2024
Interest revenue from financial investments at amortised cost	**7,360**	7,579
Interest revenue from financial investments at fair value through P&L	**163,597**	137,351
Interest revenue from cash and cash equivalents	**5,409**	866
Dividend income	**1,482**	3,984
Total	**177,848**	149,780

10. Investment fees and expenses

$'000	Note	2025	2024
Investment management expenses		**(5,212)**	(4,071)
Net credit impairment (loss)/gain on financial assets	27.4.3(b)(ii)	**(45)**	101
Total		**(5,257)**	(3,970)

11. Total investment income and net insurance financial result

$'000	Note	2025	2024
Investment Income			
Net fair value gains on financial assets at fair value through profit or loss	8	**54,965**	47,960
Other investment revenue	9	**177,848**	149,780
Investment fees and expenses	10	**(5,257)**	(3,970)
Total amounts recognised in profit and loss		**227,556**	193,770
- Unwind of discounting		**(186,547)**	(171,121)
- Impact of changes in assumptions, including interest rates		**(37,652)**	3,388
Insurance finance expense (insurance contracts issued)		**(224,199)**	(167,733)
- Unwind of discounting		**70,777**	75,519
- Impact of changes in assumptions, including interest rates		**16,678**	(5,750)
Reinsurance finance income (reinsurance contracts held)		**87,455**	69,769
Total net investment income, (re)insurance finance income / (expense)		**90,812**	95,806

12. Finance costs

$'000	Note	2025	2024
Fees for letters of credit		**(2,339)**	(5,693)
Interest on lease liabilities	28	**(1,571)**	(1,424)
Trustee fees, bank charges and interest expenses		**(413)**	(399)
		(4,323)	(7,516)

13. Employee benefit expenses

$'000	2025	2024
Salaries and wages	**(209,655)**	(199,290)
Social security costs	**(23,507)**	(22,341)
Pension costs – defined contribution plans	**(11,495)**	(10,663)
Other benefits	**(11,485)**	(7,246)
	(256,142)	(239,540)

Employee benefits include termination payments of $2.4m (2024: $1.5m).

14. Income tax

The Company is incorporated in Jersey and registered for tax in the United Kingdom, where it is managed and controlled.

The subsidiary companies are registered for tax in various jurisdictions, including the United Kingdom, United States, Bermuda, Singapore, Malaysia, Ireland and Australia. The subsidiary companies in the UK are the main operating companies in the Group. Therefore, as in prior years, it is appropriate to reconcile the Group tax charge to the UK Statutory rate. The overseas tax charge is predominantly related to our US operations and represents excess of tax liability over brought-forward losses.

The major components of income tax (charge)/credit for the years ended 31 December 2025 and 31 December 2024, respectively, are:

(a) Consolidated statements of profit or loss and other comprehensive income

$'000	2025	2024
Current tax		
Current tax on profits for the year	**(42,458)**	(5,623)
Current tax on profits related to Pillar Two income taxes	**(7,700)**	–
Foreign tax	**(6,161)**	(3,130)
Adjustments for current tax on prior periods	**(1,707)**	(1,753)
Total current tax charge	**(58,026)**	(10,506)
Deferred tax		
Origination and reversal of temporary differences	**(33,032)**	20,249
Adjustments for deferred tax on prior periods	**5,084**	(1,772)
Total deferred tax (charge)/credit	**(27,948)**	18,477
Total income tax (charge)/credit	**(85,974)**	7,971

(b) Reconciliation of tax (charge)/credit

$'000	2025	2024
Profit before tax	**553,189**	393,307
Tax at 25% (2024: 25%)	**(138,297)**	(98,327)
Non-deductible expenses	**(1,929)**	(6,674)
Differences in overseas tax rates[1]	**23,051**	46,999
Adjustments for tax on prior periods	**3,377**	(3,525)
Effects of previously unrecognised losses now recognised	**27,570**	66,246
Effect of group relief	**7,963**	5,217
Current tax on profits related to Pillar Two income taxes	**(7,700)**	–
Other	**(9)**	(1,965)
Total income tax (charge)/credit	**(85,974)**	7,971

1 The variance is predominantly driven by the difference between the Bermuda tax rate and the UK tax rate in the period.

The Organisation for Economic Co-operation and Development ("OECD")/G20 Inclusive Framework on Base Erosion and Profit Shifting ("BEPS") addresses the tax challenges arising from the digitalisation of the global economy. The Global anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises ("MNEs") with annual revenue in excess of EUR 750 million per their consolidated financial statements.

The Pillar Two model rules introduced new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax), these are the Qualified Domestic Minimum Top-up Tax ("QDMTT"), the Income Inclusion Rule ("IIR"), the Under Taxed Payments/Profits Rule ("UTPR") and the Subject to Tax Rule. The Group has performed an assessment of its potential exposure to Pillar Two income taxes, with only QDMTT and IIR relevant for 2025.

The legislation has been enacted or substantively enacted in the jurisdictions in which the Group operates (with the exception of the USA and Bermuda).

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the country-by country reporting and financial information for the constituent entities in the Group. In 2025 Pillar Two top-up taxes of $2.2m were due in the UK in relation to the profits from the Group's operations in Singapore. (2024: $27.2m due in the UK in relation to the profits from the Group's operations in Bermuda). This top-up tax was recorded in the accounts of Fortuna Topco Limited, the Ultimate Parent Entity, in accordance with the requirements of the relevant UK legislation. However, as the liability arises on the profits generated within the CGL Group, the expense was recharged to CGL. The recharge is disclosed in note 5. Following the introduction of the Bermuda Corporate Income Tax Act 2023 which was effective 1 January 2025 and applies a 15% corporate income tax to Bermuda businesses that are part of a multinational group, Pillar Two top-up taxes have not arisen in 2025 and are not expected to arise in future from the Group's operations in Bermuda.

The Group has applied the exception under International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12) to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes, and, accordingly, does not recognise or disclose information about such deferred tax assets and liabilities.

(c) Income tax (payable)/receivable, net

$'000	2025	2024
At 1 January	**3,755**	57
Taxes recorded in the statement of profit or loss	**(58,026)**	(10,506)
Payments made on account during the year	**45,274**	14,141
Foreign exchange adjustments	**(77)**	63
At 31 December	**(9,074)**	3,755
Reflected in the statement of financial position as follows:		
Income tax receivable	**843**	4,813
Income tax payable	**(9,782)**	(1,058)
Liabilities associated with assets classified as held for disposal (note 31)	**(135)**	–
Net income tax (payable)/receivable	**(9,074)**	3,755

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14. Income tax (continued)

(d) Deferred tax, net

$'000	2025	2024
Excess of tax over book depreciation	**2,965**	2,901
Tax on underwriting losses	**51,449**	81,484
Tax on intangible asset	**(22,851)**	(23,512)
Bonus accrual	**2,801**	1,861
Other deferred tax balances	**6,107**	4,046
Differences between accounting basis and tax basis for (re)insurance contract assets and liabilities	**(5,652)**	(5,647)
Total deferred tax asset	**34,819**	61,133
Reflected in the statement of financial position as follows:		
Deferred tax asset	**33,485**	61,171
Deferred tax liability	**–**	(38)
Assets classified as held for disposal (note 31)	**1,334**	–
Net deferred tax asset	**34,819**	61,133

Deferred tax assets and liabilities arise through: (a) temporary differences in the recognition of underwriting profits/losses for accounting and tax purposes; (b) temporary differences in the recognition of depreciation for accounting and tax purposes; and (c) tax losses that are available to offset future taxable profits.

The recoverability of deferred tax assets in relation to underwriting losses will depend on the availability of future taxable profits. Based on current business forecasts, it is probable that sufficient profits will accrue within the foreseeable future to support the current level of recognised deferred tax assets.

The Group has tax losses and gross temporary differences in respect of underwriting losses in the corporate members and other tax losses in Group entities, which total approximately $2m (2024: $23m). which have no expiry date, except for $1m (2024: $1m) of US losses expiring in 2035, and have not been recognised for deferred tax purposes. An amount of $57m of deferred tax asset has been recognised in relation to the crystallised underwriting losses (2024: $88m).

In 2025 the Group benefitted from the receipt of carried forward tax losses of $24m which were surrendered via group relief. These losses originally arose in, and were surrendered by, the Group's intermediate parent company, Fortuna Midco Limited, which owns Fortuna Holdings Limited, the immediate parent of CGL.

A tax rate of 25% has been used to derive the UK deferred tax assets and liabilities as that is the tax rate that is expected to apply when the deferred tax balances crystallise or unwind.

(e) Reconciliation of deferred tax assets, net

$'000	2025	2024
Balance at 1 January	**61,133**	43,018
Origination and reversal of temporary differences	**(33,032)**	20,249
Adjustments for deferred tax on prior periods	**5,084**	(1,772)
Foreign exchange and other adjustments	**1,543**	(362)
Deferred tax related to items recognised in OCI	**91**	–
Balance at 31 December	**34,819**	61,133

15. Intangible assets

$'000	Goodwill	Syndicate participation rights	Distribution channels	IT Software and licences	Total
Cost					
At 1 January 2024	58,631	86,244	28,983	39,219	213,077
Additions	–	78	–	12,248	12,326
Disposals	–	–	–	(934)	(934)
Exchange and other	–	–	–	(491)	(491)
At 31 December 2024	**58,631**	**86,322**	**28,983**	**50,042**	**223,978**
Additions	**–**	**–**	**–**	**16,530**	**16,530**
Disposals	**(1,932)**	**–**	**–**	**(11,037)**	**(12,969)**
Exchange and other	**–**	**–**	**–**	**3,129**	**3,129**
At 31 December 2025	**56,699**	**86,322**	**28,983**	**58,664**	**230,668**
Accumulated amortisation					
At 1 January 2024	–	–	7,858	11,788	19,646
Amortisation in the year	–	–	1,965	5,518	7,483
Disposals	–	–	–	(934)	(934)
Exchange and other	–	–	–	(240)	(240)
At 31 December 2024	**–**	**–**	**9,823**	**16,132**	**25,955**
Amortisation in the year	**–**	**–**	**1,964**	**12,451**	**14,415**
Disposals	**–**	**–**	**–**	**(11,037)**	**(11,037)**
Exchange and other	**–**	**–**	**–**	**2,031**	**2,031**
At 31 December 2025	**–**	**–**	**11,787**	**19,577**	**31,364**
Carrying amount					
At 31 December 2024	58,631	86,322	19,160	33,910	198,023
At 31 December 2025	**56,699**	**86,322**	**17,196**	**39,087**	**199,304**
Held for disposal (note 31)	**–**	**–**	**–**	**(198)**	**(198)**
At 31 December 2025	**56,699**	**86,322**	**17,196**	**38,889**	**199,106**

15. Intangible assets (continued)

Intangible assets with an indefinite useful life

Goodwill and syndicate participation rights are deemed to have an indefinite useful life as they are expected to have value in use that does not erode or become obsolete over the course of time. Consequently, they are not amortised but annually tested for impairment in relation to the business units from where, or for which, they were acquired.

The goodwill and syndicate participation rights intangible were both allocated to the syndicate at Lloyd's CGU. The recoverable amount of the CGU was established with reference to its fair value less costs to sell. The fair value has been established with reference to observed valuation multiples for a transaction which took place during the reporting period involving one of the Group's intermediate parent companies, Fortuna Topco Limited.

In previous periods the method used for establishing the fair value was based on to market multiples for similar businesses, but was changed in the current period to reflect the additional information provided by the transaction involving Fortuna Topco Limited. The fair value measurement was categorised as level 3 within the fair value hierarchy based on the inputs used in the valuation technique. The analysis indicates sufficient headroom such that reasonably expected alternative assumptions are not anticipated to result in a potential impairment.

Intangible assets with a finite useful life

The distribution channels, IT software and computer licences are amortised over their finite economic lives and the charge is included in other operating and administrative expenses in the consolidated statement of profit or loss.

Assets with a finite useful life were assessed for indicators of impairment at the respective year ends and no indicators of impairment have been identified. As such, no impairment test has been performed and there was no impairment in 2025 (2024: none).

The distribution channels intangible asset has a remaining amortisation period of eight years (2024: nine years). No other intangible assets with finite useful lives are individually material.

16. Financial investments

(a) Financial assets at fair value through profit or loss

$'000	2025	2024
Fair value		
Debt securities and other fixed income securities	**3,109,018**	2,378,791
Holdings in collective investment schemes	**1,512,830**	1,050,793
Equity shares	**12,477**	51,972
Private credit funds	**203,717**	168,966
Total financial assets at fair value through profit or loss	**4,838,042**	3,650,522

All financial assets held at fair value through profit and loss are mandatorily measured at fair value through profit and loss.

Financial assets that are subject to restrictions are referred to in note 29(a).

(b) Financial assets carried at amortised cost

$'000	2025	2024
Debt instruments at amortised cost	**84,004**	69,330
Total	**84,004**	69,330

17. Derivative financial instruments

The Group utilises derivative financial instruments as part of its asset/liability risk management practice.

The derivative financial instruments represent the fair value of exchange-traded bond futures contracts used to hedge duration risk, forward contracts used to hedge excess foreign currency exposures, and equity options used to hedge exposure to equity prices. As set out in note 27.4.3.(iii) some of the foreign exchange forward contracts held by the Group have been designated for hedge accounting during the current reporting period as permitted by IFRS 9.

The following table shows the fair value through profit or loss ("FVPL") of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying assets, reference rate or index, and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

	2025			2024		
$'000	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Derivatives at FVPL:						
Interest rate futures	**1,046**	**(1,010)**	**1,490,526**	243	(412)	716,006
Forward exchange contracts	**1,536**	**(3,856)**	**1,093,692**	13,678	(2,044)	689,764
Equity options	**186**	**–**	**489,800**	909	–	308,163
	2,768	**(4,866)**	**3,074,018**	14,830	(2,456)	1,713,933

At their inception, derivatives often involve only a mutual exchange of promises, with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the asset, rate or index underlying a derivative contract may have a significant impact on the profit or loss of the Group. Over-the-counter derivatives may expose the Group to the risks associated with the absence of an exchange market on which to close out an open position. The Group's exposure under derivative contracts is closely monitored as part of the overall management of the Group's market risk. The equity options are put options on a high-yield corporate bond exchange-traded fund.

18. Fair value measurement

i) Valuation

The Group has classified its financial instruments as at 31 December 2025 using the fair value hierarchy required by IFRS 13 "Fair value measurement". The fair value hierarchy classifies financial instruments into Level 1 to Level 3 based on the significance of the inputs used in measuring their fair value, with Level 1 considered the most reliable. The levels within the fair value hierarchy are defined as follows:

Level 1	-	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	-	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	-	Valuation techniques for which inputs are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted bid prices at the balance sheet date and are included in Level 1.

The Group closely monitors the valuation of assets in markets that have become less liquid. Determining whether a market is active requires the exercise of judgement and is determined based upon the facts and circumstances of the market for the instrument being measured. Where it is determined that there is no active market, fair value is established using a valuation technique.

The techniques applied incorporate relevant information available and reflect appropriate adjustments for credit and liquidity risks. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

The valuation techniques include broker dealer quotes, reported trades, issuer spreads and available bids. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. There have been no transfers between level 1 and level 2 financial instruments during the year (2024: $nil).

If one or more significant inputs are not based on observable market data, the instrument is included in Level 3. These assets are normally infrequently traded and fair values can only be calculated using estimates or risk-adjusted value ranges and there is a material use of judgement in deriving the price.

ii) Fair value measurement of assets and liabilities

$'000	Level 1	Level 2	Level 3	Total
Financial assets at 31 December 2025				
Debt securities and other fixed income securities	**563,096**	**2,545,922**	**–**	**3,109,018**
Holdings in collective investment schemes	**1,296,689**	**216,141**	**–**	**1,512,830**
Equity shares	**9,142**	**–**	**3,335**	**12,477**
Private credit funds	**–**	**27,059**	**176,658**	**203,717**
Derivative assets	**1,232**	**1,536**	**–**	**2,768**
Financial assets	**1,870,159**	**2,790,658**	**179,993**	**4,840,810**
Other assets – overseas deposits	**34,200**	**179,548**	**–**	**213,748**
Total	**1,904,359**	**2,970,206**	**179,993**	**5,054,558**
Financial liabilities at 31 December 2025				
Derivative liabilities	**1,010**	**3,856**	**–**	**4,866**
Total	**1,010**	**3,856**	**–**	**4,866**

$'000	Level 1	Level 2	Level 3	Total
Financial assets at 31 December 2024				
Debt securities and other fixed income securities	723,890	1,654,901	–	2,378,791
Holdings in collective investment schemes	852,397	198,396	–	1,050,793
Equity shares	28,245	–	23,727	51,972
Private credit funds	–	23,421	145,545	168,966
Derivative assets	1,152	13,678	–	14,830
Financial assets	1,605,684	1,890,396	169,272	3,665,352
Other assets – overseas deposits	28,279	123,935	–	152,214
Total	1,633,963	2,014,331	169,272	3,817,566
Financial liabilities at 31 December 2024				
Derivative liabilities	412	2,044	–	2,456
Total	412	2,044	–	2,456

The level within the hierarchy in which a financial instrument is placed is based on the lowest level of any input that is significant to its fair value measurement.

Level 3 includes non-traded private credit funds and, in previous periods, included the Group's share of the syndicate's loans to the Lloyd's central fund. These loans were repaid in 2025. The fair value of the private credit funds is determined with reference to the net asset value, which is considered a reasonable proxy for fair value. The Group's share of the syndicate's loans to the Lloyd's central fund was not tradeable and was valued based on a discounted cash flow model to which a fair value adjustment was applied to appropriately reflect the credit and illiquidity risk of the instrument.

18. Fair value measurement (continued)

These loans were deemed to be equity on the basis that the repayment of the loan and interest was at the discretion of the Corporation of Lloyd's. The syndicate loans were classified as level 3 assets because the valuation approach includes significant, unobservable inputs and an element of subjectivity in determining appropriate credit and illiquidity spreads within the discount rates used in the discounted cash flow model.

Any transfers between levels in the fair value hierarchy is deemed to have taken place by assessing categorisation at the end of the reporting period. There were no transfers to and from level 3 assets for the period ended 31 December 2025 (or the period ended 31 December 2024) when compared with the comparative prior period end.

The table below shows a reconciliation of opening and closing balances for financial instruments classified as level 3 of the fair value hierarchy.

$'000	2025	2024
At 1 January	**169,272**	118,404
Total net gain/(loss) through profit or loss	**18,920**	(4,576)
Purchases	**143,528**	128,356
Disposals	**(151,727)**	(72,912)
At 31 December	**179,993**	169,272
Total net gain through profit or loss related to financial instruments held at the end of the reporting period	**15,420**	2,197

19. Trade and other receivables

$'000	2025	2024
Other debtors	**39,669**	30,383
Accrued income	**43,460**	45,203
Amounts due from parent undertakings	**39,959**	37,012
	123,088	112,598
Held for disposal (note 31)	**(3)**	–
	123,085	112,598
Amounts due within 1 year	**123,085**	112,598
Amounts due in over 1 year	**–**	–
	123,085	112,598

Trade and other receivables are carried at amortised cost. The fair value of trade and other receivables approximates their carrying value.

Other debtors include $6.0m (2024: $4.0m) of unsettled investment trades, resulting from trading activity over the year-end date. These amounts were settled in January 2026.

20. Other assets

Other assets include overseas deposits of $213.7m (2024: $152.2m), which are lodged as a condition of conducting underwriting business in certain countries.

21. Cash and cash equivalents

$'000	2025	2024
Cash at bank and in hand	**152,590**	171,613
Cash equivalents	**79,931**	25,747
	232,521	197,360
Held for disposal (note 31)	**(32,768)**	–
	199,753	197,360

The cash and cash equivalents include $146.1m (2024: $91.8m) that are held in Lloyd's Premium and other trust funds supporting insurance liabilities, or are collateralising letters of credit. These assets are subject to restrictions under the relevant trust deeds and bank facilities.

22. Share capital and share premium

Authorised shares	2025 Number	2024 Number
Ordinary shares		
Ordinary shares of 1USD each	**341,868,305**	341,868,305
Ordinary shares total	**341,868,305**	341,868,305

Issued and fully paid:	At 1 January 2024 Number	Changes in issued capital Number	At 31 December 2024 Number	Changes in issued capital Number	At 31 December 2025 Number
Ordinary shares					
Ordinary shares of 1USD par value	341,868,296	–	341,868,296	–	**341,868,296**
Ordinary shares total	341,868,296	–	341,868,296	–	**341,868,296**

Issued share capital	At 1 January 2024 $	Changes in issued capital $	At 31 December 2024 $	Changes in issued capital $	At 31 December 2025 $
Ordinary shares					
Ordinary shares of 1USD par value	341,868,296	–	341,868,296	–	**341,868,296**
Share capital total	341,868,296	–	341,868,296	–	**341,868,296**

Issued share premium	At 1 January 2024 $	Changes in issued share premium $	At 31 December 2024 $	Changes in issued share premium $	At 31 December 2025 $
Ordinary shares					
Ordinary shares of 1USD par value	345,331,867	–	345,331,867	–	**345,331,867**
Share premium total	345,331,867	–	345,331,867	–	**345,331,867**

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23. Reconciliation of the measurement components of insurance contract balances

a. Insurance and reinsurance contracts issued - analysis by remaining coverage and incurred claims

		2025					
		Liability for remaining coverage		Liability for incurred claims			
				Contracts measured under the PAA			
$'000	Note	Excluding loss component	Loss component	Estimate of the present value of future cash flows	Risk adjustment	Contracts not measured under the PAA	Total 2025
Insurance contract liabilities as at 1 January		(53,454)	(619)	(3,298,501)	(190,022)	–	(3,542,596)
Insurance contract assets as at 1 January		–	–	–	–	–	–
Net insurance contract liabilities as at 1 January		(53,454)	(619)	(3,298,501)	(190,022)	–	(3,542,596)
Insurance revenue		4,092,887	–	–	–	–	4,092,887
Incurred claims and related expenses		–	1,134	(2,019,860)	(91,339)	–	(2,110,065)
Changes that relate to past service – adjustments to LIC		–	–	50,582	47,493	–	98,075
Amortisation of insurance acquisition cash flows		(889,343)	–	–	–	–	(889,343)
Losses and reversal of losses on onerous contracts		–	(1,685)	–	–	–	(1,685)
Other incurred insurance service expenses		–	–	(221,618)	–	–	(221,618)
Insurance service expenses		(889,343)	(551)	(2,190,896)	(43,846)	–	(3,124,636)
Unwind of discounting		–	–	(186,547)	–	–	(186,547)
Impact of changes in assumptions, including interest rates		–	–	(37,652)	–	–	(37,652)
Insurance finance expenses	11	–	–	(224,199)	–	–	(224,199)
Impact of changes in foreign exchange rates		(320)	–	(84,662)	(4,143)	–	(89,125)
Total changes in the statement of profit or loss		3,203,224	(551)	(2,499,757)	(47,989)	–	654,927
Impact of increased participation in syndicate following RITC		(2,083)	–	(19,682)	(961)	–	(22,728)
Investment components		631	–	(631)	–	–	–
Premiums received		(4,250,654)	–	–	–	–	(4,250,654)
Claims and other expenses paid		–	–	1,678,694	–	–	1,678,694
Insurance acquisition cash flows		993,768	–	–	–	–	993,768
Total cash flows		(3,256,886)	–	1,678,694	–	–	(1,578,192)
Net insurance contract liabilities as at 31 December		(108,568)	(1,170)	(4,139,877)	(238,972)	–	(4,488,587)
Insurance contract liabilities as at 31 December		(108,568)	(1,170)	(4,139,877)	(238,972)	–	(4,488,587)
Insurance contract assets as at 31 December		–	–	–	–	–	–
Held for disposal	31	19,700	–	–	–	–	19,700
Net insurance contract liabilities as at 31 December		(88,868)	(1,170)	(4,139,877)	(238,972)	–	(4,468,887)

		2024					
		Liability for remaining coverage		Liability for incurred claims			
				Contracts measured under the PAA			
$'000	Note	Excluding loss component	Loss component	Estimate of the present value of future cash flows	Risk adjustment	Contracts not measured under the PAA	Total 2024
Insurance contract liabilities as at 1 January		4,234	(7,402)	(2,913,343)	(157,594)	–	(3,074,105)
Insurance contract assets as at 1 January		–	–	–	–	–	–
Net insurance contract liabilities as at 1 January		4,234	(7,402)	(2,913,343)	(157,594)	–	(3,074,105)
Insurance revenue		3,125,124	–	–	–	–	3,125,124
Incurred claims and related expenses		–	12,935	(1,499,845)	(83,445)	–	(1,570,355)
Changes that relate to past service – adjustments to LIC		–	–	59,153	50,495	–	109,648
Amortisation of insurance acquisition cash flows		(707,072)	–	–	–	–	(707,072)
Losses and reversal of losses on onerous contracts		–	(6,152)	–	–	–	(6,152)
Other incurred insurance service expenses		–	–	(210,899)	–	–	(210,899)
Insurance service expenses		(707,072)	6,783	(1,651,591)	(32,950)	–	(2,384,830)
Unwind of discounting		–	–	(171,121)	–	–	(171,121)
Impact of changes in assumptions, including interest rates		–	–	3,388	–	–	3,388
Insurance finance expenses	11	–	–	(167,733)	–	–	(167,733)
Impact of changes in foreign exchange rates		1,333	–	33,858	1,559	–	36,750
Total changes in the statement of profit or loss		2,419,385	6,783	(1,785,466)	(31,391)	–	609,311
Impact of increased participation in syndicate following RITC		(3,720)	–	(25,004)	(1,037)	–	(29,761)
Investment components		1,367	–	(1,367)	–	–	–
Premiums received		(3,294,821)	–	–	–	–	(3,294,821)
Claims and other expenses paid		–	–	1,426,679	–	–	1,426,679
Insurance acquisition cash flows		820,101	–	–	–	–	820,101
Total cash flows		(2,474,720)	–	1,426,679	–	–	(1,048,041)
Net insurance contract liabilities as at 31 December		(53,454)	(619)	(3,298,501)	(190,022)	–	(3,542,596)
Insurance contract liabilities as at 31 December		(53,454)	(619)	(3,298,501)	(190,022)	–	(3,542,596)
Insurance contract assets as at 31 December		–	–	–	–	–	–

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23. Reconciliation of the measurement components of insurance contract balances (continued)

b. Reinsurance contracts held – analysed by remaining coverage and incurred claims

		2025					
		Assets for remaining coverage		Amounts recoverable for incurred claims			
				Contracts measured under the PAA			
$'000	Note	Excluding RI share of the loss component	RI share of the loss component	Estimate of the present value of future cash flows	Risk adjustment	Contracts not measured under the PAA	Total 2025
Reinsurance contract liabilities as at 1 January		–	–	–	–	–	–
Reinsurance contract assets as at 1 January		255,736	259	972,549	63,849	–	1,292,393
Net reinsurance contract assets as at 1 January		255,736	259	972,549	63,849	–	1,292,393
Allocation of reinsurance premiums		(1,156,747)	–	–	–	–	(1,156,747)
Recoveries of incurred claims and related insurance service expenses		–	(326)	598,317	29,473	90,840	718,304
Changes that relate to past service – adjustments to incurred claims		–	–	(19,424)	(6,584)	–	(26,008)
Recoveries and reversal of recoveries of losses on onerous underlying contracts		–	105	–	–	–	105
Effect of changes in non-performance risk of reinsurers		–	–	(1,219)	–	–	(1,219)
Amounts recoverable from reinsurers for incurred claims		–	(221)	577,674	22,889	90,840	691,182
Net income/expense from reinsurance contracts held	6	(1,156,747)	(221)	577,674	22,889	90,840	(465,565)
Unwind of discounting		11,615	–	59,162	–	–	70,777
Impact of changes in assumptions, including interest rates		897	–	15,781	–	–	16,678
Reinsurance finance income	11	12,512	–	74,943	–	–	87,455
Impact of changes in foreign exchange rates		11,439	–	15,959	1,136	–	28,534
Total changes in the statement of profit or loss		(1,132,796)	(221)	668,576	24,025	90,840	(349,576)
Impact of increased participation in syndicate following RITC		4,840	–	12,744	286	–	17,870
Investment components		(23,879)	–	23,879	–	–	–
Reinsurance premiums paid		952,966	–	–	–	–	952,966
Recoveries from reinsurance		–	–	(381,320)	–	(90,840)	(472,160)
Total cash flows		952,966	–	(381,320)	–	(90,840)	480,806
Net reinsurance contract assets as at 31 December		56,867	38	1,296,428	88,160	–	1,441,493
Reinsurance contract liabilities as at 31 December		–	–	–	–	–	–
Reinsurance contract assets as at 31 December		56,867	38	1,296,428	88,160	–	1,441,493

$'000	Note	2024					
		Assets for remaining coverage		Amounts recoverable for incurred claims			
				Contracts measured under the PAA			
		Excluding RI share of the loss component	RI share of the loss component	Estimate of the present value of future cash flows	Risk adjustment	Contracts not measured under the PAA	Total 2024
Reinsurance contract liabilities as at 1 January		–	–	–	–	–	–
Reinsurance contract assets as at 1 January		92,256	679	937,158	49,629	–	1,079,722
Net reinsurance contract assets as at 1 January		92,256	679	937,158	49,629	–	1,079,722
Allocation of reinsurance premiums		(861,204)	–	–	–	–	(861,204)
Recoveries of incurred claims and related insurance service expenses		–	12,711	424,654	27,518	101,261	566,144
Changes that relate to past service – adjustments to incurred claims		–	–	(63,140)	(13,319)	–	(76,459)
Recoveries and reversal of recoveries of losses on onerous underlying contracts		–	(13,131)	–	–	–	(13,131)
Effect of changes in non-performance risk of reinsurers		–	–	3,382	–	–	3,382
Amounts recoverable from reinsurers for incurred claims		–	(420)	364,896	14,199	101,261	479,936
Net income/expense from reinsurance contracts held	6	(861,204)	(420)	364,896	14,199	101,261	(381,268)
Unwind of discounting		12,719	–	62,800	–	–	75,519
Impact of changes in assumptions, including interest rates		(4,693)	–	(1,057)	–	–	(5,750)
Reinsurance finance income	11	8,026	–	61,743	–	–	69,769
Impact of changes in foreign exchange rates		(4,615)	–	(4,894)	(320)	–	(9,829)
Total changes in the statement of profit or loss		(857,793)	(420)	421,745	13,879	101,261	(321,328)
Impact of increased participation in syndicate following RITC		(365)	–	17,656	341	–	17,632
Investment components		(7,208)	–	7,208	–	–	–
Reinsurance premiums paid		1,028,846	–	–	–	–	1,028,846
Recoveries from reinsurance		–	–	(411,218)	–	(101,261)	(512,479)
Total cash flows		1,028,846	–	(411,218)	–	(101,261)	516,367
Net reinsurance contract assets as at 31 December		255,736	259	972,549	63,849	–	1,292,393
Reinsurance contract liabilities as at 31 December		–	–	–	–	–	–
Reinsurance contract assets as at 31 December		255,736	259	972,549	63,849	–	1,292,393

23. Reconciliation of the measurement components of insurance contract balances (continued)

c. Reinsurance contracts held - analysis by measurement component - contracts not measured under the PAA (continued)

$'000	Note	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total 2025
Reinsurance contract asset as at 1 January		**270,589**	–	–	**270,589**
Experience adjustments		327	–	–	327
Changes that relate to current service		**327**	–	–	**327**
Changes in estimates that do not adjust the CSM		42,238	–	–	42,238
Changes that relate to future service		**42,238**	–	–	**42,238**
Net income/(expense) from reinsurance contracts held		**42,565**	–	–	**42,565**
Unwind of discounting		11,616	–	–	11,616
Impact of changes in assumptions, including interest rates		897	–	–	897
Insurance finance expenses		**12,513**	–	–	**12,513**
Impact of changes in foreign exchange rates		17,360	–	–	17,360
Total changes in the statement of profit or loss		**72,438**	–	–	**72,438**
Impact of increased participation in syndicate following RITC		**3,389**	–	–	**3,389**
Reinsurance premiums paid		–	–	–	–
Recoveries from reinsurance		(90,840)	–	–	(90,840)
Total cash flows		**(90,840)**	–	–	**(90,840)**
Reinsurance contract asset as at 31 December		**255,576**	–	–	**255,576**

$'000	Note	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total 2024
Reinsurance contract liability as at 1 January		116,370	–	–	116,370
Experience adjustments		(14,866)	–	–	(14,866)
Changes that relate to current service		(14,866)	–	–	(14,866)
Changes in estimates that do not adjust the CSM		49,144	–	–	49,144
Changes that relate to future service		49,144	–	–	49,144
Net income/(expense) from reinsurance contracts held		34,278	–	–	34,278
Unwind of discounting		12,719	–	–	12,719
Impact of changes in assumptions, including interest rates		(4,693)	–	–	(4,693)
Insurance finance expenses		8,026	–	–	8,026
Impact of changes in foreign exchange rates		(6,814)	–	–	(6,814)
Total changes in the statement of profit or loss		35,490	–	–	35,490
Impact of increased participation in syndicate following RITC		1,713	–	–	1,713
Reinsurance premiums paid		218,277	–	–	218,277
Recoveries from reinsurance		(101,261)	–	–	(101,261)
Total cash flows		117,016	–	–	117,016
Reinsurance contract asset as at 31 December		270,589	–	–	270,589

23. Reconciliation of the measurement components of insurance contract balances (continued)

d. Effect of contracts initially recognised in the year

All insurance and reinsurance contracts initially recognised in the year were measured under the PAA.

e. Claims development tables

The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims.

The claims development tables below are presented:

- By underwriting year (i.e. year of account); and
- At the exchange rates prevailing at the reporting date.

Gross undiscounted liabilities for incurred claims at 31 December 2025

$000s Underwriting year - gross:	Before 2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimate of total cost of claims									
At end of year 1		(520,840)	(657,658)	(633,568)	(757,615)	(586,619)	(1,042,020)	(1,206,300)	
At end of year 2		(1,375,627)	(1,160,853)	(1,192,459)	(1,262,275)	(1,144,196)	(1,910,494)		
At end of year 3		(1,450,664)	(1,196,909)	(1,198,747)	(1,335,431)	(1,208,013)			
At end of year 4		(1,432,023)	(1,181,602)	(1,199,996)	(1,383,101)				
At end of year 5		(1,476,557)	(1,196,357)	(1,231,723)					
At end of year 6		(1,532,129)	(1,195,025)						
At end of year 7		(1,533,939)							
Gross estimates of the undiscounted amount of the best estimate claims	(18,458,870)	(1,533,939)	(1,195,025)	(1,231,723)	(1,383,101)	(1,208,013)	(1,910,494)	(1,206,300)	**(28,127,465)**
Cumulative payments to date	18,014,302	1,345,662	992,545	910,257	939,800	590,747	622,221	157,285	**23,572,819**
Gross estimates of the undiscounted amount of the best estimate claims less payments	(444,568)	(188,277)	(202,480)	(321,466)	(443,301)	(617,266)	(1,288,273)	(1,049,015)	**(4,554,646)**
Risk adjustment									**(238,972)**
Effect of discounting									**414,769**
Total gross liabilities for incurred claims									**(4,378,849)**

The total gross liabilities for incurred claims in the above table can be reconciled to the balance sheet carrying amount through note 23(a).

Net undiscounted liabilities for incurred claims at 31 December 2025

$000s Underwriting year - net:	Before 2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimate of total cost of claims									
At end of year 1		(441,870)	(506,681)	(417,201)	(523,174)	(434,947)	(707,004)	(813,331)	
At end of year 2		(1,118,883)	(805,966)	(866,725)	(891,703)	(857,548)	(1,340,898)		
At end of year 3		(1,127,913)	(857,705)	(874,607)	(928,237)	(911,389)			
At end of year 4		(1,106,579)	(861,618)	(880,901)	(939,755)				
At end of year 5		(1,116,651)	(872,668)	(896,493)					
At end of year 6		(1,121,756)	(862,902)						
At end of year 7		(1,109,560)							
Net estimates of the undiscounted amount of the best estimate claims	(12,447,657)	(1,109,560)	(862,902)	(896,493)	(939,755)	(911,389)	(1,340,898)	(813,331)	**(19,321,985)**
Cumulative payments to date	12,294,847	1,007,782	735,472	698,852	659,005	471,899	470,469	132,259	**16,470,585**
Net estimates of the undiscounted amount of the best estimate claims less payments	(152,810)	(101,778)	(127,430)	(197,641)	(280,750)	(439,490)	(870,429)	(681,072)	**(2,851,400)**
Risk adjustment									**(150,812)**
Impact of reclassifying reinsurance contract assets related to loss portfolio transfer[1]									**(255,576)**
Effect of discounting									**263,527**
Total net liabilities for incurred claims									**(2,994,261)**

1 Under IFRS 17 reinsurance contract assets relating to loss portfolio transfers are presented as part of the asset for remaining coverage rather than the asset for incurred claims.

The total net liabilities for incurred claims in the above table can be reconciled to the balance sheet carrying amount through notes 23(a) and 23(b).

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24. Trade and other payables

$'000	2025	2024
Other creditors including taxation and social security	**65,819**	34,176
Accruals and deferred income	**153,105**	159,698
Amounts due to parent undertakings	**29,448**	27,151
	248,372	221,025
Held for disposal (note 31)	**(589)**	–
	247,783	221,025
Amounts due within one year	**247,783**	221,025
Amounts due in over 1 year	**–**	–
	247,783	221,025

Trade and other payables are carried at amortised cost. The fair value of trade and other payables approximates their carrying value.

Other creditors include $35.8m (2024: $5.2m) of unsettled investment trades, resulting from trading activity over the year end date. The amount was settled in January 2026.

25. Pension benefit obligation

The Group operates defined contribution pension plans for its employees in the United Kingdom as well as a closed defined benefit pension scheme for certain of its former employees. The assets of the plans and the scheme are held separately from those of the Group companies in independently administered funds. Pension entitlements of employees outside the United Kingdom are provided through state schemes, to which the Group contributes in accordance with local regulations.

i) Defined benefit scheme

The defined benefit pension scheme ("the scheme") was closed with effect from 30 June 2010 and all active members were treated as having left pensionable service under the scheme with effect from that date. A full valuation of the scheme was undertaken at 1 January 2022 and updated to 31 December 2024 by a qualified independent actuary.

All liabilities of the scheme (except for the liability in respect of GMP equalisation) are covered by qualifying insurance policies.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	2025 % per annum	2024 % per annum
Discount rate	**5.5**	5.4
Retail Price Index assumption	**2.9**	3.1
Consumer Price Index assumption	**2.4**	2.6
Pension increase assumption (non-GMP)	**2.9**	3.0

25. Pension benefit obligation (continued)

The underlying mortality assumption is based upon the standard table known as S4LPA on a year of birth usage with CMI 2024 future improvement factors with a long-term annual rate of future improvements of 1% per annum (2024: S4LPA tables and CMI 2023 with a long-term annual rate of future improvements of 1% per annum).

The scheme is operated by Canopius Services Limited, a subsidiary of the Group and current sponsor of the scheme. At 31 December 2025, the present value of the scheme liabilities was $7.7m (2024: $7.2m) and the market value of scheme assets was $7.5m (2023: $7.0m), giving a deficit of $0.2m (2024: deficit of $0.2m) calculated based on the above assumptions and in accordance with the requirements of accounting standards. This deficit is recognised as part of trade and other payables in the statement of financial position.

The latest full valuation prepared by the scheme Actuary on behalf of the Trustees of the scheme was as at 1 January 2022 and updated to 31 December 2025 by the qualified independent scheme Actuary. As the scheme is considered not material in the context of the Group, reduced disclosure is given in this note.

ii) Defined contribution plans

The level of contributions for the defined contribution plans generally varies between 10% to 17.5% of salaries. Contributions of $1.0m (2024: $0.8m) in respect of the plans were outstanding at the year end and are included in other creditors including taxation and social security. These were settled in the month following the year end.

26. Capital setting, capital management policies and objectives

The Group has established the following approach to managing its capital position:

- Allocating capital efficiently to support the development of the business by ensuring that returns on capital employed are optimised;
- Retaining financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- Aligning the profile of assets and liabilities taking account of risks inherent in the business; and
- Maintaining financial strength to support new business growth and to satisfy the requirements of policyholders, regulators and stakeholders.

a. Regulatory framework

The operations of the Group are subject to regulatory requirements within the jurisdictions in which they operate. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of insurance companies to meet unforeseeable liabilities as they arise. The Group's capital management policy for its insurance and non–insurance business is to hold sufficient capital to cover the statutory requirements, including any additional amounts required by the regulator.

For the syndicate, through which the Group writes business, the Prudential Regulation Authority ("PRA") and Lloyd's oversee a capital regime that requires companies to calculate their own capital requirements under Solvency II through a Solvency Capital Requirement ("SCR"). Capital models are maintained in accordance with this regime.

Canopius Reinsurance Limited ("CRL") is domiciled in Bermuda and regulated by the Bermuda Monetary Authority ("BMA"), which oversees the capital adequacy of CRL. CRL is required to demonstrate capital adequacy to the BMA through the submissions of Bermuda Solvency Capital Requirement calculations, which consider the risk profile of CRL and determines the amount of capital that is required to support it.

Canopius US Insurance, Inc. ("CUS") is domiciled in the state of Delaware and is required to maintain capital and surplus determined by the minimum under the Delaware Insurance Code of $15m. In Delaware, CUS is eligible to write on an admitted basis and a surplus lines basis as it is licensed as a Domestic Surplus Lines Insurer. In addition to its Delaware licence, CUS is eligible to write business on a non-admitted or surplus

26. Capital setting, capital management policies and objective (continued)

lines basis in the other 49 states and the District of Columbia. These jurisdictions have varying minimum capital and surplus requirements to maintain eligibility. The state of New York has the largest minimum requirement at $49m (2024: $48m).

In addition to these statutory minimums, CUS is also subject to risk based capital requirements, which assess capital adequacy relative to the company's size, risk profile, and underwriting exposures.

The Group and regulated entities within it have met all of these requirements throughout the financial year.

b. Approach to capital management

The Board manages the Group's capitalisation to ensure that it is appropriate for all the regulatory and rating requirements associated with its medium-term management plan, including maintaining an appropriate amount of surplus for material adverse events and new business opportunities.

The Group's surplus capital is frequently monitored by the Board and currently maintained at a level that exceeds our internal risk appetite, which is set in excess of its current regulatory and rating requirements.

The Group defines its available capital as the consolidated tangible net asset value of the Group and the utilised portion of its letter of credit facility. The Group has an unutilised portion to its letter of credit facility which can capitalise part of its Funds at Lloyd's ("FAL") capital requirement and increase its surplus capital ratio and operational liquidity. As at 31 December 2025, the unutilised portion was $143.5m (2024: $107.0m).

The Group's capital requirement, as at 31 December 2025, is comprised of the regulatory capital requirements associated with the Group's participation on Lloyd's Syndicate 4444, the Bermudian class 4 reinsurer (CRL), the US excess and surplus lines insurer (CUS), and Lloyd's managing agency (Canopius Managing Agents Limited).

$'000	2025	2024
Shareholders' equity	**2,420,860**	1,986,166
Less: Intangible assets	**(199,106)**	(198,023)
Less: Intangible assets classified as held for disposal (note 31)	**(198)**	–
Add: Deferred tax on intangible assets	**22,851**	23,342
Tangible net assets	**2,244,407**	1,811,485
Utilised letter of credit facilities	**191,500**	218,000
Total available capital	**2,435,907**	2,029,485
Capital requirements		
Syndicate 4444	**1,521,231**	1,366,687
Canopius Reinsurance Limited	**103,460**	6,578
Canopius US Insurance Inc.	**100,000**	4,727
Canopius Managing Agents Limited	**540**	500
	1,725,231	1,378,492
Surplus capital ratio	**141%**	147%

The capital requirements reported for CRL and CUS represent the difference between their local regulatory capital requirement and the amount they have provided as Funds at Lloyd's under intra-group quota-share arrangements with Syndicate 4444's capital provider, Canopius Corporate Capital Limited (CCCL). This presentation has been adopted because Syndicate 4444's capital requirement is not reduced by the existence of the intra-group quota shares.

27. Risk management

27.1 Risk Governance

The primary objectives of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, and to ensure insurance liabilities can be met as they fall due and our commitment to clients is satisfied. Management and the Board recognise the critical importance of having an effective risk management framework in place. The Group Risk Management Framework, owned by the Board, details the risk management principles upon which Group's risk strategy, risk appetite, risk governance, risk culture and risk management processes are based.

The Group has established a risk management function with clear terms of reference from the board of Directors, its committees and executive management committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of Directors to executive management. A Group policy framework, which sets out the risk policies for the Group, risk management, control and business conduct standards for the Group's operations, is in place. Each policy has a member of senior management charged with overseeing compliance with the policy throughout the Group.

To manage risk effectively, there are clear Board organisational structures, which show details of decision-making authority including the delegation of authority, as well as roles and responsibilities and the reporting relationship between various entities across the Group. In addition, risk policies are in place to provide clear direction on decision making and control activities for risks to which the business is exposed. Risk governance is led by the Group Risk Committee (on behalf of the Board), whose membership is comprised of independent Non-executive Directors. The Risk Committee approves any changes to the Group Risk Framework and the risk policies that support it.

The cornerstone of the Group's risk management process is the development of a strong risk management and control culture, which is embedded into "business as usual practice" and supported by an enterprise wide set of policies and practices.

The Group operates a "Three Lines of Defence" risk governance model. The first line of defence includes everyone involved in day-to-day risk taking, including all underwriting and operational areas. The first line has direct responsibility for the management and control of risk.

The second line of defence includes the Risk, Governance, Legal and Compliance functions, which provide guidance, oversight and challenge to the first line of defence. The Risk Function is responsible for developing and implementing policies, processes, methodologies, standards and tools to enable business areas to identify, assess, mitigate and report on the exposure status of significant risks and to provide assurance that the risk profile is aligned with the risk appetite. The Risk Function routinely engages with individual business units and reports to the Boards and their sub-committees.

The third line of defence principally involves the Group's independent Internal Audit function who oversee the first line as well as the second line oversight functions. The Internal Audit Function reports to the Board Audit Committee, whose main function is to support the Board by leading the process of review regarding internal and external auditors, internal controls and financial reporting.

27.2 Risk appetite

Risk appetite is the articulation of the amount of risk from all sources that the Group is prepared to accept to meet its strategic objectives. It is determined with consideration of its philosophy towards risk taking and its financial and operational capacity, while, at the same time, recognising the need to generate returns on capital that are in line with shareholder requirements.

27. Risk management (continued)

The Board has responsibility for ensuring the effective management and control of risk. Accordingly, the Board approves the Group Risk Management Framework and risk appetite in line with the business plan.

When apportioning the overall risk appetite to different categories of risk, the Board considers the level of reward for the assumption of the risk, the ability to manage the quantum of the risk directly and the timeframe over which this can be achieved.

Risks taken are aligned with the Group's strategic objectives and are those that the organisation has the capability to monitor and control.

The Group's core business is the underwriting of (re)insurance, so the risk appetite is primarily focused on insurance risk. However, returns on investments also make a positive contribution to profit, so there is some appetite for market risk. Other risks are not expected to contribute to profit but are inherent in the business' operations. There is, therefore, limited appetite for credit, liquidity and operational risks, but for these risks the focus is primarily on risk mitigation through the control framework.

The Group's risk appetite has been articulated into statements that are demonstrated by clearly defined quantitative tolerance measures. Risks are then monitored against these tolerances and reported to the Board at least quarterly.

27.3 Risk Lifecycle

The Risk function supports Management and the Board in understanding and overseeing the management of the key risks in Canopius Group's risk universe. The risk universe, which is the comprehensive range of potential risks that the organisation may face, is used as the starting point for creating and reviewing the risk register. It provides positive assurance that all risk areas are identified and managed, and establishes a common view of risk across all Canopius Group entities.

A main component of the Group Risk Framework is the Risk Lifecycle, which is Canopius' approach to ensuring that all risks that are relevant to the business are thoroughly and continuously considered.

RISK IDENTIFICATION

The Risk function engages with management's business planning process to identify key risks to achieving the strategic objectives of the business plan in the immediate and short term. Additionally, risks are identified through various Risk Management Processes, namely:

- Risk and Controls Self-Assessment (RCSA) - regular discussions with risk and control owners on changes to their risk management environment;
- Risk event reporting – company-wide reporting process for any event occurrences due to inadequate or failed internal processes, people, systems or external events that could identify a new risk; or
- Emerging risk process – forward looking identification and assessment of issues that are perceived to be potentially significant but which may not be fully understood or allowed for or is undergoing significant change.

Each risk identified is assigned a risk owner (at the Executive level) who is accountable for ensuring that the risk is controlled within the Canopius Board's risk appetite and tolerance.

A risk register captures the list of current risks identified that could hinder the Group from achieving its strategic objectives. The risks on the risk register are continuously assessed and updated by the Risk team, in response to input from all levels within the Group. Emerging risks are captured on a separate register for Risk Team monitoring of external developments of these risks and reviewed for further assessment or action as needed. Results from these risk management activities are reported to the Risk Committee and the Board for oversight.

RISK ASSESSMENT

Risks are formally assessed by the risk owners at least once a year based on their likelihood and severity considering the control environment internally and external factors. Risk assessment exercises, including the ranking of the assessment output, help focus attention on the highest priority risks and help minimise the likelihood of any surprises.

Risk assessments are facilitated by the Risk team and informed by risk management information and analysis from the Group Risk Framework. Related mitigating controls to the risk can include the establishment and communication of policies, implementation of formal risk assessment and approval processes, and the establishment of delegated authorities and limits where relevant. The implementation of robust risk controls is designed to enable the optimisation of risk and return on both a portfolio and a transactional basis.

The controls in place to mitigate risk are regularly assessed to ensure they are operating effectively. Where control performance issues or control enhancements are identified, a remedial action plan is implemented. A controls self-assessment process is undertaken on a regular basis and signed off by risk and control owners. Internal Audit also reviews and tests the adequacy and effectiveness of controls documented during the self-assessment process and reports to the Audit Committee.

REPORTING

Risk monitoring and reporting is considered to be a critical component of the risk management process and supports the ability of senior management and the Boards to effectively perform their risk management and oversight responsibilities.

Regular internal reporting is provided to senior management and the Boards, and it covers (but is not limited to) risk appetite monitoring, key risk indicators, risk and control assessments/Internal Control Framework, stress and scenario testing, and emerging risk reporting. This feeds into key documents, including the Group Risk Opinion, Own Risk and Solvency Assessment and Commercial Insurer’s Solvency Self Assessment reports.

External reporting is provided as required by law and other relevant regulations. Regular reporting on risks is provided to stakeholders including regulators and external ratings agencies.

27.4 Key Risks

In the normal course of business, the Group is exposed to many risks and differentiates between them using the following major risk categories:

Insurance Risk	Risk of loss arising from inherent uncertainties as to the occurrence, amount and timing of insurance liabilities and premiums;
Operational Risk	Risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events;
Financial Risk	Risks relating to market, credit and liquidity as follows:
(a) Market Risk	Risk of loss resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments;
(b) Credit Risk	Risk of loss arising as a result of another party failing to perform its financial obligations or failing to perform them in a timely manner;
(c) Liquidity Risk	Risk that insufficient liquid financial resources are maintained to meet liabilities as they fall due;
Strategic Risk	Risk of making wrong business decisions, implementing decisions poorly, managing capital inadequately, or being unable to adapt to changes in the operating environment. We consider risks from climate change to fall within the strategic risk category and this will be covered in more detail in the Strategic Risk section.

27. Risk management (continued)

27.4.1 INSURANCE RISK

There is a significant risk attached to ineffective management of insurance and related activities. The principal areas of risk arise from:

- Inappropriate underwriting activities and cycle management;
- Fluctuations in the timing, frequency and severity of claims and claims settlements relative to expectations;
- Inadequate or insufficient reinsurance protection;
- Inadequate catastrophe exposure management;
- Ineffective controls over delegated underwriting authorities; and
- Inadequate reserves.

INSURANCE RISK APPETITE AND TOLERANCE

The key focus for underwriters is to build a stable and profitable portfolio within the confines of the Board's risk appetite. Canopius actively encourages underwriters to look at opportunities to innovate its product offering with a view to maximise returns throughout the underwriting cycle.

The Board seeks to mitigate insurance risk by analysing historical pricing and claims experience, setting a tolerance to concentration risk, monitoring performance, and conducting in-house actuarial review of claims provisions, independent of the underwriting teams.

The Group has formal controls in place to ensure that business is underwritten in a controlled environment by reference to both the business plan and in line with underwriting policy. Preventative controls include Divisional and Group Underwriting Guidelines, underwriting authority limits that are agreed and signed off by the Underwriting Management and benchmark ratings for all underwriting divisions. Detection controls include expert review procedures, peer reviews and regular management meetings.

UNDERWRITING

The Group accepts insurance risk in a range of classes of business through its insurance underwriting entities: Lloyd's Syndicate 4444, Canopius Reinsurance Limited and Canopius US Insurance, Inc. The Group owns a number of underwriting service companies and insurance intermediaries in the US, Bermuda, Singapore, Malaysia and the UK and it has a branch in Australia.

The Group's underwriting strategy is to seek a diverse and balanced portfolio in order to limit the variability of outcomes. This is achieved by accepting a spread of business, segmented into different classes.

The annual business plan for each underwriting team reflects the Group's underwriting strategy, and sets out the classes of business, the territories and the industry sectors in which the Group is prepared to accept exposures, as well as the limits on both a per risk, and per event, basis. The Group Underwriting and Distribution Forum oversee and challenge the underwriting teams' plans in alignment with the overall Group underwriting strategy, prior to being incorporated into the Group business plan. These plans are approved by the Group Board and respective underwriting entity Boards (of Canopius Managing Agents Limited, Canopius Reinsurance Limited and Canopius US Insurance, Inc.), as applicable.

The Group's underwriters use a variety of techniques in the underwriting of insurance and reinsurance business, This includes applying their skill, knowledge and, where relevant, the Canopius view of risk as well as data on past claims experience to estimate the likely claims cost, and therefore the level of premium sufficient (across a portfolio of risks and over a period of years) to cover claims and expenses, and ultimately, produce an acceptable return on capital. However, due to the nature of insurance risk, there is no guarantee that the premiums charged will be sufficient to cover the cost of claims.

The Group seeks to limit exposures and the quantum and likelihood of loss that it is prepared to accept using stochastic and other modelling techniques by reference to a range of events, such as natural catastrophes and specific scenarios. These are monitored through catastrophe modelling over a range of return periods and the regular calculation of realistic disaster scenarios. The aggregation of exposures is monitored and reported to the Board regularly.

A proportion of the Group's insurance is written by third parties under delegated authorities. The Group has in place a delegated authority policy and control framework. The policy covers all aspects of delegated underwriting, including initial due diligence, frequency and monitoring of bordereaux and requirements for both internal reviews and external audits. Compliance with the policy is regularly monitored.

CATASTROPHE MODELLING

The greatest likelihood of significant losses to the Group arises from catastrophe events, such as windstorm, earthquake or flood in addition to certain man-made perils. The Group licences leading industry modelling tools, and supplements these with the Group's knowledge of the business, historical loss information and geographic accumulations, to create the Canopius view of risk, which is then used to monitor aggregations and to simulate catastrophe losses. The range of scenarios considered includes natural catastrophe, property, marine, liability and terrorism events.

Effective risk management in non-core areas and from non-modelled perils is ensured using a suite of exposure accumulation and aggregation monitoring techniques, and proprietary deterministic models.

A detailed analysis of catastrophe exposure by class of business is carried out monthly, and a review against the Group's catastrophe risk tolerance is carried out on a quarterly basis and reported to the Board.

REINSURANCE

Reinsurance risk to the Group arises when reinsurance contracts that are put in place to reduce gross insurance risk do not perform as anticipated.

The Group's reinsurance programmes are determined from the underwriting teams' business plans and seek to protect capital from adverse severity and/or frequency of claims on both per-risk and per-event basis. Reinsurance is purchased to protect both current and discontinued lines of business.

The Group sets limits for reinsurance programmes regarding quality and quantity. Utilisation of the reinsurance protection is monitored on an ongoing basis.

There are a number of areas of uncertainty over the reinsurance assumptions. The allocation of IBNR to the reinsurance programme is an uncertain exercise as there is limited knowledge of the size or number of future claims advices. The assumption over future reinsurance recoveries may be incorrect and unforeseen disputes could arise that reduce the recoveries made.

The sensitivity of profit or loss after tax and equity to reinsurance recoveries related to the liability for incurred claims is disclosed in note 27.4.1. Additional relevant information is included in the claims development table in note 23(e).

27. Risk management (continued)

CLAIMS MANAGEMENT

Claims management risk may arise in the event of inaccurate or incomplete case reserves and claims settlements, poor service quality or claims leakage. The Group's claims teams seek to ensure that claims handling activities are performed with a consistent approach and that a standardised resolution and adjustment process is adopted wherever possible.

RESERVING

Reserve risk occurs when estimates of future cash flows make insufficient allowance for claims, claims handling expenses and reinsurance bad debt provisions.

The Group's actuarial teams use a range of recognised actuarial techniques to project gross insurance contract written premiums, monitor claims development patterns and determine the claims provisions. The Group reviews at least quarterly, premium and claims experience by class of business and year of account, and the gross and net loss ratios.

The estimates of future cash flows established can be more or less than adequate to meet eventual claims arising. The level of uncertainty varies from class to class, but can arise from inadequate case reserves for known large losses and catastrophes or from inadequate provision for IBNR.

CONCENTRATIONS OF INSURANCE RISK

The following table sets out the Group's concentrations of insurance risk by product type measured in terms of insurance revenue.

$'000	2025	2024
Property and casualty	**1,413,079**	1,136,685
Speciality	**953,729**	789,809
Reinsurance	**841,559**	676,115
Professional lines	**468,603**	370,179
Portfolio solutions	**438,372**	171,896
Eliminations and other adjustments	**(22,455)**	(19,560)
Total	**4,092,887**	3,125,124

SENSITIVITIES

Insurance contract liabilities and reinsurance contract assets are sensitive to the key assumptions in the table below (the weighted average term to settlement of the undiscounted liabilities as at 31 December 2025 is 2.8 years (2024: 2.8 years)). This analysis considers reasonably possible movements in each key assumption with all other assumptions held constant. In practice, a correlation may exist between these key assumptions, which may have a significant effect on the ultimate impacts.

It is not possible to quantify the sensitivity of certain assumptions, such as legislative changes. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

$'000	2025		
	Change in assumptions	**Impact on profit or loss after tax and equity - gross of reinsurance**	**Impact on profit or loss after tax and equity - net of reinsurance**
Best estimate of future cash flows	**+1%**	**(32,826)**	**(20,499)**
	-1%	**32,826**	**20,499**
Weighted average term to settlement	**+0.5yrs**	**55,573**	**34,676**
	-0.5yrs	**(56,538)**	**(35,278)**
Risk adjustment confidence level	**+5%**	**(53,520)**	**(30,530)**
	-5%	**43,261**	**27,010**

$'000	2024		
	Change in assumptions	Impact on profit or loss after tax and equity - gross of reinsurance	Impact on profit or loss after tax and equity - net of reinsurance
Best estimate of future cash flows	+1%	(26,153)	(16,362)
	-1%	26,153	16,362
Weighted average term to settlement	+0.5yrs	49,554	30,786
	-0.5yrs	(50,524)	(31,384)
Risk adjustment confidence level	+5%	(38,812)	(26,140)
	-5%	35,819	22,684

27.4.2 OPERATIONAL RISK

Failure to manage operational risk can result in direct or indirect financial loss, reputational damage, regulatory censure or failure in the management of other risks.

The Group's operational risk process flows directly from the risk management process and sets out the principles and practices used to manage operational risk. Operational risk is managed through the Group's infrastructure, controls, systems and people supported by the Compliance, Risk and Internal Audit functions.

27. Risk management (continued)

27.4.3 FINANCIAL RISK

The Group is exposed to a wide range of financial risks, including in relation to financial assets, insurance contracts issued and reinsurance contracts held.

An asset-liability management framework sets out the Group's approach to managing potential exposure to financial risk which could arise where the specific interdependencies between assets and liabilities are not recognised or mitigated, and where there is a correlation between the risks within different asset classes.

a. Market risk

Market risk arises from fluctuations in values, including from movements in market prices, interest rates, and exchange rates.

i) Price risk

In the context of the Group, price risk is the risk that the fair value or future cash flows of financial instruments fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange rate risk, which are considered separately below). The Group's insurance contracts issued and reinsurance contract held are not exposed to price risk.

Certain financial assets that are classified as fair value through profit or loss are susceptible to losses due to adverse movements in prices. As explained in note 18, the Group classifies its financial instruments using the fair value hierarchy required by IFRS 13 "Fair value measurement".

If the fair value of holdings in collective investment schemes, equity shares and private credit funds were to increase or decrease by 10% at the balance sheet date profit or loss after tax and equity would increase or decrease by would increase or decrease by $129.7m (2024: $95.4m).

The Group has no significant concentration of price risk.

ii) Interest rate risk

Interest rate risk is the risk that the valuation or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest rates. Specifically, the Group is exposed to interest rate risk as follows:

- **Investments in debt securities:**
  - The valuation of the Group's fixed interest rate securities is sensitive to market interest rates. The extent of this sensitivity is linked to the weighted average length of time until the cash flows from these securities are due (the average duration). The Group manages its investment portfolio on a fair value basis; therefore, this is a key risk for the Group.
  - A significant proportion of the Group's investment portfolio is held in floating rate debt securities. The future cash flows to the Group from these assets changes as a result of changes in market interest rates, but their valuation does not change.

- Insurance contracts issued and reinsurance contracts held: the fulfilment cash flows within insurance contract liabilities and reinsurance contract assets are measured using a current discount rate that is linked to market interest rates. Their valuation is, therefore, sensitive to changes in interest rates.

In summary, the valuation of investments in fixed income debt securities and insurance contract liabilities and reinsurance contract assets are sensitive to changes in interest rates. This exposure is as follows:

$'000	2025	2024
Liability for remaining coverage - loss component	**(1,170)**	(619)
Liability for incurred claims - estimate of the present value of future cash flows	**(4,139,877)**	(3,298,501)
Liability for incurred claims - risk adjustment	**(238,972)**	(190,022)
Insurance contract liabilities – total amount sensitive to changes in interest rates	**(4,380,019)**	(3,489,142)
Insurance contract liabilities – total amount not sensitive to changes in interest rates	**(108,568)**	(53,454)
Total insurance contract liabilities	**(4,488,587)**	(3,542,596)
Held for disposal (note 31)	**19,700**	–
Total insurance contract assets	**(4,468,887)**	(3,542,596)
Asset for remaining coverage – RI share of loss component	**38**	259
Asset for remaining coverage – contracts measured under the GMM	**255,576**	270,589
Asset for incurred claims – estimate of the present value of future cash flows	**1,296,428**	972,549
Asset for incurred claims – risk adjustment	**88,160**	63,849
Reinsurance contract assets – total amount sensitive to changes in interest rates	**1,640,202**	1,307,246
Reinsurance contract assets – total amount not sensitive to changes in interest rates	**(198,709)**	(14,853)
Total reinsurance contract assets	**1,441,493**	1,292,393
Debt instruments at fair value through profit and loss	**3,109,018**	2,378,791

Any changes in the valuation of these assets and liabilities as a result of changes in interest rates are fully recognised in profit or loss.

The analysis below shows the impact on profit or loss after tax and equity due to reasonably possible changes in market interest rates at the end of the reporting period. It assumes that all other variables that impact these financial metrics are held constant, but, in practice, a correlation may exist between interest rates and these other variables which may have a significant effect on the ultimate impacts. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

$'000	Change in interest rates	2025 Impact on profit or loss after tax and equity	2024 Impact on profit or loss after tax and equity
Net insurance contract liabilities and reinsurance contract assets	+100 bps	**48,644**	37,693
Fixed income debt instruments	+100 bps	**(41,897)**	(31,425)
Net insurance contract liabilities and reinsurance contract assets	-100 bps	**(51,649)**	(39,931)
Fixed income debt instruments	-100 bps	**41,897**	31,425

27. Risk management (continued)

The Group's management of interest rate risk includes broadly matching the duration of its cash and fixed income portfolio to that of the net insurance contract liabilities and reinsurance contract assets. The aggregate average duration of the fixed income investment portfolio at 31 December 2025 was approximately 1.7 years (2024: 1.8 years), and that of net discounted insurance contract liabilities and reinsurance contract assets was 2.5 years (2024: 2.5 years).

iii) Currency risk

The Group operates internationally and has exposure to foreign exchange risk. The Group seeks to hold its net assets primarily in US dollars. Where the risk of loss through mismatch of other currencies is deemed material, the Group will seek to mitigate the risk by buying or selling the relevant currency assets or entering into forward currency sale or purchase contracts.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's consolidated financial statements are presented in US dollars (the "presentation currency"). Accordingly, the Group has actively managed its non-US dollar balance sheet exposures, which are predominantly against the Pound Sterling, Euro, Canadian dollar and Australian dollar. The table below summarises these exposures:

At 31 December 2025 $'000	AUD	CAD	EUR	GBP	Other	USD	Total
Reinsurance contract assets	**(4,716)**	**646**	**92,889**	**101,909**	**(240)**	**1,251,005**	**1,441,493**
Financial investments	**123,156**	**130,417**	**421,064**	**416,149**	**–**	**3,831,260**	**4,922,046**
Derivative Financial assets	**20**	**15**	**910**	**1,137**	**261**	**425**	**2,768**
Trade and other receivables	**380**	**100**	**6**	**34,817**	**181**	**87,601**	**123,085**
Other assets	**120,408**	**29,768**	**16**	**54,530**	**–**	**9,026**	**213,748**
Cash and cash equivalents	**17,139**	**–**	**16,516**	**27,944**	**921**	**137,233**	**199,753**
Insurance contract liabilities	**(164,491)**	**(75,478)**	**(369,290)**	**(446,592)**	**–**	**(3,413,036)**	**(4,468,887)**
Derivative Financial liabilities	**(617)**	**(902)**	**(1,104)**	**(1,087)**	**(563)**	**(593)**	**(4,866)**
Trade and other payables	**(7,157)**	**10**	**(336)**	**(120,064)**	**(9,623)**	**(110,613)**	**(247,783)**
Net Exposure	**84,122**	**84,576**	**160,671**	**68,743**	**(9,063)**	**1,792,308**	**2,181,357**

At 31 December 2024 $'000	AUD	CAD	EUR	GBP	Other	USD	Total
Reinsurance contract assets	5,800	2,709	82,594	112,269	(209)	1,089,230	1,292,393
Financial investments	65,202	117,211	265,284	261,813	–	3,010,342	3,719,852
Derivative Financial assets	4,977	5,059	923	1,497	721	1,653	14,830
Trade and other receivables	481	100	6	33,295	197	78,519	112,598
Other assets	39,341	24,424	14	77,587	–	10,848	152,214
Cash and cash equivalents	26,861	53	9,158	22,243	842	138,203	197,360
Insurance contract liabilities	(88,312)	(67,072)	(301,062)	(410,467)	–	(2,675,683)	(3,542,596)
Derivative Financial liabilities	(339)	(143)	(108)	(1,448)	(62)	(356)	(2,456)
Trade and other payables	(6,505)	107	(629)	(120,292)	(7,312)	(86,394)	(221,025)
Net Exposure	47,506	82,448	56,180	(23,503)	(5,823)	1,566,362	1,723,170

Sensitivity analysis

The analysis below shows the impact on profit or loss before tax due to reasonably possible changes in market exchange rates at the end of the reporting period. It assumes that all other variables that impact these financial metrics are held constant, but, in practice, a correlation may exist between exchange rates and these other variables, which may have a significant effect on the ultimate impacts.

The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

At 31 December 2025 $'000	AUD	CAD	EUR	GBP
10% rate increase				
Financial assets	**26,110**	**16,030**	**43,851**	**53,458**
Financial liabilities	**(777)**	**(89)**	**(144)**	**(12,115)**
Insurance contract liabilities and reinsurance contract assets	**(16,921)**	**(7,483)**	**(27,640)**	**(34,468)**
Total impact on profit or loss before tax	**8,412**	**8,458**	**16,067**	**6,874**
10% rate decrease				
Financial assets	**(26,110)**	**(16,030)**	**(43,851)**	**(53,458)**
Financial liabilities	**777**	**89**	**144**	**12,115**
Insurance contract liabilities and reinsurance contract assets	**16,921**	**7,483**	**27,640**	**34,468**
Total impact on profit or loss before tax	**(8,412)**	**(8,458)**	**(16,067)**	**(6,784)**

At 31 December 2024 $'000	AUD	CAD	EUR	GBP
10% rate increase				
Financial assets	13,686	14,685	27,539	39,644
Financial liabilities	(684)	(4)	(74)	(12,174)
Insurance contract liabilities and reinsurance contract assets	(8,251)	(6,436)	(21,847)	(29,820)
Total impact on profit or loss before tax	4,751	8,245	5,618	(2,350)
10% rate decrease				
Financial assets	(13,686)	(14,685)	(27,539)	(39,644)
Financial liabilities	684	4	74	12,174
Insurance contract liabilities and reinsurance contract assets	8,251	6,436	21,847	29,820
Total impact on profit or loss before tax	(4,751)	(8,245)	(5,618)	2,350

27. Risk management (continued)

Cash flow hedges

The Group uses cash flow hedges to mitigate its exposure to currency risk. The key objective is to minimise or neutralise volatility in profit or loss and manage the impact on the Group's Tangible Net Asset Value ("TNAV"). As the Group's functional currency is the US dollar, it is exposed to currency risk on its Sterling denominated operating expenses.

The Group has applied hedge accounting, using a cash flow hedge, to mitigate this risk. Under this approach, the hedging instruments used are a series of foreign exchange forward contracts, and the hedged item is a portion of the Group's Sterling denominated forecast operating expenses. These forecast transactions are highly probable. As exchange rates vary, the fair value of the derivative contracts varies inversely with the present value of the Sterling expense cash flows. Therefore, there is an inverse economic relationship between the hedging instruments and hedged item.

Forward contracts with values equal to the value of the hedged portion of sterling expense cash flows expected were purchased and, therefore, the hedge ratio was established to be 1:1. Sources of ineffectiveness include, Sterling operating expense cash flows being significantly below expectations, significant variations in the credit risk of the Group or the derivative counterparty and the impact of cross-currency interest rate differentials. The likelihood of these occurring is considered remote.

The Group manages its cash flow hedges on an annual basis. The Sterling denominated forecast operating expenses which comprise the hedged instrument have been recognised in profit or loss by the end of the reporting period, and the hedging instruments are purchased at the start of the reporting period and mature before the end of the reporting period. At the reporting date, therefore, the hedging relationship has expired and any gain or loss related to the hedging instrument recognised in OCI and accumulated in the cash flow hedge reserve the during the reporting period has been reclassified from OCI to profit or loss.

For 2025 the hedged forecast operating expenses comprised approximately 60% of the Group's total forecast Sterling denominated operating expenses. As at 31 December 2025, there are no forecast transactions for which hedge accounting had been used but which are no longer expected to occur. For 2026 the Group expects to hedge approximately 35% of the Group's total forecast Sterling denominated operating expenses, however, at 31 December 2025 the Group had not yet purchased the derivative contracts necessary to implement this hedge.

As at 31 December 2025, the Group did not hold any foreign exchange forward contracts that were hedging its exposure to sterling operating expense cash flows, as such, there is no impact on the statement of financial position at 31 December 2025 from the application of hedge accounting. The impact of hedge accounting on the statement of comprehensive income for the year ended 31 December 2025 is as follows.

$'000	Hedging gain/(loss) recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss where hedge ineffectiveness is recognised	Amounts reclassified from cash flow hedge reserve to profit or loss	Line items in profit or loss affected by reclassification
Cash flow hedge – Sterling denominated operating expenses	**7,581**	**–**	**Net fair value gains on financial assets at fair value**	**(7,581)**	**- Insurance service expenses - Other operating and administrative expenses**

Movements in the cash flow hedge reserve during year ended 31 December 2025 are as follows.

$'000	Cash flow hedge reserve
Balance at 1 January 2025	–
Hedging gain/(loss) recognised in OCI	7,581
Amounts reclassified from OCI to profit or loss	(7,581)
Balance at 31 December 2025	–

(b) Credit risk

Credit risk arises where another party fails to perform its financial obligations or fails to perform them in a timely fashion. The primary sources of credit risk for the Group are:

- Amounts due from reinsurers;
- Amounts due from insurance contract holders;
- Amounts due from insurance intermediaries;
- Counterparty risk with respect to investments including cash and cash equivalents; and
- Counterparty risk with respect to loans and other receivables.

The Group has no significant concentration of credit risk.

CREDIT RISK RELATING TO INVESTMENTS

Credit risk within investments is principally managed through the credit research carried out by external investment managers. The investment guidelines are designed to mitigate credit risk by ensuring diversification of the holdings. Debt investments are predominantly invested in government and high-grade bonds.

CREDIT RISK RELATING TO REINSURANCE CONTRACTS HELD

The credit risk in respect of reinsurance contract assets is primarily managed by the review and approval of reinsurance security, prior to the purchase of reinsurance contracts. Guidelines are set and monitored that limit the purchase of reinsurance based on Standard & Poor's or appropriate alternative ratings for each reinsurer.

CREDIT RISK RELATING TO INSURANCE CONTRACTS ISSUED

Although the Group does not have any portfolios of insurance contracts issued that are in an overall asset position at the reporting date, the Group is, nonetheless, exposed to a degree of credit risk in relation to insurance contracts issued. Specifically, within insurance contract liabilities are amounts relating to insurance contracts, which, at the individual contract level, would be in an overall asset position. This scenario arises, for example, where the Group receives premiums shortly after providing coverage. Due to the Group's commercial premium payment terms, any such debtor balances are kept relatively low and are, therefore, not included in the quantitative disclosures provided below.

Management considers that the Group's maximum exposure to credit risk from insurance contracts issued is $2,250m (2024: $1,762m). A significant proportion of this amount relates to future insurance coverage, which the Group would not be liable for if the related premiums were not paid.

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27. Risk management (continued)

i) Counterparty default credit risk

An analysis of the Group's major exposures to counterparty default credit risk, which is based on Standard & Poor's, or equivalent rating, is presented below:

At 31 December 2025 $'000	AAA	AA	A	BBB	Other and/or not rated	Total
Amounts relating to reinsurance contracts held*	**47,943**	**330,631**	**777,228**	**885**	**139,742**	**1,296,428**
Debt and fixed income securities	**755,522**	**1,315,096**	**832,797**	**204,522**	**1,081**	**3,109,018**
Debt instruments at amortised cost	**–**	**–**	**–**	**–**	**84,004**	**84,004**
Holdings in collective investment schemes	**684,629**	**298,638**	**313,422**	**–**	**216,141**	**1,512,830**
Private credit funds	**–**	**–**	**–**	**–**	**203,717**	**203,717**
Trade and other receivables	**–**	**–**	**–**	**–**	**123,085**	**123,085**
Other assets – overseas deposits	**94,863**	**29,294**	**24,014**	**11,862**	**53,715**	**213,748**
Cash and cash equivalents	**–**	**–**	**199,753**	**–**	**–**	**199,753**
Total	**1,582,945**	**1,973,660**	**2,147,214**	**217,280**	**821,485**	**6,742,583**

At 31 December 2024 $'000	AAA	AA	A	BBB	Other and/or not rated	Total
Amounts relating to reinsurance contracts held*	–	205,484	656,651	–	110,414	972,549
Debt and fixed income securities	1,204,460	478,960	559,231	136,140	–	2,378,791
Debt instruments at amortised cost	–	–	–	–	69,330	69,330
Holdings in collective investment schemes	404,164	284,128	184,335	2,210	175,956	1,050,793
Private credit funds	–	–	–	–	168,966	168,966
Trade and other receivables	–	–	–	–	112,598	112,598
Other assets – overseas deposits	67,293	16,244	14,719	10,087	43,871	152,214
Cash and cash equivalents	–	–	197,360	–	–	197,360
Total	1,675,917	984,816	1,612,296	148,437	681,135	5,102,601

*This is the estimate of the present value of future cash flows component of amounts recoverable from reinsurance contracts held in relation to incurred claims. It forms part of reinsurance contract assets and reinsurance contract liabilities as disclosed on the face of the statement of financial position.

The carrying values represent the maximum exposure to credit risk at the balance sheet date in respect of the above assets.

The underlying investments in the 'other/not rated' holdings in collective investment schemes (that includes participation in investment pools) at 31 December comprised:

$'000	2025	2024
Absolute return funds	**216,126**	157,356
Bond funds	**–**	11,567
Hedge funds	**15**	19
Money market funds	**–**	7,014
Total	**216,141**	175,956

ii) Impairment losses on financial assets subject to impairment assessment

The Group holds a portfolio of participations in US property bridge loans that are carried at amortised cost and are therefore subject to the impairment requirements of IFRS 9. The loans consist of first lien, senior short-dated loans secured against commercial real estate in the USA with low loan to value ratios (typically less than 50%). An external credit rating for these loans is not available. In order to determine whether an instrument or a portfolio of instruments is subject to 12-month ECL ("12mECL") or lifetime ECL ("LTECL"), the Group assesses whether there has been a significant increase in credit risk since initial recognition.

12mECLs on property bridge loans are estimated using an option pricing methodology. As the loans are on a limited liability basis, borrowers can walk away from a loan when the debt exceeds the property value. However, when the property value exceeds the debt borrowers have an economic incentive to continue in order to collect that surplus. The value of a loan can therefore be seen as a call option owned by the borrower and the Black-Scholes formula can be used to value the option.

The material assumptions used in the calculation of the 12mECL include:

- Details of the loan including the interest rate, initial loan to value ratio and the remaining unexpired term;
- Risk free interest rates matched to the term and currency of the loans; and
- An estimate of the volatility of US commercial real estate values over the last 12 months, adjusted (if necessary) for any reasonably foreseeable changes.

The Group considers whether there has been a significant increase in credit risk by assessing the following factors on a loan-by-loan basis:

- There is evidence of non-performance in monthly statements provided by the investment manager;
- Significant increases in the loan-to value ratio indicated by significant changes in US commercial real estate indices; and
- Significant increases in credit risk or non-performance of other loans with the same borrower.

The Group considers a loan defaulted and, therefore, credit-impaired for ECL calculations in all cases when the information provided by the investment manager indicates that a loan is non-performing. The Group may also consider a loan to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. In such cases, the Group recognises a LTECL.

The LTECL is calculated on a loan-by-loan basis using a discounted cash flow calculation assuming that no further interest payments are received and the underlying property value decreases by 30%. Other assumptions include the original effective interest rate of the loan and an estimated work out period. Loans are written off when the carrying value of the loan net of the LTECL is nil. Enforcement activity is pursued for written-off loans when there is a reasonable chance that any amounts recovered would exceed the costs incurred in recovery.

27. Risk management (continued)

An analysis of changes in the gross amount and the corresponding ECLs is, as follows.

$'000 Carrying value:	2025				2024			
	12m ECL	LTECL Not credit impaired	LTECL Credit impaired	Total	12m ECL	LTECL Not credit impaired	LTECL Credit impaired	Total
Gross amount at 1 January	**108**	**–**	**4**	**112**	213	–	–	213
New assets originated or purchased	**128**	**–**	**–**	**128**	39	–	–	39
Assets derecognised or matured	**(44)**	**–**	**(4)**	**(48)**	(71)	–	–	(71)
Movement between 12mECL and LTECL	**–**	**–**	**–**	**–**	(6)	–	6	–
Net remeasurement of loss allowance	**(34)**	**–**	**–**	**(34)**	(67)	–	(2)	(69)
At 31 December	**158**	**–**	**–**	**158**	108	–	4	112

During 2025, the Group has not purchased or originated any financial assets that were credit impaired at the time of purchase (2024: $Nil).

Without taking account of collateral or other credit enhancements, the Group's total exposure to credit risk on its participations on the portfolio of US property bridge loans was $84.0m (2024: $69.3m).

The loans are secured on underlying commercial real estate developments situated in the USA. As at 31 December 2025 the aggregate value of the loans on which the Group participates is $1,891.5m (2024: $1,525.1m) and the value of these underlying properties is estimated to be $4,194.8m (2024: $3,567.7m).

The aggregate value of the loans on which the Group participates, which are considered credit impaired, is $150,400k (2024: $6,000k), the Group's participation on these loans is $4,334k (2024: $765k). An estimated value of $327,096k (2024: $5,977k) has been assigned to collateral for the purposes of calculating the ECL for these credit impaired loans, the Group's share of the value assigned to the collateral is $9,748k (2024: $762k).

(c) Liquidity risk

Liquidity risk arises where insufficient liquid financial resources are maintained to meet liabilities as they fall due. The Group is exposed to daily calls on its available cash resources, principally from claims arising from its insurance activities and the payment of expenses.

The Group's policy is to manage its liquidity position so that it can reasonably meet a significant individual or market loss event. This means that the Group maintains sufficient liquid assets, or assets that can be quickly converted into liquid assets, without any significant capital loss, to meet estimated cash flow requirements. These liquid funds are regularly monitored against cash flow forecasts.

The majority of the Group's investments are in highly liquid assets, which could be converted into cash in a prompt fashion and at minimal expense. Cash and cash equivalents are generally bank deposits and money market funds. The Group monitors the maturity profile of the financial assets that it holds to manage liquidity risk having regard to the expected cash outflows arising from insurance contracts issued.

The contractual maturity profile of the Group's financial assets and liabilities as well as its insurance contract balances at 31 December are shown below. The Group's financial assets have a significant allocation to securitised assets, in particular high-quality, mortgage-backed securities, asset-backed securities and collateralised loan obligations. While the legal maturity of these assets, typically, corresponds with the date of the maturity of the last mortgage or loan in the portfolio, this represents the maximum possible maturity and the actual maturity may turn out to be much shorter in practice. For example, these securities are often structured such that issuers are economically incentivised to call transactions, while other senior bonds amortise as underlying loans are sold or run off. As Canopius is not able to predict or influence when securities are called by the issuer, or when underlying loans are sold or repaid, the maximum maturity is used for the purpose of this disclosure. The insurance contract balances are shown on an undiscounted basis. None of the net undiscounted estimates of future cash flows in the liability for incurred claims held by the Group as at 31 December 2025 or 31 December 2024 is payable on demand.

	2025							
$'000 Years to maturity	Less than one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	Over five years	Other non-dated instruments	Total
Financial assets								
Debt securities and other fixed income	129,491	301,601	390,129	317,878	284,544	1,685,375	–	3,109,018
Debt instruments at amortised cost	51,047	30,765	2,192	–	–	–	–	84,004
Holdings in collective investment schemes	–	–	–	–	–	–	1,512,830	1,512,830
Private credit funds	–	–	–	–	–	–	203,717	203,717
Derivative assets	2,397	371	–	–	–	–	–	2,768
Trade and other receivables	123,085	–	–	–	–	–	–	123,085
Other assets – overseas deposits	213,748	–	–	–	–	–	–	213,748
Cash and cash equivalents	199,753	–	–	–	–	–	–	199,753
	719,521	332,737	392,321	317,878	284,544	1,685,375	1,716,547	5,448,923
Financial liabilities								
Trade and other payables	(247,783)	–	–	–	–	–	–	(247,783)
Derivative liabilities	(4,429)	(437)	–	–	–	–	–	(4,866)
	(252,212)	(437)	–	–	–	–	–	(252,649)
Insurance contract balances								
Gross - undiscounted estimates of future cash flows in the liability for incurred claims	(1,500,629)	(997,589)	(648,159)	(439,136)	(296,774)	(672,359)	–	(4,554,646)
Reinsurance - undiscounted estimates of future cash flows in the asset for incurred claims	497,396	403,636	271,190	178,893	122,002	230,129	–	1,703,246
Net cash flows	(535,924)	(261,653)	15,352	57,635	109,772	1,243,145	1,716,547	2,344,874

27. Risk management (continued)

$'000 Years to maturity	2024 Less than one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	Over five years	Other non-dated instruments	Total
Financial assets								
Debt securities and other fixed income	241,251	301,739	302,113	272,878	222,057	1,038,753	–	2,378,791
Debt instruments at amortised cost	41,310	24,465	3,555	–	–	–	–	69,330
Holdings in collective investment schemes	–	–	–	–	–	–	1,050,793	1,050,793
Private credit funds	–	–	–	–	–	–	168,966	168,966
Derivative assets	14,830	–	–	–	–	–	–	14,830
Trade and other receivables*	112,598	–	–	–	–	–	–	112,598
Other assets – overseas deposits	152,214	–	–	–	–	–	–	152,214
Cash and cash equivalents	197,360	–	–	–	–	–	–	197,360
	759,563	326,204	305,668	272,878	222,057	1,038,753	1,219,759	4,144,882
Financial liabilities								
Trade and other payables	–	–	–	–	–	–	(221,025)	(221,025)
Derivative liabilities	(2,456)	–	–	–	–	–	–	(2,456)
	(2,456)	–	–	–	–	–	(221,025)	(223,481)
Insurance contract balances								
Gross - undiscounted estimates of future cash flows in the liability for incurred claims	(1,227,024)	(787,589)	(514,218)	(347,595)	(244,661)	(546,725)	–	(3,667,812)
Reinsurance - undiscounted estimates of future cash flows in the asset for incurred claims	423,846	297,207	209,163	144,841	102,087	206,833	–	1,383,977
Net cash flows	(46,071)	(164,178)	613	70,124	79,483	698,861	998,734	1,637,566

*Trade and other receivables for 2024 have been reclassified into less that one year from non-dated to reflect the settlement terms of these liabilities.

The expected payment profile of lease liabilities, based on undiscounted cash flows, as at 31 December 2025 and 31 December 2024 are as follows:

$'000	2025	2024
Less than one year	**5,881**	5,293
Between one and two years	**6,051**	4,929
Between two and five years	**20,332**	12,883
Over five years	**3,079**	7,391
	35,343	30,496

The weighted average duration of fixed income investments by currency is shown below:

	2025 Years	2024 Years
Sterling	**0.2**	0.1
US dollar	**1.9**	2.0
Euro	**0.1**	0.1
Canadian dollar	**2.7**	2.6

By taking into account the diversifying and return seeking assets within the portfolio (in addition to the fixed income investments), the average duration of the portfolio is 1.3 years (2024: 1.2 years).

27.4.4 STRATEGIC RISK

Canopius remains vigilant to potential adverse impacts of economic, geopolitical, social, technological and regulatory developments on our Group strategy. Our key focus is to ensure consistent delivery on our promises to our stakeholders, as detailed in our strategy document.

Despite the complex, uncertain and changeable external environment, our robust strategy means that there remains tremendous opportunity for our Group in each of the regions we operate and the classes of business we write. We continuously address key strategic opportunities and challenges, committing to ensuring that we recognise, understand, discuss and develop a plan of action to address any significant strategic priorities in a timely fashion, while ensuring operational effectiveness and upholding our reputation.

We maintain capital coverage above regulatory capital requirements in line with risk appetite, ensuring sufficient capital to facilitate meeting our business plan growth ambitions and strategic objectives in the short, medium and long term.

27.4.5 RISKS FROM CLIMATE CHANGE

Canopius' management and Board considers climate risks to be among the material strategic risks to the organisation's future success. Climate risk is the risk of loss from the consequences of climate change as well as from the actions taken to address these consequences. This is broken down into physical risk (from physical damage caused by climate change, such as increasing occurrence of fires and floods), transition risk (risks impacting our business from the transition to a lower-carbon economy) and liability risk (risks from parties seeking to recover losses from those they hold responsible for the effects of climate change). How the Group manages climate change risks will also have implications on the Group's reputational and regulatory risks.

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27. Risk management (continued)

The Group has advanced its climate risk framework in line with Canopius Group developments and evolving regulatory expectations. The Group believes it is well positioned to identify, assess, manage and mitigate risk, and seek opportunities for innovation, diversification and growth within the industry. The Group's climate risk framework covers governance, risk management, scenario analysis and disclosures. It aligns with the regulatory requirements in the jurisdictions in which the Group trades. It is managed and continues to be developed through multi-functional collaboration between Risk Management, Sustainability, Actuarial, Exposure Management and other teams as relevant.

The development of the climate risk framework forms part of the Group's sustainability strategy and falls under the remit of the Environmental, Social and Sustainability ("ESS") Committee, which covers a broad range of sustainability issues. As part of this, the Group is strengthening its commitment to responsible business practices. There are already responsible business policies in place for underwriting and investment activities, and the Group is extending these policies to include responsible operations as well.

Canopius is a member of ClimateWise, a global network of leading insurers, reinsurers, brokers and industry service providers, which share a commitment to reduce the impact of climate change on society and the insurance industry. As a ClimateWise member, Canopius discloses annually its approach to climate change and nature in accordance with the ClimateWise Principles framework.

The Group has considered the impact of the risks of climate change and identified this as an area of continued focus, but has concluded that it does not have a material impact on the recognition and measurement of the assets and liabilities in these financial statements as at 31 December 2025 for the reasons noted below.

- Financial investments - the majority of investments are reported at fair value under IFRS and, as set out in note 16, therefore, utilise market prices at the period end. These market prices will include the current expectations of the impact of climate change on the financial investments. For assets at amortised cost, any impacts of climate change impacting the asset are reflected in the measurement of ECLs.
- Insurance liabilities related to incurred claims - are accrued based on past insurable events, so will not be impacted by any future impact of climate change.
- Insurance liabilities related to remaining coverage - the fulfilment cash flows used in identifying and measuring onerous contracts are based on current expectations of the impact of climate change on the timing, frequency and severity of claims and claims settlements.
- Intangible assets – as set out in note 15, the valuation of intangible assets with indefinite useful lives are assessed for impairment based on the recoverable amount of the Syndicate at Lloyd's cash-generating unit ("CGU"), which incorporates current expectations of the impact of climate change on the Group and the Syndicate at Lloyd's CGU.

We recognise that government and societal responses to climate change risks are still developing and the future impact cannot be predicted. Future valuations of assets and liabilities may therefore differ as the market responds to these changing impacts or assesses the impact of current requirements differently.

28. Leases

Group as a lessee

The Group is a lessee in relation to office space (land and buildings) and various pieces of equipment used in its operations. Some of the Group's lease contracts include:

- Extension and termination options, which are considered further below; and/or
- Obligations to make variable lease payments, such as where the Group reimburses the lessor for related insurance costs that it incurs. These amounts are not material.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period.

$'000	Land and buildings	Equipment	Total
At 1 January 2024	28,107	14	28,121
Additions	–	–	–
Disposals	(5,642)	–	(5,642)
Depreciation expense	(3,948)	(7)	(3,955)
Foreign exchange	(935)	–	(935)
At 31 December 2024	17,582	7	17,589
Additions	**6,548**	**–**	**6,548**
Disposals	**–**	**–**	**–**
Depreciation expense	**(3,997)**	**(7)**	**(4,004)**
Foreign exchange	**879**	**–**	**(879)**
At 31 December 2025	**21,012**	**–**	**21,012**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

$'000	2025	2024
At 1 January	**26,016**	38,903
Additions	**6,548**	–
Cancelled lease derecognised	**–**	(8,284)
Unwind of discounting (interest on lease liabilities)	**1,571**	1,424
Lease payments	**(5,658)**	(4,716)
Foreign exchange	**1,342**	(1,311)
At 31 December	**29,819**	26,016

Some of the Group's leases include extension and termination options, which provide the Group with flexibility to manage leased assets in line with changing business needs. In measuring lease liabilities and right-of-use assets management exercises judgement to determine whether these options are reasonably certain to be exercised.

As at 31 December 2025, undiscounted potential future lease payments of $20.6m (2024: $19.1m) were not reflected in amounts recognised within the consolidated statement of financial position. These relate to periods following the exercise date of an extension option of 22 Bishopsgate not expected to be exercised.

As at 31 December 2025 the Group had no contracts that have not yet commenced but, to which the Group is committed (2024: two).

The maturity analysis of lease liabilities is disclosed in note 27.4.3(c).

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29. Guarantees and contingencies

(a) Assets securing insurance and other liabilities

Of the total of financial assets, cash and cash equivalents and other assets disclosed on the Group's balance sheet, $3,963m (2024: $3,059m) are held in Lloyd's Premium and other trust funds supporting insurance liabilities, or are collateralising letters of credit. These assets are subject to restrictions under the relevant trust deeds and bank facilities.

(b) Bank facilities

As at 31 December 2025, the Group had the following facility available to it for letters of credit, which may be deposited in FAL:

- $335m (2024: $325m) unsecured, of which $191.5m (2024: $218m) has been utilised to support underwriting on Syndicate 4444.

In addition, the Group had the following facilities:

- Canopius Reinsurance Limited had a $25m (2024: $25m) facility available to it for letters of credit, of which $17.7m and CAD $0.4m has been utilised (2024: $2.8m and CAD $0.4m). This facility is used to support collateral requirements arising from CRL's underwriting activities, and are secured by a charge over CRL's bank deposits totalling $18.7m (2024: $3.3m).
- Canopius Services Limited had a $17.5m (2024: $17.5m) facility available to it for letters of credit, of which $13.5m and AUD $0.4m has been utilised (2024: $9.5m and AUD $0.6m). This facility is used to support collateral requirements arising from the underwriting activities of Canopius US Insurance, Inc and a rental guarantee issued by Canopius Asia Pte Ltd, and are secured by a charge over CSL's bank deposits totalling $13.8m and AUD $0.4m (2024: $9.7m and AUD $0.6m).
- Canopius Underwriting Agency Inc. had a $0.6m (2024: $0.6m) facility available to it for letters of credit, of which $0.1m has been utilised (2024: $0.1m). This facility is used to support a rental guarantee and is secured by a charge over CUAI's bank deposits totalling $0.1m (2024: $0.1m).

30. Related party transactions

Details of the ultimate and immediate parent companies of the Company can be found in note 3.1.

In addition to transactions disclosed elsewhere in the financial statements, the following transactions were carried out with related parties.

Key management compensation

Key management personnel are those Directors and senior managers responsible for the activities of the Group. During the year key management comprised 22 (2024: 21) persons. 13 (2024: 11) of the key management persons were Directors of the Company. Details of the remuneration of the Group's key management personnel, including the Directors, are shown below in aggregate for each of the categories specified by IAS 24 – "Related party disclosures".

$'000	2025	2024
Short-term employment benefits	**21,769**	17,862
Post-employment benefits	**489**	417
Other long-term benefits	**–**	–
Termination benefits	**–**	192
Total	**22,258**	18,471

Loans to related parties

The outstanding balance on loans previously made to certain senior members of staff, in relation to share purchases in Fortuna Topco Limited ("FTL"), amounted to $5.7m (2024: $5.5m). FTL is the holding company of Fortuna Midco Limited ("FML"), which owns FHL, the immediate parent of CGL. Interest is charged on an arm's length basis.

Amounts due from parent undertakings within trade and other receivables includes a $39.5m (2024: $36.5m) loan receivable from FML, which has a maturity date of 20 December 2026 and accrues interest at 6m USD Secured Overnight Financing Rate ("SOFR") + 3.25% (2024: 6m USD SOFR + 3.5%).

Transactions with other related parties, including Directors of the Group companies

Samsung Fire and Marine Insurance ("SFMI"), a non-life insurance company, has a minority shareholding in a parent of CGL. Canopius Underwriting Agency Inc. earned commission income of $8,612k (2024: $7,762k) from SFMI. The Syndicate has an inwards quota-share arrangement with SFMI to underwrite US admitted business. Insurance revenue recognised during 2025 totalled $65,453k (2024: $59,204k); the total liability for incurred claims related to this arrangement at the reporting date is $112,644k (2024: $73,808k). The Syndicate also ceded business to SFMI under quota-share arrangements. Under these arrangements, the allocation of reinsurance premium ceded to SFMI during 2025 was $68,590k (2024: $46,744k) and reinsurance contract assets recognised at the reporting date amounted to $49,231k (2024: $37,470k).

Contributions of $336k (2024: $137k) were made to the KGM Pension and Life Assurance scheme by Canopius Services Limited in its capacity as sponsor of the defined benefit pension scheme to fund the expenses of administering the scheme.

Amounts due to parent undertakings within trade and other payables includes $29.4m (2024: $27.2m) payable to FTL, related to the recharge of Pillar Two top-up taxes due in the UK in relation to the 2025 profits from the Group's operations in Singapore ($2.2.m) and the 2024 profits from the Group's Bermuda operations ($27.2m).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

CONTINUED

31. Assets classified as held for disposal

On 9 December 2025, the Group signed an agreement to sell 100% of its shares in Vave Holdings Limited ("VHL") and its subsidiaries (Vave Underwriting Agency, Inc. and Vave Digital Services Limited) to Acrisure International Holdings Limited ("AIHL"), a subsidiary of Acrisure LLC. At 31 December 2025, the business of VHL and its subsidiaries met the criteria for classification as held for disposal. There was no change in the carrying value of the assets and liabilities within the disposal group as a result of this classification. The VHL disposal group is part of the USA operating segment of the CGL Group.

The transaction is subject to customary closing procedures, as well as regulatory approval, and is expected to complete in early Q2 2026.

The carrying amounts of major classes of assets and liabilities classified as held for sale at 31 December 2025 is as follows:

$'000	2025	2024
Intangible assets	198	–
Deferred tax assets	1,334	–
Trade and other receivables	3	–
Cash and cash equivalents	32,768	–
Total assets classified as held for disposal	**34,303**	–
Payables related to insurance contracts	(19,700)	–
Trade and other payables	(589)	–
Corporation tax liabilities	(135)	–
Total liabilities classified as held for disposal	**(20,424)**	–
Net assets classified as held for disposal	**13,879**	–

32. Subsequent events

At a Board meeting on 10 March 2026 the Directors declared a dividend of $11.5m.

COMPANY ACCOUNTS

Statement of profit or loss and comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2025

$'000	Notes	2025	2024
Net fair value gains on financial assets at fair value through profit or loss	4	**451**	769
Other investment revenue	5	**233,457**	33,243
Total revenue		**233,908**	34,012
Finance costs	6	**(5,549)**	(4,177)
Other operating and administrative expenses	7	**(61,540)**	(73,044)
Other expenses		**(67,089)**	(77,221)
Profit/(loss) before tax		**166,819**	(43,209)
Income tax credit	8	**2,577**	17,473
Profit/(loss) for the year		**169,396**	(25,736)

The Company did not recognise any other comprehensive income during the period.

The notes on pages 151 to 167 form part of these financial statements.

Statement of financial position

FOR THE YEAR ENDED 31 DECEMBER 2025

$'000	Notes	2025	2024
Assets			
Investment in subsidiary undertakings	9	**1,125,278**	1,128,123
Financial investments at fair value through profit or loss	10	**472,098**	299,567
Derivative financial instruments	11	**418**	1,295
Deferred tax assets	8(c)	**20,050**	17,473
Trade and other receivables	12	**236**	–
Cash and cash equivalents	13	**11,531**	64,180
Total assets		**1,629,611**	1,510,638
Equity and liabilities			
Equity attributable to equity holders of parent			
Issued share capital	14	**341,868**	341,868
Issued share premium	14	**345,332**	345,332
Capital reserves		**759,956**	759,956
Retained earnings		**41,967**	(88,429)
Total equity		**1,489,123**	1,358,727
Liabilities			
Derivative liabilities	11	**201**	1,359
Trade and other payables	16	**140,287**	150,552
Total liabilities		**140,488**	151,911
Total equity and liabilities		**1,629,611**	1,510,638

These financial statements were approved by the Board of Directors on 10 March 2026 and signed on its behalf on 10 March 2026 by:

ANDY HASTE
Chair

GAVIN PHILLIPS
Chief Financial Officer

The notes on pages 151 to 167 form part of these financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to equity holders of the parent				
$'000	Issued share capital Note 14	Issued share Premium Note 14	Capital reserves	Retained earnings	Total equity
At 1 January 2024	**341,868**	**345,332**	**759,956**	**(31,123)**	**1,416,033**
Loss for year	–	–	–	(25,736)	(25,736)
Dividends paid	–	–	–	(31,570)	(31,570)
At 31 December 2024	**341,868**	**345,332**	**759,956**	**(88,429)**	**1,358,727**
Profit for year	–	–	–	169,396	169,396
Dividends paid	–	–	–	(39,000)	(39,000)
At 31 December 2025	**341,868**	**345,332**	**759,956**	**41,967**	**1,489,123**

Dividends per share in 2025 amounted to $0.11 (2024: $0.09).

The notes on pages 151 to 167 form part of these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2025

$'000	Notes	2025	2024
Operating activities			
Profit/(loss) before tax		**166,819**	(43,209)
Adjustment for:			
Net change in operating assets		**(1,936)**	(12,051)
Net change in operating liabilities		**(19,897)**	68,299
Finance costs	6	**5,549**	4,177
Fair value gains	4	**(451)**	(769)
Other investment revenue and investment fees and expenses	5	**(233,457)**	(33,243)
Impairment of investment in subsidiary	9	**2,845**	–
Net foreign exchange differences		**(443)**	155
Net cash flows used in operating activities		**(80,971)**	(16,641)
Investing activities			
Investment income - interest	5	**17,811**	18,173
Investment income - dividends	5	**216,095**	15,551
Investment fees and expenses	5	**(449)**	(481)
Purchase of financial assets	10(b)	**(510,550)**	(254,238)
Disposal of financial assets	10(b)	**338,470**	292,301
Net cash flows from investing activities		**61,377**	71,306
Financing activities			
Dividends paid		**(39,000)**	(31,570)
Issuance of loans payable to group undertakings	16	**46,000**	41,511
Repayment of loans payable to group undertakings	16	**(40,413)**	(3,013)
Finance costs		**(85)**	(2,251)
Net cash flows used in financing activities		**(33,498)**	4,677
Net increase/(decrease) in cash and cash equivalents		**(53,092)**	59,342
Net foreign exchange on cash and cash equivalents		**443**	(155)
Cash and cash equivalents at beginning of year		**64,180**	4,993
Cash and cash equivalents at end of year	13	**11,531**	64,180

The notes on pages 151 to 167 form part of these financial statements.

Notes to the Company Accounts

FOR THE YEAR ENDED 31 DECEMBER 2025

1. Corporate information

Canopius Group Limited (the "Company") is the parent undertaking and controlling party of the Canopius Group of companies ("CGL"). A summary of the material accounting policies applied in the preparation of these financial statements is set out below.

The Company is a wholly owned subsidiary of Fortuna Holdings Limited ("FHL") and is incorporated and domiciled in Jersey.

2. Material accounting policies, judgements and estimates

2.1 Basis of preparation and presentation

Canopius Group Limited ("the Company") has elected to prepare its financial statements in accordance with IFRS accounting standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with the Companies (Jersey) Law 1991.

These financial statements are the Company's separate financial statements.

The financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities (including derivatives instruments), which are measured at fair value. The financial statements are presented in US dollars and values are rounded to the nearest thousand ($000), except where indicated.

The preparation of financial statements in conformity with IFRS requires the Company's Board to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are explained in note 2.4.

The Directors have considered the going concern basis of preparation of the Company's financial statements as at 31 December 2025. This includes factors likely to affect its future performance as well as the Company's principal risks and uncertainties.

Having assessed the principal risks to solvency and liquidity, the Directors have concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern and they have a reasonable expectation that the Company has adequate resources to continue in operational existence until at least 31 March 2027 and that, therefore, it is appropriate to adopt a going concern basis for the preparation of the financial statements.

2.2 Summary of material accounting policies

(a) Other investment revenue

Other investment revenue comprises interest recorded using the effective interest method for all financial assets measured at amortised cost, as well as interest or dividends receivable on financial assets measured at fair value through profit and loss. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset. Interest on all financial assets measured at FVTPL is measured using the contractual interest rate.

(b) Operating and administrative expenses

Operating and administrative expenses are accounted for on an accruals basis.

(c) Finance costs

Finance costs consist of interest accruing on loans payable, trustee fees and bank charges, and fees for letters of credit.

2. Material accounting policies, judgements and estimates (continued)

(d) Taxation

The tax expense represents the sum of current and deferred tax.

Current tax is determined based on the taxable profit or loss for the year and adjustments to tax payable or recoverable on prior years' profits or losses. The taxable profit or loss differs from the profit or loss before tax as reported in the statement of profit or loss because it excludes items of income or expense that may be taxable or deductible in other years, or are expected never to be taxable or deductible. The Company's liability or asset for current tax is calculated using tax rates that have been enacted, or substantially enacted, by the end of the reporting period.

Deferred tax is recognised on temporary differences, which are gains or losses that will be taxable in future periods and are not included in the current tax calculation. Deferred tax liabilities are generally recognised for all gains that are not currently taxable but will be taxable in the future. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which non-current taxable losses can be deducted.

The carrying amount of deferred tax assets is reviewed at each reporting period date and adjusted for changes in estimates of the taxable profits that will be available to allow all, or part of, the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is expected to settle or the asset is expected to be realised. Deferred tax is charged or credited to the statement of profit or loss, except when it relates to items charged or credited to other comprehensive income or directly to other reserves in equity, in which case the deferred tax is also dealt with in the Statement of Comprehensive Income or directly to other reserves in equity, respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to taxes levied by the same taxation authority, and the Group intends to settle its current tax assets and liabilities on a net basis. Deferred tax assets and liabilities are not discounted for the time value of money.

(e) Foreign currency translation

Functional and presentation currency

The financial statements are presented in US dollars, which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency at average, rather than spot, rates. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the retranslation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit or loss for the period.

(f) Investment in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost, including any contingent consideration payable less any provision for impairment.

(g) Financial instruments

Initial recognition and measurement

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms. The categories include the following:

- Financial assets at fair value through profit and loss ("FVTPL"); and
- Financial assets at amortised cost

Financial assets are initially recognised on the trade date measured at their fair value. Except for financial assets recorded at fair value through profit and loss, transaction costs are added to this amount.

Subsequent measurement

Subsequent measurement of financial assets depends on their classification, as follows:

Financial assets at FVTPL

Financial assets in this category are those that are managed in a fair value business model, or that have been designated as such by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

This category includes debt instruments whose cash flow characteristics fail the "solely payments of principal and interest" criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss. Interest earned on assets measured at FVTPL is recorded using the contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss as other investment revenue when the right to the payment has been established.

Financial assets at amortised cost

Financial assets in this category are those that are managed in a business model where assets are held for collection of contractual cash flows, and where those cash flows represent solely payments of principal and interest ("SPPI"), and that are not designated at FVTPL.

After initial measurement these financial assets are measured at amortised cost, using the effective interest rate ("EIR") method, less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets at amortised cost

The Company assesses the expected credit losses ("ECL") associated with its financial assets carried at amortised cost on a forward-looking basis. The Company recognises a loss allowance for such losses at each reporting date. The measurement of the ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Notes to the Company Accounts

FOR THE YEAR ENDED 31 DECEMBER 2025
CONTINUED

2. Material accounting policies, judgements and estimates (continued)

(h) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Fair values are determined by reference to quoted market prices for similar instruments, where available, and using appropriate valuation techniques, including discounted cash flow and option pricing models.

All derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. None of the derivative financial instruments held by the Company have been designated for hedge accounting, and therefore, any gains or losses arising from changes in fair value of derivatives are recorded in profit or loss.

(i) Fair value measurement

The Company measures financial instruments, such as derivatives, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets, liabilities and equity items for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described in note 15.

(j) Trade and other receivables

Trade and other receivables are amounts due from associated group companies and external parties, measured at amortised cost using the effective interest method.

(k) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term cash deposits with original maturities of three months or less. These assets are readily convertible into known amounts of cash.

Cash at bank and in hand relate to amounts that are held at a bank in the form of on demand deposits such as current accounts and savings accounts. Short-term deposits with a maturity of three months or less are considered cash equivalents.

(l) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. There is no scheme for employee owned shares.

(m) Dividends

Dividends are recognised as payable when the Directors make a solvency statement before payment.

(n) Trade and other payables

Trade and other payables are made up of amounts due to associated Group companies, measured at amortised cost using the effective interest method, and third-party creditors accounted for on an accruals basis at fair value.

2.3 New and amended standards and interpretations

In the current year, the Company has applied amendments to IFRS issued by the IASB that are mandatorily effective for a reporting period that begins on, or after, 1 January 2025. The new effective requirements are:

- Lack of exchangeability – Amendments to IAS 21.

This amendment has not had a material impact on the Company.

The Company has not early adopted any new standards, amendments or interpretations that are issued but not yet mandatorily effective for the reporting period ending 31 December 2025.

New and amended standards and interpretations that have been issued but not yet mandatorily effective for the reporting period ended 31 December 2025 and have not been early adopted are disclosed in note 2.3.2 of the Group accounts. The impacts on the Company of these new standards, amendments and interpretations are consistent with the impacts described for the CGL Group.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future reporting periods.

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company's balance sheet includes significant investments in subsidiary companies, which are included at cost, including any contingent consideration payable, less any provision for impairment. The recoverability of these balances is dependent on the financial position and future prospects of the subsidiary companies. Further details can be found in note 9.

3. Company information

3.1 Ultimate parent undertaking and controlling party

The ultimate controlling parties of CGL are CCP GP Investors Holdings (Cayman) LP, CCP III Cayman GP Limited and CCP III SBS Cayman Limited.

The immediate parent of Canopius Group Limited is Fortuna Holdings Limited.

3.2 Subsidiaries

The principal subsidiaries of CGL are listed in note 3.2 of the Group accounts on page 96. The Company holds no investments in joint ventures or associates.

Notes to the Company Accounts

FOR THE YEAR ENDED 31 DECEMBER 2025
CONTINUED

4. Net fair value gains/(losses) on financial instruments at fair value through profit or loss

$'000	2025	2024
Realised gains on financial instruments	**5,065**	5,157
Unrealised gains on financial instruments	**9,286**	11,966
Realised losses on financial instruments	**(5,864)**	(7,344)
Unrealised losses on financial instruments	**(8,036)**	(9,010)
	451	769

All financial instruments held at fair value through profit and loss are mandatorily measured at fair value through profit and loss.

5. Other investment revenue

$'000	2025	2024
Interest revenue from financial investments at fair value through P&L	**11,112**	14,557
Interest revenue from cash and cash equivalents	**6,699**	3,616
Dividend income	**216,095**	15,551
Gross investment income	**233,906**	33,724
Investment fees and expenses	**(449)**	(481)
Net investment income	**233,457**	33,243

6. Finance costs

$'000	2025	2024
Fees for letters of credit	**(1)**	(1)
Loan interest expense	**(5,465)**	(4,148)
Trustee fees and bank charges	**(83)**	(28)
	(5,549)	(4,177)

7. Other operating and administrative expenses

$'000	2025	2024
Head office costs	**(2,846)**	3,882
Intercompany expense recharge in relation to Pillar Two top-up taxes	**(2,238)**	(27,151)
Costs allocated from the service company	**(50,091)**	(41,783)
Other expenses	**(6,171)**	(7,966)
	(61,346)	(73,018)
Net foreign exchange adjustments	**(194)**	(26)
	(61,540)	(73,044)

The table below provides a breakdown of costs allocated from the service company.

$'000	2025	2024
Employee benefit expenses	**(30,451)**	(30,463)
Premises	**(30)**	(49)
Professional fees	**(9,196)**	(7,422)
Other expenses	**(10,414)**	(3,849)
	(50,091)	(41,783)

8. Income tax

The Company is incorporated in Jersey and registered for tax in the United Kingdom, where it is managed and controlled. Consequently, it is appropriate to report at the UK standard rate of tax.

(a) Income tax credit/(charge)

$'000	2025	2024
Current tax		
UK Corporation Tax	**–**	–
Total current tax charge	**–**	–
Deferred tax		
Recognition of previously unrecognised tax losses	**2,577**	17,473
Total deferred tax credit/(charge)	**2,577**	17,473
Total tax credit/(charge) on loss on ordinary activities	**2,577**	17,473

(b) Reconciliation of tax charge

$'000	2025	2024
Profit/(loss) before tax	**166,819**	(43,209)
Tax at 25% (2024: 25%)	**(41,705)**	10,802
Non-taxable income	**54,023**	3,887
Non-deductible expenses	**(1,260)**	(5,979)
Group relief	**(11,059)**	(8,710)
Losses not previously recognised	**2,577**	17,473
Income tax credit/(charge)	**2,577**	17,473

A tax rate of 25% has been used to derive the UK unrecognised deferred tax assets and liabilities as that is the tax rate that is expected to apply when the deferred tax balances crystallise or unwind.

The Company has tax losses of $nil (2024: $10,310k), which have no expiry date and have not been recognised for deferred tax purposes due to uncertainty over the availability of future taxable profits. An amount of $20,051k (2024: $17,473k) of deferred tax asset has been recognised in relation to losses.

The Organisation for Economic Co-operation and Development ("OECD")/G20 Inclusive Framework on Base Erosion and Profit Shifting ("BEPS") addresses the tax challenges arising from the digitalisation of the global economy through the introduction of the Pillar Two Global anti-Base Erosion Rules ("GloBE Rules"). The GloBE Rules seek to ensure a Minimum Tax of 15% on the income arising in each jurisdiction in which a multinational enterprise operates. Further details can be found in note 14 of the Group consolidated financial statements.

Notes to the Company Accounts

FOR THE YEAR ENDED 31 DECEMBER 2025
CONTINUED

8. Income tax (continued)

(c) Reconciliation of deferred tax assets, net

$'000	2025	2024
Balance at 1 January	**17,473**	–
Recognition of previously unrecognised tax losses	**2,577**	17,473
Balance at 31 December	**20,050**	17,473

9. Investment in subsidiary undertakings

$'000	2025	2024
At 1 January	**1,128,123**	1,128,123
Impairment of investment in Omega Underwriting Holdings Limited	**(2,845)**	–
At 31 December	**1,125,278**	1,128,123

The investment in subsidiary undertakings has been assessed for indicators of potential impairment at the balance sheet date. The Company has considered the recoverable amount of its investment in subsidiaries with reference to its fair value less costs to sell.

The fair value has been established with reference to observed valuation multiples for a transaction which took place during the reporting period involving one of the Company's intermediate parent companies, Fortuna Topco Limited. In previous periods the method used for establishing the fair value was based on to market multiples for similar businesses, but was changed in the current period to reflect the additional information provided by the transaction involving Fortuna Topco Limited. The fair value measurement was categorised as level 3 within the fair value hierarchy based on the inputs used in the valuation technique. At 31 December 2025, the recoverable amount of the investment in subsidiaries was determined to be greater than the carrying value.

The directors of Omega Underwriting Holdings Limited ("OUHL"), a subsidiary of the Company, intend to liquidate OUHL by way of a members' voluntary liquidation in due course. As a result of the intended liquidation the recoverable amount of the Company's investment in OUHL was determined to be nil and result the Company's investment in OUHL has been impaired to nil.

10. Financial investments

(a) Financial investments at fair value through profit or loss

$'000	2025	2024
Fair value		
Debt securities and other fixed income securities	**140,417**	221,187
Holdings in collective investment schemes	**296,647**	35,831
Equity shares	**7,789**	20,978
Private credit funds	**27,245**	21,571
Total financial assets at fair value through profit or loss	**472,098**	299,567

Financial assets include $100.9m (2024: $48.2m) that are held in trust supporting insurance liabilities of the Group's managed syndicate. These assets are subject to restrictions under the relevant trust deeds and bank facilities.

(b) Carrying value of financial instruments other than derivatives

$'000	2025	2024
Fair value		
At 1 January	**299,567**	335,149
Purchases	**510,550**	254,238
Disposals	**(338,470)**	(292,301)
Net unrealised gains	**1,250**	4,668
Net realised losses	**(799)**	(2,187)
At 31 December	**472,098**	299,567

All financial assets held at fair value through profit and loss are mandatorily measured at fair value through profit and loss.

11. Derivative financial instruments

The Company utilises derivative financial instruments as part of its asset/liability risk management practice.

The derivative financial instruments represent the fair value of exchange traded bond futures contracts used to hedge duration risk, forward contracts used to hedge excess foreign currency exposures, and equity options used to hedge exposure to equity prices. The derivative financial instruments held by the Company have not been designated for hedge accounting during the current and previous financial years as permitted by IFRS 9.

The following table shows the fair value through profit or loss ("FVPL") of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying assets, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

	2025			2024		
$'000	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Derivatives at FVPL:						
Interest rate futures	**65**	**(153)**	**69,285**	104	(122)	57,231
FX forward derivatives	**167**	**(48)**	**134,767**	282	(1,237)	85,231
Equity options	**186**	**–**	**489,800**	909	–	308,163
	418	**(201)**	**693,852**	1,295	(1,359)	450,625

At their inception, derivatives often involve only a mutual exchange of promises, with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the asset, rate or index underlying a derivative contract may have a significant impact on the profit or loss of the Company. Over-the-counter derivatives may expose the Company to the risks associated with the absence of an exchange market on which to close out an open position. The Group's exposure under derivative contracts is closely monitored as part of the overall management of the Group's market risk.

Notes to the Company Accounts

FOR THE YEAR ENDED 31 DECEMBER 2025

CONTINUED

12. Trade and other receivables

$'000	2025	2024
Other debtors	**236**	–
Amounts due from group undertakings	**–**	–
	236	–
Amounts due within one year	**236**	–
	236	–

The fair value of trade and other receivables approximate to their carrying value.

13. Cash and cash equivalents

$'000	2025	2024
Cash at bank and in hand	**2,357**	60,557
Cash equivalents	**9,174**	3,623
	11,531	64,180

The cash and cash equivalents include $9.2m (2024: $56.0m) that are held in trust, supporting insurance liabilities of the Group's managed syndicate. These assets are subject to restrictions under the relevant trust deeds and bank facilities.

14. Share capital and premium

Authorised shares	2025 Number	2024 Number
Ordinary shares		
Ordinary shares of 1USD each	**341,868,305**	341,868,305
Ordinary shares total	**341,868,305**	341,868,305

Issued and fully paid:	At 1 January 2024 Number	Changes in issued capital Number	At 31 December 2024 Number	Changes in issued capital Number	At 31 December 2025 Number
Ordinary shares					
Ordinary shares of 1USD par value	341,868,296	–	341,868,296	–	**341,868,296**
Ordinary shares total	**341,868,296**	**–**	**341,868,296**	**–**	**341,868,296**

Issued Share Capital	At 1 January 2024 $	Changes in issued capital $	At 31 December 2024 $	Changes in issued capital $	At 31 December 2025 $
Ordinary shares					
Ordinary shares of 1USD par value	341,868,296	–	341,868,296	–	**341,868,296**
Share capital total	**341,868,296**	**–**	**341,868,296**	**–**	**341,868,296**

Issued Share Premium	At 1 January 2024 $	Changes in issued share premium $	At 31 December 2024 $	Changes in issued share premium $	At 31 December 2025 $
Ordinary shares					
Ordinary shares of 1USD par	345,331,867	–		345,331,867	**345,331,867**
Share premium total	**345,331,867**	**–**		**345,331,867**	**345,331,867**

15. Fair value measurement

i) Valuation

The Company has classified its financial instruments as at 31 December 2025 using the fair value hierarchy required by IFRS 13 "Fair value measurement". The fair value hierarchy classifies financial instruments into Level 1 to Level 3 based on the significance of the inputs used in measuring their fair value, with Level 1 considered the most reliable. The levels within the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Valuation techniques for which inputs are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted bid prices at the balance sheet date and are included in Level 1.

The Company closely monitors the valuation of assets in markets that have become less liquid. Determining whether a market is active requires the exercise of judgement and is determined based upon the facts and circumstances of the market for the instrument being measured.

Where it is determined that there is no active market, fair value is established using a valuation technique. The techniques applied incorporate relevant information available and reflect appropriate adjustments for credit and liquidity risks. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The valuation techniques include broker dealer quotes, reported trades, issuer spreads and available bids. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. There have been no transfers between level 1 and level 2 financial instruments during the year (2024: $nil).

If one or more significant inputs are not based on observable market data, the instrument is included in Level 3. These assets are normally infrequently traded and fair values can only be calculated using estimates or risk-adjusted value ranges and there is a material use of judgement in deriving the price.

Notes to the Company Accounts

FOR THE YEAR ENDED 31 DECEMBER 2025
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15. Fair value measurement (continued)

ii) Fair value measurement of assets and liabilities

$'000	Level 1	Level 2	Level 3	Total
Valuation at 31 December 2025				
Debt securities & other fixed income securities	**–**	**140,417**	**–**	**140,417**
Holdings in collective investment schemes	**296,647**	**–**	**–**	**296,647**
Equity	**7,789**	**–**	**–**	**7,789**
Private credit funds	**–**	**–**	**27,245**	**27,245**
Derivative assets	**251**	**167**	**–**	**418**
Derivative liabilities	**(153)**	**(48)**	**–**	**(201)**
	304,534	**140,536**	**27,245**	**472,315**

$'000	Level 1	Level 2	Level 3	Total
Valuation at 31 December 2024				
Debt securities & other fixed income securities	16,592	204,595	–	221,187
Holdings in collective investment schemes	29,568	6,263	–	35,831
Equity	20,978	–	–	20,978
Private credit funds	–	–	21,571	21,571
Derivative assets	1,013	282	–	1,295
Derivative liabilities	(122)	(1,237)	–	(1,359)
	68,029	209,903	21,571	299,503

The level within the hierarchy that a financial instrument is placed is based on the lowest level of any input that is significant to its fair value measurement.

Level 3 includes non-traded private credit funds. The fair value of the private credit funds is determined with reference to the net asset value, which is considered a reasonable proxy for fair value.

Any transfers between levels in the fair value hierarchy is deemed to have taken place by assessing categorisation at the end of the reporting period. There were no transfers to and from level 3 assets for the year ended 31 December 2025 (2024: $nil).

The table below shows a reconciliation of opening and closing balances for financial instruments classified as level 3 of the fair value hierarchy.

$'000	2025	2024
At 1 January	**21,571**	5,086
Total net gain through profit or loss	**1,820**	425
Purchases	**3,854**	16,060
Disposals	**–**	–
At 31 December	**27,245**	21,571
Total net gain through profit or loss related to financial instruments held at the end of the reporting period	**1,820**	425

16. Trade and other payables

$'000	2025	2024
Amounts owed to group undertakings	**130,899**	145,578
Accruals and deferred income	**7,400**	5,000
Other creditors	**1,988**	(26)
	140,287	150,552
Amounts due within one year	**95,990**	71,100
Amounts due after one year	**44,297**	79,452
	140,287	150,552

Amounts owed to Group undertakings include a total of $90.5m (2024: $79.5m) of loans payable to Group undertakings, including $90.5m (2023: $41.5) due to Canopius Corporate Capital Limited, which is comprised of two separate loans of $44.3m and $46.2m which have maturity dates of 31 December 2027 and 31 December 2026 and accrue interest at 12m SOFR+2.375% and 12m SOFR+1.875% respectively (2024: 12m SOFR+2.23%), and $nil due to Canopius Holdings UK Limited (2024: $37.9m).

Other intercompany amounts include $29.3m due to Fortuna Topco Limited (2024: $27.2m) and $11m due to Canopius Services Limited (2024: $9.9m).

Changes in liabilities arising from financing activities

$'000	2025	2024
Total liabilities from financing activities at 1 January	**79,452**	39,028
Loan from subsidiary undertaking	**46,000**	41,511
Repayment of loan from subsidiary undertaking	**(40,413)**	(3,013)
Interest accrued and FX	**5,464**	1,926
Total liabilities from financing activities at 31 December	**90,503**	79,452

17. Management of risk

The Company is exposed to risk through its investment in its subsidiaries. CGL has established a risk management function with clear terms of reference from its board of Directors. A policy framework, which sets out the risk policies for the CGL Group, risk management, control and business conduct standards for the Group's operations, are in place. Each policy has a member of senior management charged with overseeing compliance with the policy throughout the Group.

The Board of Directors of CGL approves the Group's risk management policies and meets regularly to oversee the commercial, regulatory and organisational requirements of such policies.

Notes to the Company Accounts

FOR THE YEAR ENDED 31 DECEMBER 2025
CONTINUED

17. Management of risk (continued)

In the normal course of business, the Company is exposed to the following major risk categories:

Market Risk	Risk of loss resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments.
Credit Risk	Risk of loss arising as a result of another party failing to perform its financial obligations or failing to perform them in a timely fashion.
Liquidity Risk	Risk that insufficient liquid financial resources are maintained to meet liabilities as they fall due.

17.1 Market risk

Market risk arises from fluctuations in values, including from movements in market prices and interest rates.

PRICE RISK

In the context of the Company, price risk is the risk that the fair value or future cash flows of financial instruments fluctuate because of changes in market prices (other than those arising from interest rate risk which are considered separately below).

Certain financial assets that are classified as fair value through profit or loss are susceptible to losses due to adverse movements in prices. As explained in note 15, the Group classifies its financial instruments using the fair value hierarchy required by IFRS 13 “Fair value measurement”.

If the aggregate fair value of holdings in collective investment schemes, equity shares and private credit funds were to increase or decrease by 10% at the balance sheet date, profit or loss after tax and equity would increase or decrease by $24.9m (2024: $5.9m).

The Company has no significant concentration of price risk.

INTEREST RATE RISK

Interest rate risk is the risk that the valuation or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Specifically, the Company is exposed to interest rate risk related to its investments in debt securities. The valuation of the Company’s fixed interest rate securities is sensitive to market interest rates. The extent of this sensitivity is linked to the weighted average length of time until the cash flows from these securities are due (the average duration). A proportion of the Company’s investment portfolio is held in floating rate debt securities. The future cash flows from these assets changes as a result of changes in market interest rates, but their valuation does not change.

The Company’s exposure to interest rate risk through its investments in debt securities is $140.4m (2024: $221.2m).

Any changes in the valuation of these investments as a result of changes in interest rates are fully recognised in profit or loss.

The analysis below shows the impact on profit or loss after tax and equity due to reasonably possible changes in market interest rates at the end of the reporting period. It assumes that all other variables that impact these financial metrics are held constant, but, in practice, a correlation may exist between interest rates and these other variables which may have a significant effect on the ultimate impacts. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

$'000	Change in interest rates	2025 Impact on profit or loss after tax and equity	2024 Impact on profit or loss after tax and equity
Fixed income debt instruments	+100 bps	**(0.9)**	(2.8)
Fixed income debt instruments	-100 bps	**0.9**	2.8

The aggregate average duration of the fixed income investment portfolio at 31 December 2025 was approximately 0.8 years (2024: 1.6 years).

17.2 Credit risk

Credit risk arises where another party fails to perform its financial obligations or fails to perform them in a timely fashion. An analysis of the Company's major exposures to counterparty credit risk, which is based on Standard & Poor's or equivalent rating, is presented below. The Company has no significant concentration of credit risk.

At 31 December 2025 $'000	AAA	AA	A	BBB	Other and/or not rated	Total
Debt securities and other fixed income	**41,400**	**29,660**	**65,772**	**3,585**	**–**	**140,417**
Holdings in collective Investment schemes	**296,647**	**–**	**–**	**–**	**–**	**296,647**
Private credit funds	**–**	**–**	**–**	**–**	**27,245**	**27,245**
Trade and other receivables	**–**	**–**	**–**	**–**	**236**	**236**
Cash and cash equivalents	**–**	**–**	**11,531**	**–**	**–**	**11,531**
Total	**338,047**	**29,660**	**77,303**	**3,585**	**27,481**	**476,076**

At 31 December 2024 $'000	AAA	AA	A	BBB	Other and/or not rated	Total
Debt securities and other fixed income	86,979	40,114	83,965	10,129	–	221,187
Holdings in collective Investment schemes	29,568	–	–	–	6,263	35,831
Private credit funds	–	–	–	–	21,571	21,571
Cash and cash equivalents	–	–	64,180	–	–	64,180
Total	116,547	40,114	148,145	10,129	27,834	342,769

The carrying values represent the maximum exposure to credit risk at the balance sheet date in respect of the above assets. The Company uses quantitative and qualitative information in order to reach a conclusion whether there has been any significant increase in credit risk from recognition.

17. Management of risk (continued)

Trade and other receivables include prepayments and accrued income with various counterparties. The Company assesses each counterparty including historic loss experiences and current market conditions.

Holdings in collective investment schemes and cash and cash equivalents are held with bank and financial institution counterparties. The Company has assessed the risk and does not consider there to be any significant risk of default given the credit rating and no history of default.

The table below details the gross carrying amount and the net carrying amount post loss allowance (2024: no loss allowance).

$'000	Notes	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
Trade and other receivables	12	236	–	236
Cash and cash equivalents	13	11,531	–	11,531

17.3 Liquidity risk

Liquidity risk arises where insufficient financial resources are maintained to meet liabilities as they fall due. The contractual maturity profile at 31 December 2025 and 31 December 2024 are as follows:

At 31 December 2025 $'000	Less than one year	Between one and five years	Over five years	Not dated	Total
Financial assets					
Debt securities and other fixed income	**–**	**14,263**	**126,154**	**–**	**140,417**
Holdings in collective Investment schemes	**–**	**–**	**–**	**296,647**	**296,647**
Private credit funds	**–**	**–**	**–**	**27,245**	**27,245**
Derivative assets	**418**	**–**	**–**	**–**	**418**
Trade and other receivables	**–**	**–**	**–**	**236**	**236**
Cash and cash equivalents	**11,531**	**–**	**–**	**–**	**11,531**
	11,949	**14,263**	**126,154**	**324,128**	**476,494**
Financial liabilities					
Trade and other payables	**(95,990)**	**(44,297)**	**–**	**–**	**(140,287)**
Derivative liabilities	**(201)**	**–**	**–**	**–**	**(201)**
	(49,985)	**(90,503)**	**–**	**–**	**(140,488)**
Total	**(38,036)**	**(76,240)**	**126,154**	**324,128**	**336,006**

At 31 December 2024 $'000	Less than one year	Between one and five years	Over five years	Not dated	Total
Financial assets				–	
Debt securities and other fixed income	1,595	42,464	177,128	–	221,187
Holdings in collective Investment schemes	–	–	–	35,831	35,831
Private credit funds	–	–	–	21,571	21,571
Derivative assets	1,295	–	–	–	1,295
Trade and other receivables	–	–	–	–	–
Cash and cash equivalents	64,180	–	–	–	64,180
	67,070	42,464	177,128	57,402	344,064
Financial liabilities					
Trade and other payables	(71,100)	(79,452)	–	–	(150,552)
Derivative liabilities	(1,359)	–	–	–	(1,359)
	(72,459)	(79,452)	–	–	(151,911)
Total	(5,389)	(36,988)	177,128	57,402	192,153

18. Related party transactions

Details of the ultimate and immediate parent companies of CGL can be found in note 3 of the Group accounts.

Amounts due to and from Group undertakings can be found in notes 12 and 16 of the Company accounts.

Loan interest expense in note 6 of the Company accounts relates to the related party loans disclosed in note 16 of the Company accounts.

Costs allocated to CGL from Canopius Services Limited and an expense recharge in relation to Pillar Two top-up taxes from Fortuna Topco Limited can be found in note 7 of the Company accounts.

19. Subsequent events

At a Board meeting on 10 March 2026 the Directors declared a dividend of $11.5m.

Glossary

Term	Description
Asset for remaining coverage ("ARC")	An entity's asset representing its reinsurers' share of the obligation to investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e. the obligation that relates to the unexpired portion of the coverage period).
Attributable expenses	Expenses that are attributable to fulfilling obligations towards the policyholders, i.e. underwriting and claims handling activities.
Best estimate liability ("BEL")	Equal to the mean present value of expected fulfilment cash flows when averaged over all possible scenarios.
Combined ratio - discounted	The combined ratio - discounted is calculated by dividing "insurance service expenses" net of "amounts recoverable from reinsurers for incurred claims" by "insurance revenue" net of the "allocation of reinsurance premiums".
Combined ratio - undiscounted	The combined ratio - undiscounted is calculated by dividing "insurance service expenses", net of "amounts recoverable from reinsurers for incurred claims", excluding the impact of discounting net claims costs, by "insurance revenue" net of the "allocation of reinsurance premiums".
Confidence level	A degree of conservatism in reserving. The actual percentage shows the probability that the change in best estimate would be lower than the risk adjustment. Mechanically it shows where our reserves sit in the risk distributions (adjusted historical losses).
Contractual service margin ("CSM")	The CSM represents the unearned profit that an entity expects to earn on a group of contracts as it provides insurance services.
EIOPA	European Insurance and Occupational Pensions Authority.
ENID	Events not in data – an allowance for extreme values that cannot be projected using historical data.
Fulfilment cash flows	The fulfilment cash flows are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to pay out for reinsurance premiums and recover for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. This includes direct costs of originating and all directly attributable costs incurred in fulfilling insurance contracts.
General measurement model ("GMM")	The default measurement model in IFRS 17. The GMM measures the liability for remaining coverage as the sum of a discounted best estimate liability, a risk adjustment and the contractual service margin.
Gross written premium ("GWP")	The total premiums receivable for the whole period of cover provided by the contracts entered into during the accounting period, regardless of whether these are wholly due for payment in the accounting period, including any brokerage and commission deducted by intermediaries, and including inwards reinstatement premiums, but excluding any taxes or duties levied on the premium.
IBNR	Incurred but not reported, refers to reserves established for claim events that have transpired but have not yet been reported to the insurer.
Illiquidity premium	An additional amount added to the risk-free rate to derive the IFRS 17 discount rate. The illiquidity premium reflects the additional compensation an insurer demands to compensate it for the fact that it must hold the liabilities until they are fulfilled rather than dispose of those liabilities in a liquid market place.
Insurance contract written premium ("ICWP)	The gross written premiums on business incepting in the financial year, adjusted to exclude inwards reinstatement premiums and non-claim dependent ceding commissions on inwards reinsurance.

Term	Description
Insurance revenue	The amount of total expected premium receipts (excluding premium taxes) allocated to each period of coverage. This excludes the deposits that represent investments by the policyholder.
(Re)Insurance finance income or expense	(Re)Insurance finance income or expense is the change in the carrying amount of (re)insurance contracts issued arising from the effect of the time value of money and changes in the time value of money, and the effect of financial risk and changes in financial risk.
Liability for incurred claims ("LIC")	An entity's obligation to investigate and pay valid claims under existing insurance contracts for insured events that have already occurred (i.e. the obligation that relates to the expired portion of the coverage period).
Liability for remaining coverage ("LRC")	An entity's obligation to investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e. the obligation that relates to the unexpired portion of the coverage period).
Loss component of the LRC	A provision for onerous contracts within the insurance contract liabilities.
Onerous contracts	A contract that is expected to be loss making i.e. the expected claims exceeds the premium (measured on an IFRS 17 basis).
PRA	Prudential Regulation Authority.
Net insurance revenue	Net insurance revenue is 'insurance revenue' net of the 'allocation of reinsurance premiums'.
Premium allocation approach ("PAA")	A simplified measurement model for the LRC where the entity allocates insurance contract revenue (from the LRC) in profit or loss to reporting periods in a systematic way that reflects the transfer of services.
Non-distinct investment components	Investment components within an insurance contract that are excluded from insurance revenue and insurance service expenses in the income statement.
Reinstatement premiums ("RIPs")	Reinsurance premium received by insurer when claims incurred from cedant to reinstate coverage.
Risk adjustment	The compensation that the insurer requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risks. Risk adjustment is released as the risk expires.
Risk-free rate	The risk-free rate of return is the interest rate an investor can expect to earn on an investment that carries zero risk.
TNAV	Tangible net asset value – the net asset value of the group excluding intangible assets and deferred tax on intangible assets.

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