Compre Group Holdings Limited

Annual Report and Consolidated Financial Statements
2025

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Directors and Officers

Directors

Name	Appointed/resigned date
Luigi Sbrozzi	
Emmanuel Clarke	Resigned on 26 February 2025
Aaron Papps	
Robert Perry	Resigned on 1 October 2025
Will Bridger	
Anup Seth	
LoriAnn Lowery-Biggers	
Jonathan Reiss	
Derrick Estes	Appointed on 26 February 2025
John Howard	Appointed on 11 April 2025
Balazs Lam	Appointed on 14 November 2025

Company secretary

Carey Olsen Services Bermuda Limited

Registered office

Rosebank Centre
5th Floor
11 Bermudiana Road
Pembroke HM08
Bermuda

Registered number

56052

Auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Compre delivers a return to profitability and strong new business activity

2025 has been a turnaround year for Compre[(1)] with a return to profitability and strong new business activity. Compre delivered a strong deal flow supporting our clients through our capital relief and prospective solutions as well as more traditional legacy deals agreeing terms on nine transactions in the year.

The Group generated a Comprehensive Income[(2)] of $82.7m representing a strong turnaround of the business and return to profit driven by significantly higher new business volume. The Tangible Net Asset Value (TNAV)[(3)] at 31 December 2025 was $694m (FY 2024 : $620m). Despite our deployment of capital into new deals our Bermuda Solvency Capital Requirement (BSCR) remains robust at 173% and was supported by an issue of Tier 3 Subordinated Debt in the year.

Strategic Broadening of the Platform

2025 proved to be an inflection point in our strategic development and a very busy year in terms of new business activity, with only one third of our deals being defined as traditional legacy where both economic and operational risk were transferred to Compre. A third of our reinsurance transactions were driven by retrospective capital relief objectives where our client continues to underwrite new business in the particular line(s) or market(s). These transactions are typically structured with a recurring feature where we expect further underwriting years to be added over time. Finally, 2025 saw the Group underwriting prospective business for the first time and these made up the final third of our total transactions in the year. The addition of prospective underwriting to our product solution set gives much greater certainty to our new business income as we move forward. Equally, 2025 saw the execution of demonstrably recurring, forward flow transactions.

Expansion into Prospective Capital Solutions

During the year, the Group launched its expansion into prospective reinsurance complementing our established retrospective franchise. While legacy transactions remain a core competence, their timing is inherently episodic and increasingly capital-driven. To enhance earnings visibility and reduce volatility, the Group has developed a capital-light prospective structured reinsurance platform.
This evolution reflects structural demand from insurers for holistic balance sheet solutions that combine capital relief, earnings stability and long-term partnership. Compre's underwriting, reserving and claims capabilities provide a strong foundation to participate in this market in a disciplined manner as a non-competing balance sheet for cedants. In 2025, Compre progressed the development of a fully collateralised prospective underwriting capability. The strategy is designed to:

- Generate recurring underwriting income,
- Deliver capital relief solutions to cedants, and
- Maintain strict downside protection through corridor structures and defined risk limits.

The strategy will also generate future retrospective reinsurance for Compre either through future exit options which are agreed at the outset or where there is an expectation of such in the future. Importantly, the model is structured to be capital-efficient for Compre. By utilising collateralised vehicles, the platform is intended to produce scalable income streams without materially increasing balance sheet risk. Transactions will remain selective, pricing-driven and aligned with our established risk appetite.

Enhancing Earnings Stability and Valuation Profile

The introduction of prospective solutions is expected over time to provide a more stable and recurring contribution to Group earnings, reducing reliance on the timing of individual legacy or retrospective reinsurance transactions. Management's medium-term objective is for diversified income streams to represent a meaningful proportion of annual earnings and strengthen the predictability of cash flows.
Compre enters this expansion from a position of capital strength and operational discipline. We believe that this measured broadening of the business model enhances the long-term sustainability and scalability of the Group, while preserving the underwriting discipline that has defined Compre's success to date.

An Active Year for Deals

On the legacy side we completed the acquisition of two California domiciled licensed insurance carriers from Covéa, the French mutual insurance group. This acquisition provides Compre with a footing in the US to enhance further its presence in the North American market. The deal includes reserves previously written covering auto, property and commercial insurance in the US.

Our EU based carrier Bothnia completed the legal transfer of a hospital liability (medmal) portfolio from Baloise Sachversicherungs AG Deutschland ("Baloise"), a subsidiary of the Baloise Group. The portfolio, comprising approximately $120 million of net reserves, primarily relates to underwriting years 2004 to 2018 and has been in run-off for several years. The transfer became legally effective in August following approvals from BaFin and FIN-FSA.

[1] Represents Compre Group Holdings Limited and subsidiary undertakings herein referred to as CGHL, Compre Group, Compre or the Group.
[2] Comprehensive Income refers to total comprehensive income adjusted for all agreed deals in the period including agreed deals which have yet to be completed.
[3] Tangible Net Asset Value (TNAV) excludes goodwill and other intangible assets from the net asset value. The figure shown is based on all agreed deals as at the end of the period including agreed deals which are yet to be completed.

Our Lloyd’s Syndicate 1994 entered into an agreement with Apollo syndicates 1971 and 1969 to reinsure a share of a portfolio of US auto risks written in the 2022 and prior years. The agreement covers approximately £100m of net reserves.

Pallas Re, our Bermuda based carrier, agreed the reinsurance of a material portfolio of asbestos insurance liabilities from Amerisure which closed in Q1 2026.

Our capital relief product solutions have proved popular in 2025. The Group agreed a LPT transaction with the French Insurer Wakam covering approximately €140 million of net reserves as at 31 December 2024, relating primarily to UK and French motor and property insurance liabilities for 2024 and prior. In addition to the LPT, the agreement includes a forward-flow mechanism under which Compre will have the opportunity to reinsure subsequent years, providing ongoing capital management support to Wakam as it continues to develop its business and manage legacy exposures efficiently.

In addition we agreed an ADC with a European cedant on a £250m assumed reinsurance Motor, Liability and Engineering portfolio. This trade closed in Q1 2026 and again includes a forward flow mechanism under which future years can be added to the cover.

In our first year of writing prospective covers we agreed three transactions.

The Group participated in George Street Re, QBE Re’s debut casualty sidecar transaction which exceeds US$550 million in fully collateralised quota share reinsurance, and marked its entry into the casualty sidecar market. Compre has participated in a defined portion of the sidecar, reflecting its strategy of selectively deploying capital into low-volatility, long-tailed underwriting lines and its continued commitment to innovative capital solutions across the reinsurance value chain. George Street Re reinsures a percentage of QBE Re’s global casualty reinsurance portfolio. Importantly, Compre’s involvement also supports a structure that offers forward exit mechanisms for other capital providers, reinforcing Compre’s ability to partner with sponsors and investors seeking both flexibility and certainty over capital duration.

In October 2025, Pallas Re underwrote a whole account quota share for a US-based speciality insurance group covering business written in 2025 and 2026. The treaty covers a wide range of speciality lines of business.

In addition, our Lloyd’s Corporate member will provide capital to support Ariel Re’s new Syndicate 2006 across the 2026-28 underwriting years.

Execution certainty

Compre provides capital and liability management solutions to primary insurers and reinsurers in the European and North American markets and at Lloyd's of London. A key tenet of our client-oriented approach is to provide solutions that cater to the needs of our clients in the form of economic, legal and/or operational finality. Compre’s operational expertise has been evident in this regard throughout 2025. In early 2025 the Group completed a legal transfer of a motor, liability and property insurance risks portfolio acquired in late 2023 from Ethias S.A. to our Finnish risk carrier, Bothnia, which required approvals from a number of regulatory bodies in Europe including the Belgian, Dutch, French, Finnish and German regulators. As reported above we also completed the legal transfer of a medmal portfolio from Baloise to Bothnia. These were both complex legal transactions with a significant number of stakeholders in multiple jurisdictions and that required approvals from multiple regulatory bodies across Europe – we continue to appreciate the support of our regulators in closing these transactions.

Modernisation to support future growth

In 2025, the Group made significant progress in modernising the technology platform that underpins our long-term growth ambitions. Our investment has been primarily directed toward building a modern data platform that will unlock enhanced automation, deeper analytical insight, and improved decision-making capabilities across the organisation. We also invested in new technology across our actuarial, claims, finance, and reinsurance functions to further strengthen operational efficiency. In addition, we advanced our evaluation of AI as part of the modernisation programme, with our first GenAI-enabled analytical tools for claims assessment now well in development. The majority of this investment is expected to conclude in 2026, resulting in a materially enhanced data and technology landscape, greater efficiencies, and reduced claims leakage.

Financial performance

The Group considers growth in Tangible Net Asset Value (TNAV) based upon all agreed deals in the year to be the key measure of performance and value generation in the year. The TNAV growth of $74m represented a strong turnaround of the business and return to profit driven by significantly higher new business volume in the year.

Our conservative strategy on investment management is to minimise risk on interest rates and forex while seeking return from spread. Investment return of $91.9m was in line with 2024 despite a drop of Assets under Management (AuM) of 8% driven by the normal settlement pattern of our liabilities. The reduced AuM was compensated for by an increased book yield. Our new business activity in 2025 was largely skewed to late Q3 and Q4 and consequently contributed little incremental investment income. These new assets have been invested at prevailing rates and we expect to see a material increase in the absolute investment return in 2026.

The Group continued to exercise strong cost discipline across the business and has reached the point where our platform costs are largely fixed with claims costs varying dependent upon volume. Costs for the year at $66.0m were down 7% YOY (2024: $70.6m).

Capital and solvency

The capital management strategy for Compre is underpinned by its business model which principally involves the acquisition or reinsurance of insurance liabilities where risk events have substantially occurred in the past. This represents a significantly lower risk of events which could erode capital as compared to a business that purely underwrites live and unexpired insurance risks. As a result, the Group manages its capital buffers based on the lower inherent risk profile of the business model and seeks to optimize its capital stack through the use of debt and equity instruments. The BSCR at the end of 2025 for Compre Group was 173% which has reduced from the position at the end of 2024 of 187% as the Group has deployed its excess capital towards the significant growth experienced in the year. This still remains significantly above the minimum regulatory requirements. During the year, the Group arranged a $75m Tier 3 Bridge Facility to provide additional own funds. By year end $32m of the facility had been drawn with the balance utilised during Q1 2026. Compre has a strong track record of accessing the debt capital markets as was in evidence during 2022 when it issued approximately $200m of Tier 2 subordinated debt. The Company will evaluate opportunities for further such issuances in 2026 as part of maintaining an optimal capital position.

Outlook for 2026

As we look ahead to 2026 the business is well positioned with a strong pipeline of opportunities into which to deploy its available capital. Evolving Compre's product offering to the market in 2025 allows us to focus on deploying capital to support clients across our respective markets of Europe, Lloyd's of London and the North American market (including Bermuda). Ensuring that we are able to respond to the market's demand to innovate products, to build relationships over the long term not just on single finality transactions, and to build a sustainable income stream is key to our strategy going forward. We are, and will remain, a client centric business.

People

Compre has increasingly invested in its people through leadership as well as technical training and in 2025 we welcomed 38 new people to the business and executed 777 hours of training and development for our staff.

We welcomed Rachel Bardon as Chief Underwriting Officer (CUO) in September 2025, based in Bermuda. Rachel's appointment as Compre's first CUO is a clear statement of the direction in which Compre is evolving – Compre is a genuine reinsurance market that also provides legacy finality for clients.

Finally, we acknowledge the superb team at Compre who have transformed the size and scope of the business over the last few years. The Board and Management team would like to thank them for their commitment, drive and support and look forward to a successful 2026.

Will Bridger
Chief Executive Office
13 April 2026

Registered number 56052
Directors' report

The directors present their report and the audited consolidated financial statements of Compre Group Holdings Limited for the year ended 31 December 2025.

Incorporation and principal activities

The Group is a global specialty reinsurance business providing capital and liability solutions to our clients over the past 30 years. CGHL was incorporated in November 2020 by international private equity firm Cinven and Canadian pension fund British Columbia Investment Management Corporation (BCi) to acquire the Compre Group and is domiciled in Bermuda under the regulatory supervision of the BMA. The principal activities of Compre Group Holdings Limited (the Parent Company or Company) and its subsidiaries (collectively, the Group) are the acquisition and management of prior year insurance and reinsurance liabilities which can include both run-off re/insurance portfolios as well as prior year liabilities for ongoing business still being underwritten but in 2025 the Group also entered the prospective insurance market for the first time .

The principal insurance and reinsurance companies in the Group are:

- Pallas Reinsurance Company Limited (Pallas Re) which is domiciled in Bermuda and regulated by the BMA;
- Bothnia International Insurance Company Ltd (Bothnia) which is domiciled in Finland and regulated by the Finanssivalvonta (FIN-FSA);
- Syndicate 1994 at Lloyd's supported by our corporate member Compre Corporate Member (2) Limited; and
- Civil Service Employees Insurance Company which is domiciled in the USA and regulated by the California Department of Insurance.

Private equity firm Cinven and Canadian pension fund BCi are ultimately the majority shareholders alongside certain members of Compre's management team as minority shareholders. Both investors have strong knowledge of the insurance industry and are actively involved in the management of the business.

Results and dividends

The results for the Group are shown in the Consolidated profit and loss account on page 13. The directors are reporting a profit for the year ended 31 December 2025 (2024: a loss).

The directors do not recommend the payment of a dividend in the current year (2024: $Nil).

Review of business

A more detailed analysis of the business performance during the year may be found within the Performance Review.

Environmental, Social and Governance (ESG)

Compre continued to enhance its ESG framework throughout 2025, building on prior progress and further embedding ESG considerations across the Group. This was achieved in a dynamic external environment where approaches to ESG continue to evolve across jurisdictions. During the year, the Group again conducted its materiality assessment, with participation from key stakeholders including the Board, senior management and employees. This process continues to inform the prioritisation of ESG topics and supports the ongoing development of Compre's ESG strategy.

Environmental

During the year, Compre continued to strengthen its environmental data collection processes and improve data quality, enabling more effective monitoring of its carbon footprint. As in prior years, the Group's largest emissions remain associated with its investment portfolio, with support from Compre's investment manager, Goldman Sachs Asset Management ("GSAM"), in monitoring and managing these exposures.

In addition, Compre's investors commissioned a climate-related physical risk assessment to further enhance the Group's understanding of environmental risks. This assessment, undertaken using AXA Climate's Altitude platform, applies geolocation-based analysis to evaluate exposure to climate and biodiversity risks across the Group's assets.

The results of the assessment indicated that the majority of identified risks across the Group's assets are assessed as low risk, with certain exposures to higher-risk climate hazards such as flooding, extreme heat and storms under forward-looking scenarios. This analysis supports a more robust understanding of potential environmental impacts and informs ongoing risk management and mitigation activities.

Social

Compre remains committed to fostering an environment in which all employees can fulfil their potential and feel comfortable being themselves. The Group continues to promote an inclusive and diverse workplace and a culture that values authenticity and respect.

During the year, Compre established a DE&I working group comprising members of senior management, with a mandate to identify and prioritise areas of focus for the Group's diversity, equity and inclusion initiatives.

In addition, externally facilitated listening sessions were conducted in January 2026, focusing on culture, values and inclusion. These sessions, which included broad participation across the organisation, provided valuable insights into employee experience and highlighted opportunities to further strengthen culture, inclusion and organisational cohesion.

Governance
Compre continues to maintain a strong system of governance and a robust risk management framework. These practices support effective decision-making, ensure compliance with regulatory requirements, and enable the Group to meet the needs of its clients and other stakeholders.

Directors

The directors of the Company who served during the year are as follows:

Luigi Sbrozzi	
Emmanuel Clarke	Resigned on 26 February 2025
Aaron Papps	
Robert Perry	Resigned on 1 October 2025
Will Bridger	
Anup Seth	
LoriAnn Lowery-Biggers	
Jonathan Reiss	
Derrick Estes	Appointed on 26 February 2025
John Howard	Appointed on 11 April 2025
Balazs Lam	Appointed on 14 November 2025

Principal risks and uncertainties facing the business

Management continually monitor the key risks facing the Group together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually. Additional information on management of insurance and financial risks can be found in note 5 on page 28.

The principal risks and uncertainties recognised by the directors of this Company in respect of insurance business in run-off are the unpredictable nature of claims arising on business which may have been written many years ago, acquisition risk where an adequate level of new business cannot be maintained to cover operational costs, asset risk and the exposure to currency exchange rate fluctuations. For prospective insurance principal risks are that losses are not known when business is written and that claims payments may be unpredictable. These risks are mitigated by active claims management, reinsurance arrangements, maintaining underwriting discipline, regular monitoring and management of interest rate and foreign exchange risks.

Financial risk management and exposures

The following are considered by the Board to be the Group's principal risks and are regularly monitored by the Board:

- Strategic Risk - Economic loss resulting from failed business strategy and strategic objectives.
- Insurance Risk - Economic loss associated with insurance liabilities acquired and related to data quality, reserve assessment and claims payments.
- Financial Risk - Economic loss resulting from failure in investment strategy and/or investment underperformance or reinsurance default.
- Market Risk - Economic Loss that arises from movements in stock prices, interest rates, exchange rates and other market risk factors.
- Operational Risk - Failure of operational aspects that could have a material negative impact related to people, processes, systems and external factors.
- Regulatory Risk - Failure to comply with regulatory requirements that could impact on the ability of the Company to conduct its business.
- Reputational Risk - This is the risk associated with the potential for loss of economic value from reputation-damaging incidents.
- ESG Risk - Transition and Physical Risks arising as a result of consideration (or lack of) environmental, social and governance impact within the business, including climate change.

Ukraine and Middle East Conflicts

The Group does not have extensive direct exposure to Ukraine, Russia or the Middle East. However, the on-going events continue to present a threat to the global economic environment and stability. The Group will continue to monitor the situation and take appropriate measures, if and when required.

Auditors

The auditors, Ernst & Young LLP, who were appointed in 2023, have expressed their willingness to continue in office, and a resolution proposing their reappointment and authorising the directors to fix their remuneration will be put before the members at the next annual general meeting.

Registered number 56052
Directors' report (continued)

Disclosure of information to auditors

Each of the persons who is a director at the date of this report confirms that:

1. As far as each of them is aware, there is no information relevant to the audit of the Group's consolidated financial statements for the year ended 31 December 2025 of which the auditors are unaware; and

2. The directors have taken all steps that they ought to have taken in their duty as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Approval

Approved by the directors and signed on 13 April 2026.

William Bridger
Chief Executive Officer

Ian Patrick
Chief Financial Officer

Registered office:
Rosebank Centre
5th Floor
11 Bermudiana Road
Pembroke HM 08
Bermuda

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF COMPRE GROUP HOLDINGS LIMITED

Opinion

In our opinion:

- Compre Group Holdings Limited's ('CGHL') group financial statements (the "consolidated financial statements") give a true and fair view of the state of the group's affairs as at 31 December 2025 and of the group's profit for the year then ended; and
- The consolidated financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice ('UK GAAP').

We have audited the consolidated financial statements of Compre Group Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise:

Group
Consolidated Statement of Financial Position as at 31 December 2025
Consolidated Profit and Loss for the year then ended
Consolidated Statement of Comprehensive Income for the year then ended
Consolidated Statement of Changes in Equity for the year then ended
Consolidated Statement of Cash Flows for the year then ended
Related notes 1 to 24 to the consolidated financial statements (except for the capital management numbers in note 5 marked as "unaudited"), including a summary of significant accounting policies

The financial reporting framework that has been applied in their preparation is FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts" (United Kingdom Generally Accepted Accounting Practice).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated 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 consolidated financial statements, including the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) 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.

Climate change

The Group has determined that currently there is no material impact from climate change on its operations and financial position. In planning and performing our audit we assessed the potential impacts of climate change on the Group business and any consequential material impact on its consolidated financial statements.

Our audit effort in considering the impact of climate change on the consolidated financial statements was focused on evaluating the impact of climate risk, physical and transition. As part of this evaluation, we performed our own risk assessment to determine the risks of material misstatement in the consolidated financial statements from climate change which needed to be considered in our audit.

Based on our work we have not identified the impact of climate change on the consolidated financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Risk	Our response to the risk
Valuation of gross and net IBNR Fraud Risk (Gross technical provisions: $1,378m (2024: $1,284m), Reinsurers' share of technical provisions: $125m (2024: $127m)) Refer to accounting policies (pages 19 to 26) and notes to the accounts (pages 27 to 43) Claims reserves are inherently uncertain and subjective by nature and therefore more susceptible to fraud or error. Small manipulations in assumptions could lead to material changes in the reserves. Financial statement risks principally arise from: • the accuracy and timeliness of source data (premiums, claims paid and outstanding) used in making the estimate; • sensitivity of assumptions made by management; and • limitations of models and modelling techniques used for the preparation of the actuarial best estimates. The risk is consistent with the prior year.	• Supported by our actuarial specialists, we examined and challenged the assumptions used by management in determining CGHL's reserves, in particular focusing on the consistency of the basis and/or methodology of recording reserves between the regulatory returns and those contributing to the Group's reserves, challenging the appropriateness of reserves on older years. • We performed independent reprojections for selected portfolios along with reviewing emerging experience up to 31 December 2025 and compared the reserves projected by EY Actuaries with management's estimate and assessed any material differences. • We verified the integrity of data being used by our actuaries through tests of detail of the operational records and source documents. • We used data analytics software to test the appropriateness of journal entries recorded in the general ledger and other adjustments specifically related to the gross claims outstanding balance; • We performed an analytical review over claims outstanding to confirm our understanding of the movement; • We selected and processed attritional and large ultimate claims data and analysed the data for major trends; • We prepared analysis of outward reinsurance and produced final estimates for a net of external reinsurance view; and • We reviewed the component auditor working files supporting the reserves projected for CSE entities and Syndicate 1994, to assess the methodologies applied and to ensure consistency with the Group's reserving framework. Based on the results of the procedures performed, we are satisfied that the gross and net claims reserves estimated and booked by CGHL as at 31 December 2025 are within a reasonable range.
Valuation and accounting for new claims portfolio acquisitions (Value of gross acquired reserves: $301m (2024: $30m) Refer to accounting policies (pages 19 to 26) and notes to the accounts (pages 27 to 43) The planned continuing expansion of the group and increasing size of the claims portfolios means that misstatements due to fraud or error in the Day 1 accounting position and the valuation of the technical reserves could result in a material misstatement of the reserves and Day 1 profit recognised in the consolidated financial statements. These claims portfolio acquisitions additionally involve complexity of IT systems (data being held outside the Compre claims system) and involvement of various Third Party Administrators, with reduced involvement from Compre and outsourcing of the claims portfolio management. This inherently increases the risk of accounting for these portfolios on an ongoing basis. The risk is consistent with the prior year.	• We walked through management's process for the acquisition of new claims portfolios and the process for arriving at Day 1 accounting profit. • We critically assessed management's assumptions and rationale behind recognition of Day 1 accounting profit, supported by their position paper for each portfolio acquisition; • We performed substantive audit procedures on assets and liabilities at take-on including the review of formal legal agreements and the confirmation of assets relating to those portfolios. • In conjunction with our IT specialists, we performed procedures over IT systems, including IT general controls evaluation. We assessed third-party service organisation controls in line with the requirements of ISA 315 procedures, to target the complexities surrounding the claims portfolio acquisitions where data continues to be managed by third parties. • We engaged our actuarial specialists to review the Day 1 reserve values recognised on portfolio acquisitions as part of their wider reserving procedures. In addition, for certain transactions, third party confirmations were obtained to corroborate the Day 1 reserve positions recognised at acquisition. • For acquisitions accounted for as available for sale, audit procedures were performed consistent with those applied to other portfolio acquisitions. In addition, we assessed management's accounting treatment of these transactions to ensure compliance with the relevant requirements of IAS 39 – Financial Instruments: Recognition and Measurement. • We tested the appropriateness of journal entries recorded in the general ledger and other adjustments specifically related to these transactions. • We have challenged management's calculations based on our review of the supporting agreements and reserving exercises at take on. • For each of the portfolios acquired and transactions during the year, we have evaluated whether these have been appropriately accounted for in accordance with UK GAAP. Based on the work performed, we are satisfied that the accounting for the claims portfolios acquired during the year is appropriate.

Other Information

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the group'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 management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

This report is made solely to the company's directors, as a body, in accordance with our engagement letter dated 6 October 2023. Our audit work has been undertaken so that we might state to the company's directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
London
Date: 13 April 2026

Consolidated profit and loss account
For the year ended 31 December 2025
Technical account – General business

	Note	2025 $000	2024 $000
Earned premiums, net of reinsurance			
Gross premiums written		**14,139**	2,535
Outward reinsurance premiums		**(129)**	1,279
Change in the gross provision for unearned premiums		**388**	13,673
Total technical income		**14,398**	17,487
Claims incurred, net of reinsurance			
Claims paid			
– gross amount		**(430,771)**	(394,147)
– reinsurers' share		**37,340**	37,332
		(393,431)	(356,815)
Change in the provision for claims			
– gross amount	5	**398,486**	262,740
– reinsurers' share	5	**(16,465)**	(33,692)
		382,021	229,048
Claims incurred, net of reinsurance		**(11,410)**	(127,767)
Net operating expenses	6	**(71,264)**	(66,199)
Total expenses and claims		**(82,674)**	(193,966)
Balance on the technical account for general business		**(68,276)**	(176,479)

The notes on pages 19 to 43 form an integral part of these consolidated financial statements.

Consolidated profit and loss account
For the year ended 31 December 2025
Non-technical account

	Note	2025 $000	2024 $000
Balance on the general business technical account		**(68,276)**	(176,479)
Investment income	8	**91,892**	92,051
Unrealised net gains on investments	8	**34,397**	13,176
Investment expenses and charges	8	**(53,811)**	(45,551)
Other income	9	**4,760**	357
Other charges		**(4,262)**	(4,306)
Profit/(loss) on ordinary activities before tax		**4,700**	(120,752)
Tax on profit/(loss) on ordinary activities	10	**2,073**	(7,706)
Profit/(loss) after tax		**6,773**	(128,458)

The notes on pages 19 to 43 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2025

	Note	2025 $000	2024 $000
Profit/(loss) after tax		**6,773**	(128,458)
Other comprehensive income:			
Currency translation differences		**10,675**	(5,944)
Unrealised gain from available for sale securities		**2,791**	945
Other comprehensive income/(expense), net of tax		**13,466**	(4,999)
Total comprehensive income/(expense)		**20,239**	(133,457)

The notes on pages 19 to 43 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position
As at 31 December 2025

	Note	2025 $000	2024 $000
Assets			
Intangible assets			
Goodwill - Positive	11	**61,765**	65,625
Goodwill - Negative	11	**(16,175)**	—
Net goodwill	11	**45,590**	**65,625**
Other intangible assets	11	**2,168**	330
		47,758	65,955
Investments			
Other financial investments	12	**1,615,161**	1,453,558
Deposits with ceding undertakings	12	**431,880**	526,783
		2,047,041	1,980,341
Reinsurers' share of technical provisions			
Claims outstanding	5	**124,504**	127,475
		124,504	127,475
Debtors			
Debtors arising out of reinsurance operations		**242,675**	88,542
Deferred tax assets	15	**9,354**	4,679
Other debtors		**15,053**	10,160
		267,082	103,381
Other assets			
Tangible assets	13	**384**	649
Cash at bank and in hand		**10,696**	16,475
		11,080	17,124
Prepayments and accrued income			
Accrued interest		**14,766**	11,769
Deferred acquisition costs		**11,850**	—
Other prepayments and accrued income		**1,832**	2,601
		28,448	14,370
Total Assets		**2,525,913**	2,308,646

Consolidated Statement of Financial Position
As at 31 December 2025

	Note	2025 $000	2024 $000
Equity and Liabilities			
Capital and reserves			
Called up share capital	14	**2,698**	2,698
Share premium	14	**513,115**	513,115
Revaluation reserve		**5,298**	2,507
Currency translation reserve		**5,882**	(4,793)
Profit and loss account		**168,796**	162,023
Total equity		**695,789**	675,550
Subordinated liabilities	16	**282,134**	241,501
Technical provisions			
Provision for unearned premiums	5	**31,485**	1,317
Claims outstanding	5	**1,378,061**	1,283,767
		1,409,546	1,285,084
Provisions for other risks			
Provision for deferred tax liabilities	15	**1,325**	99
		1,325	99
Creditors			
Creditors arising out of reinsurance operations		**54,354**	38,200
Amounts owed to credit institutions	16	**53,569**	37,213
Other creditors including taxation and social security	17	**6,491**	13,643
		114,414	89,056
Accruals and deferred income		**22,705**	17,356
Total liabilities		**1,830,124**	1,633,096
Total equity and liabilities		**2,525,913**	2,308,646

The notes on pages 19 to 43 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2025

	Notes	Called-up share capital	Share premium	Revaluation reserve	Currency translation reserve	Profit and loss account	Total equity
		$000	$000	$000	$000	$000	$000
At 1 January 2024		2,698	513,115	1,562	1,151	290,481	809,007
Loss after tax		—	—	—	—	(128,458)	(128,458)
Other Comprehensive (expense)/ income, net of tax		—	—	945	(5,944)	—	(4,999)
Total comprehensive (expense)/ income		—	—	945	(5,944)	(128,458)	(133,457)
At 31 December 2024		2,698	513,115	2,507	(4,793)	162,023	675,550
At 1 January 2025		**2,698**	**513,115**	**2,507**	**(4,793)**	**162,023**	**675,550**
Profit after tax		**—**	**—**	**—**	**—**	**6,773**	**6,773**
Other Comprehensive income, net of tax		**—**	**—**	**2,791**	**10,675**	**—**	**13,466**
Total Comprehensive income, net of tax		**—**	**—**	**2,791**	**10,675**	**6,773**	**20,239**
At 31 December 2025		**2,698**	**513,115**	**5,298**	**5,882**	**168,796**	**695,789**

The notes on pages 19 to 43 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2025

	Note	2025	2024
		$000	$000
Cash flow from operating activities			
Profit/(loss) on ordinary activities before tax		**4,700**	(120,752)
Adjustment for:			
- Change in operating assets		**163,127**	50,762
- Change in operating liabilities		**(305,920)**	(74,548)
- Investment income		**(91,892)**	(92,051)
- Net finance costs		**53,811**	45,551
- Change in intangible assets		**(3,797)**	4,181
- Depreciation of property, plant and equipment		**273**	292
- Fair value movements		**(13,293)**	(4,484)
- Foreign currency movements		**12,163**	8,844
- Net cash inflows from loss portfolio transfers		**3,900**	34,810
		(176,928)	(147,395)
Interest received		**89,325**	76,908
Income tax paid		**(393)**	(453)
Net cash used in operating activities		**(87,996)**	(70,940)
Cash flow from investing activities			
Payment for acquisition of subsidiary, net of cash acquired		**53,206**	–
Purchases of intangible assets		**(2,183)**	–
Purchases of tangible assets		**(7)**	(117)
Purchases of investments		**(2,442,638)**	(2,460,382)
Proceeds from disposal of investments		**2,454,839**	2,575,698
Net cash generated from investing activities		**63,217**	115,199
Cash flow from financing activities			
Proceeds from issue of borrowings		**82,388**	26,086
Repayments of borrowings		**(37,203)**	(60,207)
Interest paid		**(26,800)**	(30,258)
Net cash generated from/(used in) financing activities		**18,385**	(64,379)
Net decrease in cash at bank and in hand		**(6,394)**	(20,120)
Cash at bank and in hand at the beginning		**16,475**	37,082
Exchange gains/(losses) on cash at bank and in hand		**615**	(487)
Cash at bank and in hand at the end		**10,696**	16,475

The notes on pages 19 to 43 form an integral part of these consolidated financial statements.

1. General information

Compre Group Holdings Limited ('the company') and its subsidiaries (together 'the Group') is a global specialty reinsurance business that provides capital and liability solutions to its clients, thereby giving them certainty on their portfolios.

The company is a private company limited by shares and is incorporated in Bermuda. The address of the registered office is Rosebank Centre, 5th Floor, 11 Bermudiana Road, Pembroke HM08.

2. Statement of compliance

The Group annual report and consolidated financial statements of Compre Group Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, ''The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'' (''FRS 102''), and Financial Reporting Standard 103, "Insurance Contracts" ("FRS 103"). The Group financial statements were authorised for issue in accordance with a resolution of the directors on 13 April 2026.

3. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. The accounting policies are consistent with those that were disclosed in the Group's consolidated financial statements for the year ended 31 December 2024 and have been applied to all the periods presented. There have been no significant changes in accounting policies unless otherwise stated.

3.1. Basis of preparation

The preparation of financial statements in conformity with FRS 102 and FRS 103 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

3.2. Basis of measurement

The financial statements have been prepared on the historical cost basis with the exception of financial instruments measured at fair value, and insurance claims reserves that are measured at current value (note 4).

3.3. Going concern

The Directors have prepared a going concern assessment for the Group for the financial period to April 2027 (reflecting twelve months period from the date of the signing of the 2025 consolidated accounts in April 2026). Business activities, together with the factors likely to affect the business' future development, financial position, financial risk management objectives, details of financial instruments and exposures to credit, liquidity and cash flow risk are described in the Performance Review.

The Group has considerable financial resources together with long-term relationships with a number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite elevated geopolitical risks adding to inherent economic uncertainty.

The Board expects the Group will continue to remain solvent for the foreseeable future as it remains a global specialty reinsurance business provider of capital and liability solutions.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing the annual report and financial statements.

3.4. Basis of consolidation

The Group financial statements consolidate those of the parent company and the entities it controls (the 'subsidiaries'). Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where a subsidiary is acquired/disposed of during the year, the consolidated profits or losses are recognised from/until the effective date of the acquisition/disposal. All inter-company balances and transactions between group companies have been eliminated on consolidation.
Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

Underwriting members at Lloyd's have several but not joint liability for the transactions of the syndicates in which they participate. Therefore, for each managed syndicate on which the Group participates, only the relevant proportion of the transactions, assets and liabilities of those syndicates are reflected in the consolidated financial statements. Syndicate assets are held subject to trust deeds for the benefit of the syndicate's insurance creditors. As at 31 December 2025 and 31 December 2024 Compre Corporate Member 2 Limited, a subsidiary of the Group, provided 100% of the capital for Syndicate 1994 and therefore all transactions, assets and liabilities of Syndicate 1994 have been included in the Group's financial statements.

3.5. Presentation currency and level of rounding

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 United States Dollars ("USD"). All financial information presented in USD has been rounded to the nearest thousand USD, except when otherwise indicated. In tables with rounded figures, sums may not add up due to rounding.

3.6. Foreign currency

Transactions in foreign currencies are translated into the functional currency at the prior month's closing exchange rates of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at each reporting date are translated into the functional currency at the closing exchange rates as at that date. For this purpose all assets and liabilities arising from insurance contracts (including unearned premiums, deferred acquisition costs and unexpired risks provisions) are monetary items. Foreign currency differences are generally recognised in the Technical consolidated profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

On consolidation, the assets and liabilities of foreign subsidiaries are translated into United States Dollars at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at average exchange rates for the year for which the accounts have been prepared. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign subsidiary, the component of other comprehensive income relating to that particular foreign subsidiary is recognised in profit or loss.

Any goodwill arising on the acquisition of foreign subsidiaries and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign subsidiaries and translated at the spot rate of exchange at the reporting date.

3.7. Insurance contracts

Gross written premiums

Gross written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods. Rebates that form part of the premium rate, such as no-claim rebates, are deducted from the gross premium; others are recognised as an expense.

For prospective business written premiums comprise amounts in respect of policies incepting during the period, together with adjustments arising from differences between recorded premiums for prior underwriting years and amounts previously accrued. Written premiums are presented gross of commissions payable to intermediaries and exclude applicable premium taxes and levies. Premiums are recognised in the income statement on a pro-rata basis over the contractual term of the related policies, except where the period of risk differs materially from the policy term. In such cases, premiums are earned over the period of risk in proportion to the level of insurance protection provided.

Unearned premium

Unearned premiums represent the proportion of premiums written and unexpired policies acquired in that year that relate to unexpired terms of policies in force at the end of each accounting period. These premiums are calculated separately for each insurance policy on a pro-rata basis, and subsequently recognised in the Consolidated profit and loss account over the period during which the policies are in force.

Claims paid

Gross claims paid comprises both claims approved for payment in the year and paid claims incorporated into the Group by way of a portfolio transfer. Claims are presented in the Consolidated profit and loss account as 'claims paid' when payment has been approved and a creditor has been recognised; claims arising via a portfolio transfer are recognised when a legal agreement is reached between the original risk carrier and the third party transferring the risk and regulatory approval is received.

Deferred acquisition costs

Acquisition costs consist mainly of commissions and other directly attributable costs incurred in acquiring insurance and reinsurance contracts. Such costs are deferred to the extent that they relate to unearned premiums at the reporting date. Deferred acquisition costs are amortised over the period in which the related premiums are earned, generally in proportion to the earning of premiums over the coverage period of the contracts. The carrying amount of deferred acquisition costs is reviewed at each reporting date to ensure recoverability.

Technical provisions

Non-life technical provisions comprise the outstanding claims provision and the provision for unearned premium. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with claims-related costs, including future run-off expenses and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these claims cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. No provision for equalisation or catastrophe reserves is recognised.

Technical provisions are discounted to present value to reflect an adjustment for the time value of money. Management considers this measurement to give more relevant information about the Group's financial position. Technical provisions are derecognised when the obligation to pay a claim expires, is discharged or is cancelled.

Reinsurance

The Group cedes insurance risk in the normal course of business. A reinsurance asset (reinsurers' share of technical provisions) is recognised to reflect the amount estimated to be recoverable under the reinsurance contracts in respect of the outstanding claims reported. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. Any impairment loss is recorded in profit or loss.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

Consistent with technical provisions, reinsurance assets are discounted to present value to reflect an adjustment for the time value of money.

Retroactive reinsurance

Under retroactive reinsurance, the Group assumes liabilities incurred as a result of past insurable events. Legal transfers and loss portfolio transfers that are not business combinations (see note 3.10) are accounted for as retroactive reinsurance. The Group recognises assets acquired and liabilities assumed as a direct consequence of retroactive reinsurance agreements on the earlier of the following occurrences:

- the beginning of the coverage period; and
- the date when the first payment from a cedant becomes due.

The Group measures the assets acquired and the liabilities assumed in retroactive reinsurance agreements in accordance with the accounting policies for the respective assets and liabilities; these primarily include financial assets and technical provisions, policies for which are disclosed in notes 3.17, 3.18 and this note. Future adjustment premiums arising from retroactive reinsurance agreements are only recognised when there is a reliable measure for them, which is generally not expected to occur before such adjustment premiums crystallise and are notified to the Group.

Gains or losses on retroactive reinsurance, representing the difference between the assets acquired and the liabilities assumed, are recognised in the profit or loss immediately upon initial recognition and are not amortised.

Subsequent changes to the estimated timing and amount of loss payments on retroactive reinsurance are reflected in profit or loss in accordance with the policies set out in this note.

Commissions and profit participation

Commissions and profit participation are recognised in the Consolidated profit and loss on an accruals basis.

Equalisation provision

No provision for equalisation reserves has been recognised.

3.8. Insurance claims handling expenses

The provision for the costs of handling and settling claims to extinction and all other costs of managing the run-off included in technical provisions is based on an analysis of the expected costs to be incurred in run-off activities, incorporating expected savings from the reduction of transaction volumes over time. Changes in the estimates of such costs and future investment income are reflected in the year in which the estimates are made.

3.9. Income tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Consolidated profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current income tax assets and/or liabilities comprise obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid/due at the reporting date. Current tax is payable on taxable profits, which may differ from profit or loss in the financial statements. Calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting year.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax liabilities are recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

3.10. Business combinations and goodwill

The Group applies the purchase method of accounting for business combinations. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities. Goodwill recognised represents the excess/deficit of the fair value and directly attributable costs of the purchase consideration over the fair values of the Group's interest in the identifiable assets acquired, and liabilities and contingent liabilities assumed.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquired subsidiary’s financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values; deferred tax balances are however measured in accordance with the Group tax policy.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (i) fair value of consideration transferred, (ii) the recognised amounts of any non-controlling interest in the acquiree and (iii) acquisition-date fair values of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets.

Goodwill is amortised over its expected useful life, which has been applied to all goodwill held at the balance sheet date. Goodwill is assessed for impairment when there are indicators of impairment; any impairment is charged to the income statement.

The directors have assessed the useful life of the positive goodwill arising on the acquisition of Compre as 20 years based on the period over which the value of the underlying business acquired is expected to exceed the values of the acquired identifiable net assets. The directors have assessed the useful life of the negative goodwill arising on the acquisition of the CSE Group to relate to the run off of technical provisions acquired in the transaction and so it will be recognised in the profit and loss over the period during which they are settled, with this estimated to be eight years. Amortisation on positive goodwill is included in the non technical account and negative goodwill recognition the technical account of the profit and loss account respectively.

3.11. Other intangible assets

Other intangible assets are initially measured at cost. After initial recognition, other intangible assets are recognised at cost less any accumulated amortisation and any accumulated impairment losses.

The amortisable amount of an other intangible asset is allocated on a systematic basis over that period. Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The useful life for computer software is deemed to be 4 years.

The amortisation period and the amortisation method for other intangible assets is reviewed at least each financial year-end. If the expected useful life of the asset is different from previous estimates, the amortisation period is changed accordingly, and the changes are accounted for prospectively as a change in an accounting estimate. Amortisation is presented in other charges in the non-technical account. The assets are reviewed for impairment if there exist any factors that indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred.

3.12. Tangible assets

Tangible assets are recognised as an asset only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

A tangible asset that qualifies for recognition as an asset is measured at its cost. Cost of a tangible asset comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the cost of dismantling and removing the asset and restoring the site on which it is located. After recognition, all tangible assets are carried at cost less any accumulated and depreciation impairment losses.

Depreciation is provided at rates calculated to write down the cost of assets, less estimated residual value, over their expected useful lives on the following basis:

Computer equipment	4 years
Furniture and equipment	5 years

The residual value and the useful life of an asset is reviewed at least at each financial year-end and if expectations differ from previous estimates, the changes are accounted for prospectively as a change in an accounting estimate.

Gains or losses arising on the disposal of tangible assets are determined as the difference between the disposal proceeds and the carrying value of the asset and are recognised in profit or loss. Depreciation is presented in other charges in the non-technical account.

The assets are reviewed for impairment if there exist any factors that indicate that the carrying amount may be impaired.

Costs associated with maintaining tangible assets are recognised as an expense as incurred.

3.13. Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.14. Leases – Group as lessee

At their inception, the Group assesses arrangements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Consolidated profit and loss account on a straight-line basis over the period of the lease.

The Group has no leases classified as finance leases throughout the reporting period.

3.15. Impairment of non-financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected cash flows based on financial forecasts discounted back to present value. For impairment assessment purposes assets are grouped at the lowest levels for which there are largely independent cash flows. All individual assets or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The impairment loss is allocated to reduce the carrying amount of the asset. With the exception of goodwill, all assets are subsequently reassessed for indications that a previously-recognised impairment loss may no longer exist. An impairment loss is reversed if the asset's recoverable amount exceeds its carrying amount.

3.16. Financial instruments

The Group has chosen to apply the recognition and measurement provisions of IAS 39 and the disclosure requirements of FRS 102 in respect of financial instruments.

3.17. Financial assets

Initial recognition and measurement

Financial assets are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss; they also include derivative financial assets to which hedge accounting is not applied. Investments typically bought with the intention to sell in the near future are classified as held for trading. For investments designated at fair value through profit or loss, the following criteria must be met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis; or
- the assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Investments are initially recorded at fair value. Subsequent to initial recognition, they are remeasured at fair value. Changes in fair value are presented in 'Income from financial assets at fair value through profit or loss'. Interest is accrued and presented in 'Investment income' using the contractual interest rate. Dividend income is recorded in 'Investment income' when the right to the payment has been established.

Derivatives held include foreign exchange forward contracts which are measured at fair value by discounting the future cash flows to present value and future cash flows which are estimated using forward exchange rates. The total return swaps's valuation reflects the principal under the agreements together with a contractual risk margin, which accrues on a daily basis, reduced by the value of payments made.

Available-for-sale financial assets

Available-for-sale financial investments include equity and debt securities. Equity investments (including investments in funds) classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value, with unrealised gains or losses recognised in other comprehensive income in the revaluation reserve. Where the Group holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. Interest earned whilst holding available-for-sale investments is reported as interest income using the Effective Interest Rate (EIR). Dividends earned whilst holding available-for-sale investments are recognised in the statement of comprehensive income as 'Investment income' when the right of the payment has been established. When the asset is derecognised or determined to be impaired, the cumulative gain or loss is reclassified from the revaluation reserve to the Consolidated profit and loss account.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortised cost, using the EIR, less allowance for impairment. Amortised cost is calculated by considering any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in 'Investment income' in the Consolidated profit and loss account. Gains and losses are recognised in the profit and loss account when the investments are derecognised or impaired, as well as through the amortisation process.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually-assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as investment income in the profit and loss account) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the profit and loss account.

Available-for-sale financial assets

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments (including funds) classified as available-for-sale, objective evidence would include a 'significant or prolonged' decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

3.18. Financial liabilities

Borrowings are initially recorded at fair value less transaction costs incurred. Subsequently borrowings are stated at amortised cost and interest is recognised in the Consolidated profit and loss account over the period of the borrowings. Fees paid on the establishment of the loan and other debt facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. Upon the draw down the transaction costs are netted off against the liability and subsequently charged to the Consolidated profit and loss account as part of investment expenses and charges on financial liabilities measured using the effective interest rate.

Creditors are financial liabilities and recognised initially at fair value, net of any directly attributable transaction costs. Creditors are subsequently stated at amortised cost, using the effective interest method.

Derivative financial liabilities to which hedge accounting is not applied are classified as financial liabilities at fair value through profit or loss, and are initially recorded at fair value. Subsequent to initial recognition, they are remeasured at fair value. Changes in fair value are presented in 'Income from financial assets at fair value through profit or loss'.

3.19. Cash at bank and in hand

Cash at bank and in hand comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the statement of financial position. Deposits, as well as insurance funds withheld, are only included within cash at bank and in hand if the Group is able to access the assets in the short term without requiring another party's consent, and the underlying instruments are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.20. Investment return and expenses

In respect of investment return:

- Interest income on financial assets at fair value through the profit or loss is recognised using the contractual interest rate.
- Dividend income is recognised when the right to receive payment is established.
- Interest on financial assets not at fair value through the profit or loss and expenses are accounted for using the EIR method.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and purchase price. Movements in unrealised gains and losses on investments represent the difference between the fair value at the balance sheet date and their purchase price or their fair value at the last balance sheet date, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

3.21. Equity and reserves

Share capital represents the nominal value of shares that have been issued. Share premium represents the value of shares issued in excess of the nominal value of those shares less a deduction for issuance costs.

The currency translation reserve arises on the translation of foreign subsidiaries' financial information, as disclosed in note 3.6, and the revaluation reserve arises upon the fair valuation of available-for-sale financial assets, as disclosed in note 3.17.

Retained earnings include all current year profits and losses and prior years' profits and losses insofar as they have not been capitalised or distributed.

3.22. Distributions to equity holders

Dividends and other distributions to the Group's shareholders are recognised prior to settlement as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

3.23. Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

4. Significant management judgements in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying accounting policies and estimation uncertainties of the Group that have a significant risk of resulting in a material adjustment to the carrying amount of the Group's assets and liabilities in the next financial year. Where there is uncertainty, the Group bases its assumptions and estimates on parameters available at the time when the consolidated financial statements are prepared. Existing circumstances and assumptions about future developments are however inherently subject to change (or changes in circumstances) that are beyond the Group's control. Any such changes are reflected in the assumptions when they occur.

The most significant management judgements and estimates have been applied in the calculation of insurance contract provisions and reinsurers' share of insurance liabilities, and future claims handling expenses. Information about these estimates and assumptions that have the most significant effect on the recognition of assets, liabilities, income and expenses is provided below.

Technical provisions for outstanding claims and reinsurers' share of insurance liabilities

The Group is exposed to technical provisions for outstanding claims, against which it holds assets representing reinsurers' share of those insurance liabilities. Claims outstanding include an estimate of provisions for claims incurred but not reported ("IBNR"). The carrying amount of the gross liabilities and of the reinsurers' share thereof is disclosed in note 5. Measurement of these provisions inherently gives rise to measurement uncertainty as the ultimate costs of gross claims, as well as amounts recovered from reinsurers, could vary materially from the amounts recognised in these financial statements.

Provisions for outstanding claims are established based on actuarial and statistical projections and other estimates of the ultimate cost of settlement. The Group estimates claims outstanding gross of reinsurance recoveries, and performs a netting down exercise to calculate the amounts that will be recoverable from reinsurers. Traditional actuarial techniques are used to estimate future liabilities for each major class of liabilities and other estimates of the ultimate cost of settlement, and to derive IBNR reserves for the Group's exposure. The models are designed explicitly to reflect the features of the risks and all information currently available in the market.

These techniques and projections are however dependent on a number of assumptions, and actual experience will often differ from these assumptions. Whilst management believe that the provisions for outstanding claims are fairly stated, these estimates inevitably contain inherent uncertainties, also because significant periods of time may elapse between the occurrence of an incurred loss, the reporting of that loss to the Group and the Group's payment of the loss and the receipt of reinsurance recoveries. These uncertainties are inherent in much of the business underwritten by the Group, and may cause the ultimate net costs of settling the liabilities to differ from the amounts previously estimated. Changes in the carrying amount of net claims outstanding that are attributable to changes in these estimates and assumptions are recognised in the Group's profit and loss account in the accounting period in which the estimates and assumptions are updated.

The Group calculates its actuarial liabilities using standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a management margin. Those projections of claims outstanding are discounted to present value; this calculation is based on the estimated timing of cash outflows required to settle the claims, and the determination of interest rates used to discount those cash flows. The discount rates used by the Group are aligned with the Bermuda Solvency Coverage Requirements rules.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The carrying value of these instruments is $218m (31 December 2024: $98m) as disclosed in note 12. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Estimated impairment of positive goodwill

The Group assesses for impairment of positive goodwill in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The carrying value of goodwill is $62m (31 December 2024: $66m). The assumptions on which any goodwill impairment testing is based include, but are not limited to, discount rate, useful life and cash flow forecasts for future business generation. These assumptions have been subject to sensitivity analysis, however, if any assumptions made prove to be inaccurate, this may mean that the value of the goodwill is not supportable, which could have a material effect on the Group's financial position.

5. Management of insurance and financial risks

The Group's activities expose it to a variety of insurance and financial risks. Management is responsible for managing the Group's exposure to these risks and, where possible, for introducing controls and procedures that mitigate the effects of the exposure to risk.

The following describes the Group's exposure to the more significant risks and the steps management have taken to mitigate their impact.

(a) Insurance risk management

The Group includes insurance risk carriers who provide run-off services but in 2025 have commenced covering prospective insurance so live underwriting operations. The Group is therefore exposed to underwriting risk as provided below under reserving risk.

Concentration risk

The Group's concentration of insurance risk by geographical location is as follows:

	Gross liabilities	**Reinsurance of liabilities**	**Net liabilities**
	$000	**$000**	**$000**
Europe	**643,533**	**(56,843)**	**586,690**
North America	**561,621**	**(49,607)**	**512,014**
United Kingdom	**137,481**	**(12,144)**	**125,337**
Other	**66,911**	**(5,910)**	**61,001**
As at 31 December 2025	**1,409,546**	**(124,504)**	**1,285,042**

	Gross liabilities	Reinsurance of liabilities	Net liabilities
	$000	$000	$000
Europe	560,722	(56,430)	504,292
North America	459,535	(42,798)	416,737
United Kingdom	119,251	(12,720)	106,531
Other	145,576	(15,527)	130,049
As at 31 December 2024	1,285,084	(127,475)	1,157,609

The Group's concentration of insurance risk by line of business is as follows:

	2025	2024
	Net	Net
	$000	$000
Property	**139,243**	289,354
Medical Malpractice	**411,788**	285,724
US APH	**157,504**	151,964
Non-Marine Liability	**37,087**	119,867
General liability	**71,187**	66,011
Workers' Compensation	**28,210**	41,814
Other liability Incl. Motor	**586,295**	374,881
	1,431,314	1,329,615
Effect of discounting	**(177,660)**	(199,330)
Insurance claims handling expenses	**31,388**	27,324
Insurance risk	**1,285,042**	1,157,609

Analysis of technical provisions

	Gross liabilities	Reinsurance of liabilities	Net liabilities
	$000	$000	$000
2025			
Unearned premium reserve	**31,485**	**–**	**31,485**
Provision for outstanding claims	**1,342,621**	**(120,452)**	**1,222,169**
Insurance claims handling expenses	**35,440**	**(4,052)**	**31,388**
Total	**1,409,546**	**(124,504)**	**1,285,042**
2024			
Unearned premium reserve	1,317	–	1,317
Provision for outstanding claims	1,252,318	(123,350)	1,128,968
Insurance claims handling expenses	31,449	(4,125)	27,324
Total	1,285,084	(127,475)	1,157,609

Movement in technical provisions

	Gross liabilities	Reinsurance of liabilities	Net liabilities
	$000	$000	$000
2025			
Opening Balance	**1,285,084**	**(127,475)**	**1,157,609**
Movement through the income statement	**(398,874)**	**16,465**	**(382,409)**
Liabilities acquired on portfolio transfers and business acquisition	**455,609**	**(5,848)**	**449,761**
Technical adjustments on previous portfolio transfers	**6,467**	**—**	**6,467**
Exchange rate changes	**61,260**	**(7,646)**	**53,614**
Closing Balance	**1,409,546**	**(124,504)**	**1,285,042**
2024			
Opening balance	1,558,857	(158,198)	1,400,659
Movement through the income statement	(276,413)	33,692	(242,721)
Liabilities acquired on portfolio transfers	30,368	(5)	30,363
Exchange rate changes	(27,728)	(2,964)	(30,692)
Closing Balance	1,285,084	(127,475)	1,157,609

The movement for portfolio transfers reflects claims portfolio reserves taken on in the period which are matched by equivalent transfers of financial assets at fair value and reflected in investments and cash in the balance sheet.

Gross claims liabilities include a provision for future claims handling and run off expenses of $35.4m (2024: $31.4m).

In October 2025 the Group underwrote a whole account quota share covering business to be written in 2025 and 2026 and as a result has recognised $11.8m (2024: nil) of deferred acquisition costs.

Significant assumptions and sensitivity analysis

In accordance with the policy described in note 3.7, the amounts for technical provisions as disclosed in the above tables are discounted to their present value. The discount rate comprises risk-free yield curve in the relevant currencies of the technical provisions, adjusted by an illiquidity premium that reflects the characteristics and liquidity of fulfilment cash flows. In selecting a discount rate, regard is also given to the duration of the expected settlement dates of the claims.

If the cash outflows required to settle net technical provisions or if the discount rates were to be increased/decreased, the net result for the reporting period would be impacted as follows:

	Impact of change in estimate of cash outflows to settle technical provisions	
	2025	2024
	+/- 2.5%	+/- 2.5%
	$000	$000
Change in profit/(loss) and equity		
Increase in cash outflows	**(32,126)**	(28,940)
Decrease in cash outflows	**32,126**	28,940

	Impact of change in interest rate used for discounting	
	2025	2024
	+/-0.5%	+/-0.5%
	$000	$000
Change in profit/(loss) and equity		
Decrease in interest rates	**(21,035)**	(20,461)
Increase in interest rates	**21,940**	19,549

Reserving risk

Reserving risk represents a significant risk to the Group in terms of driving capital requirements and the potential impact to profit and loss.

Reserving risk is managed through the application of an appropriate reserving approach and the application of extensive due diligence on transactions prior to acceptance.

The Group faces risk under insurance and reinsurance contracts from which the actual amounts of claims and benefit payments, or the timings thereof, differ from expectations. The frequency of claims, their severity, actual benefits paid, subsequent development of long- tail claims and external factors beyond the Group's control, especially inflation, legal and regulatory developments, and others, have an influence on the principal risk faced by the Group. Additionally, the Group is subject to the underwriting of cedants for certain insurance and reinsurance treaties and to claims management by companies and other data provided by them.

Despite these uncertainties, the Group seeks to ensure that sufficient reserves are available to cover its liabilities.

Claims development tables

Claims outstanding (gross)

Reporting year portfolio acquired	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Estimate of ultimate claims costs:							
- at end of reporting year	101,757	624,713	182,138	1,163,347	19,715	388,464	**2,480,134**
- One year later	83,920	637,676	196,951	1,140,425	20,643		**2,079,615**
- Two years later	91,811	633,792	212,413	1,116,921			**2,054,937**
- Three years later	116,258	671,943	234,342				**1,022,543**
- Four years later	128,234	687,503					**815,737**
- Five years later	137,207						**137,207**
Current estimate of cumulative claims	137,207	687,503	234,342	1,116,921	20,643	388,464	**2,585,080**
Cumulative payments to date	(97,334)	(379,913)	(86,058)	(622,032)	(9,215)	(24,851)	**(1,219,403)**
	39,873	307,590	148,284	494,889	11,428	363,613	**1,365,677**
Effect of discounting	(2,314)	(62,010)	(23,373)	(61,404)	(558)	(38,956)	**(188,615)**
Foreign exchange movements	(8,509)	(5,747)	28,431	66,550	(25)	754	**81,454**
Liability recognised in the balance sheet	**29,050**	**239,833**	**153,342**	**500,035**	**10,845**	**325,411**	**1,258,516**
Provision in respect of prior years*							**119,545**
Total provision included in balance sheet							**1,378,061**

Claims outstanding (net)

Reporting year portfolio acquired	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Estimate of ultimate claims costs:							
- at end of reporting year	96,922	487,071	168,547	1,106,195	19,715	383,338	**2,261,788**
- One year later	79,085	484,172	183,266	1,084,683	20,618		**1,851,824**
- Two years later	86,870	491,835	200,425	1,063,374			**1,842,504**
- Three years later	111,466	519,919	220,106				**851,491**
- Four years later	127,744	532,289					**660,033**
- Five years later	135,935						**135,935**
Current estimate of cumulative claims	135,935	532,289	220,106	1,063,374	20,618	383,338	**2,355,660**
Cumulative payments to date	(97,320)	(287,073)	(79,255)	(590,849)	(9,215)	(21,761)	**(1,085,473)**
	38,615	245,216	140,851	472,525	11,403	361,577	**1,270,187**
Effect of discounting	(2,272)	(49,309)	(22,667)	(55,576)	(558)	(38,820)	**(169,202)**
Foreign exchange movements	(7,573)	(9,353)	27,106	36,876	—	754	**47,810**
Liability recognised in the balance sheet	**28,770**	**186,554**	**145,290**	**453,825**	**10,845**	**323,511**	1,148,795
Provision in respect of prior years*							**104,762**
Total provision included in balance sheet							**1,253,557**

* The provisions in respect of all deals prior to 2020 are disclosed in this line.

(b) Financial risk management

Other than in the case of exposures to technical insurance balances which were described above, the Group's risk primarily arises on its investments (including cash at bank and in hand).

The Board is responsible for setting an investment strategy for the management of the Group's assets. The investments of the Group are primarily managed by external investment managers, appointed by the Board. The Board is responsible for setting the policy to be followed by the investment managers. The Board strives to mitigate the impact of interest rate fluctuation and credit risks and to provide appropriate liquidity, in addition to monitoring and managing foreign exchange exposures.

The main objective of the Group's investment policy is to maximise return whilst protecting the underlying value and ensuring the Group continues to meet its solvency requirements.

Market risk

Market risk is the risk that the fair value or cash flows of financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks.

The Group is exposed to market risk as a consequence of fluctuations in values or returns on assets which are influenced by one or more external factors. These include changes and volatility in interest rates and inflation expectations.

Interest rate risk

In general, the Group is exposed to risk associated with the effect of fluctuations in the prevailing level of market rates. Assets carrying variable rates expose the Group to cash flow interest rate risk. Assets carrying fixed rates expose the Group to fair value interest rate risk. The Group's exposure to interest rate risk is primarily to fair value interest rate risk arising on fixed rate investments and borrowings; it also arises on total return swaps whose underlying which is a portfolio of fixed rate debt instruments.

The Group's exposure to cash flow interest rate risk is not considered to be significant within the context of the Group's risk management strategy.

The Group manages this risk through a selection of well-diversified investments through the appointment of specialist investment managers who manage the portfolio duration and associated cash flows in line with the duration and cash flows of the technical provisions. Detailed investment guidelines are implemented, restricting the level of investment in any one instrument, and the maturity date of investments. Investment performance is regularly monitored against market-based benchmarks.

The Group's profit or loss is sensitive to the impact that movements in market rates of interest will have on the above financial instruments; other comprehensive income is not directly sensitive to interest rate movements. The following analysis shows what impact a reasonably possible shift in market rates of interest (when holding all other variables constant) would have on profit for the period:

	2025	2024
	$000	$000
Change in profit/(loss) and equity		
Increase by 100 basis points	**(48,007)**	(42,830)
Decrease by 50 basis points	**24,004**	21,415

In those instances where interest is payable on insurance policies (e.g. in the case of damages awarded by Courts), that interest is included in the claims cost. Technical provisions are however discounted to present value, and their sensitivity to the level of market interest rates is disclosed in note 5(a).

Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It arises wherever financial instruments are denominated in a currency other than the respective group entity's functional currency. Currency risk also arises on technical insurance balances.

The Group's principal transactions giving rise to currency risk are denominated in EUR, USD and GBP, and therefore its exposure to foreign exchange risk arises primarily with respect to those currencies. The Group's financial assets are primarily denominated in the same currency as its insurance liabilities and reinsurance thereon. Assets and liabilities are reviewed on a quarterly basis, on a risk carrier level to ensure that these match for the major currencies subject to a tolerance limit. These are reported via the quarterly management accounts which are approved by the Group Board.

	2025	2024
	$000	$000
Change in profit/(loss) and equity		
10% strengthening of the EUR	**11,013**	39,660
10% weakening of the EUR	**(11,065)**	(32,449)
10% strengthening of the GBP	**3,664**	2,076
10% weakening of the GBP	**(4,727)**	(1,699)

Credit risk

Credit risk is the risk that another party fails to perform their financial obligations or fails to perform them in a timely fashion. The Group's credit risk primarily arises on its investments in bonds and on its cash at bank and in hand; it also arises on receivables.

The Group seeks to manage this risk by having a concentration of assets that are rated externally and that are considered to be of investment grade quality.

In the case of the investment portfolio, the Group has established investment guidelines that are also designed to mitigate credit risk by ensuring diversification of holdings. The credit risk in respect of reinsurance debtors is managed by the monitoring of reinsurers' ratings and the exposure of the debt to each reinsurer.

The Group's exposure to counterparty credit risk arises on the below instruments. The following table sets out the credit risk exposure and ratings of financial investments which are susceptible to credit risk. The ratings used have been sourced from S&P or Moody's. When ratings for the same instrument or issuer differ across the various rating agencies, the Group uses the second-best rating. The remaining unrated assets are not classified by S&P or Moody's.

	AAA	AA	A	BBB	BB	B	Unrated	Total
	$000	$000	$000	$000	$000	$000	$000	$000
2025								
Investment in funds	**82,177**	**24,233**	**8,160**	**–**	**–**	**–**	**223,066**	**337,636**
Other investments	**536**							**536**
Government Bonds	**11,792**	**255,309**	**39,885**	**6,534**	**–**	**–**	**–**	**313,520**
Corporate Bonds	**52,671**	**140,804**	**427,804**	**289,077**	**49,267**	**3,866**	**–**	**963,489**
Derivative financial assets	–	–	–	–	–	–	–	–
Deposits with ceding undertakings	**–**	**–**	**336,611**	**95,269**	**–**	**–**	**–**	**431,880**
Cash at bank and in hand	**3,208**	**4,311**	**3,135**	**42**				**10,696**
Reinsurers' share of claims outstanding	**–**	**60,686**	**49,319**	**16**	**–**	**6,405**	**8,078**	**124,504**
Debtors arising out of reinsurance operations	**–**	**11,862**	**170,926**	**366**	**16**	**12,974**	**46,531**	**242,675**
	150,384	**497,205**	**1,035,840**	**391,304**	**49,283**	**23,245**	**277,675**	**2,424,936**

	AAA	AA	A	BBB	BB	B	Unrated	Total
	$000	$000	$000	$000	$000	$000	$000	$000
2024								
Investment in funds	110,936	9,683	965	330	–	–	105,672	227,586
Other investments	536	–	–	–	–	–	–	536
Government Bonds	13,309	302,526	2,086	–	–	–	–	317,921
Corporate Bonds	30,294	113,571	376,056	332,995	43,224	10,272	–	906,412
Derivative financial assets	–	56	645	308	49	1	44	1,103
Deposits with ceding undertakings	–	–	526,783	–	–	–	–	526,783
Cash at bank and in hand	2,855	5,828	7,026	637	–	–	129	16,475
Reinsurers' share of claims outstanding	–	28,165	88,145	13	–	6,257	4,895	127,475
Debtors arising out of reinsurance operations	–	12,723	34,941	390	1,646	5,772	33,070	88,542
	157,930	472,552	1,036,647	334,673	44,919	22,302	143,810	2,212,833

The carrying values in the above table represent the maximum exposure to credit risk at the financial position date in respect of these assets.

No financial assets are past due or impaired at the reporting date and management expects no significant losses from non-performance by these counterparties.

Liquidity risk

Liquidity risk is the risk that the Group may not have liquid assets available at the right times to be able to pay its liabilities, despite the fact that it meets its regulatory solvency requirements. The Group maintains adequate free cash flows to finance its day-to-day operations. The risk that the Group fails to hold cash balances that are sufficient to pay creditors is managed by the use of cash flow forecasts and related monitoring systems. A review is performed on a quarterly basis along with an assessment of asset liability management and a prudent policy is maintained and conducted with respect to the duration of investments. The investment policy is reviewed annually.

The table below analyses the maturity of the Group’s financial and other liabilities and outstanding claims. All liabilities are presented on a contractual cash flow basis except for the insurance liabilities, which are presented with their expected cash flows.

	Less than one year	**After one year but less than five years**	**More than five years**	**Total**	**Carrying value**
	$000	**$000**	**$000**	**$000**	**$000**
2025					
Subordinated notes	**24,815**	**324,447**	**–**	**349,262**	**282,134**
Amounts owed to credit institutions	**55,021**	**–**	**–**	**55,021**	**53,569**
Creditors arising out of reinsurance operations	**54,354**	**–**	**–**	**54,354**	**54,354**
Accruals and deferred income	**22,705**	**–**	**–**	**22,705**	**22,705**
Other creditors	**6,491**	**–**	**–**	**6,491**	**6,491**
Technical provisions	**376,190**	**811,646**	**415,063**	**1,602,899**	**1,409,546**
Financial liabilities and outstanding claims	**539,576**	**1,136,093**	**415,063**	**2,090,732**	**1,828,799**

	Less than one year	After one year but less than five years	More than five years	Total	Carrying value
	$000	$000	$000	$000	$000
2024					
Subordinated notes	22,827	302,718	–	325,545	241,501
Amounts owed to credit institutions	37,213	–	–	37,213	37,213
Creditors arising out of reinsurance operations	38,200	–	–	38,200	38,200
Accruals and deferred income	17,356	–	–	17,356	17,356
Other creditors	13,643	–	–	13,643	13,643
Technical provisions	346,998	604,132	430,018	1,381,148	1,285,084
Financial liabilities and outstanding claims	476,237	906,850	430,018	1,813,105	1,632,997

In addition to the above recognised financial liabilities, the Group is also exposed to liquidity risk on open (unfunded) commitments to invest in financial assets. Open commitments at 31 December 2025 amounted to $12.2m (2024: $15.3m), and the Group could be requested on demand to fund these open commitments. Nevertheless, management expects that calls to fund the open commitments will be staggered over a period of time that is generally estimated to be of not less than two years from when the initial commitment is made.

Capital management

The Group's policy is to maintain a strong capital base to support its business plans and comply with all regulatory requirements on an ongoing basis whilst assessing the impact of capital employed on shareholder returns. The Group defines capital as shareholders' equity as presented within the statement of financial position.

The Group is required to maintain minimum solvency standards and to hold available statutory capital and surplus equal to or exceeding the Enhanced Capital Requirement as determined by the Bermuda Monetary Authority ("BMA").

The Group was in full compliance with the regulatory capital requirements throughout the financial year and at 31 December 2025. The Group's total statutory economic capital and surplus[5] of $799m (2024: $717m) was in excess of the required ECR[5] of $457 m (2024: $382m). This represents a Group Enhanced Capital Requirement Ratio[5] of 175% (2024: 187%).

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices in an active market (Level 1).
- Recent transactions in an identical asset if there is unavailability of quoted prices (Level 2).
- Use of a valuation technique if there is no active market or other transactions which are a good estimate of fair value (Level 3).

The following table presents the Group's assets measured at fair value. No liabilities were measured at fair value.

[5] The balances are unaudited and were not included in the audit of the group's financial statements

Notes to the consolidated financial statements
For the year ended 31 December 2025

	Level 1	**Level 2**	**Level 3**	**Total Balance**
	$000	**$000**	**$000**	**$000**
2025				
Assets				
Financial assets at fair value through profit or loss:				
- Government bonds	**—**	**313,520**	**—**	**313,520**
- Corporate bonds	**—**	**963,489**	**—**	**963,489**
- Investments in funds (Open-end)	**—**	**119,620**	**—**	**119,620**
- Other financial investments	**—**	**536**	**—**	**536**
Available-for-sale financial assets:				
- Investments in funds (Closed-end)	**—**	**—**	**87,345**	**87,345**
- Investments in funds (Open-end)	**—**	**—**	**130,671**	**130,671**
Derivative financial assets	**—**	**(20)**	**—**	**(20)**
	—	**1,397,145**	**218,016**	**1,615,161**

	Level 1	Level 2	Level 3	Total Balance
	$000	$000	$000	$000
2024				
Assets				
Financial assets at fair value through profit or loss:				
- Government bonds	—	317,921	—	317,921
- Corporate bonds	—	906,412	—	906,412
- Investments in funds (Open-end)	—	129,224	—	129,224
- Other financial investments	—	536	—	536
Available-for-sale financial assets:				
- Investments in funds (Closed-end)	—	—	98,362	98,362
Derivative financial assets	—	1,103	—	1,103
	—	1,355,196	98,362	1,453,558

The fair value of financial instruments traded in active markets is based on quoted bid prices at the balance sheet date as described in Note 3.16. These instruments are included in Level 1.

If observable prices are available for recent arm’s length transactions, the instrument is included in Level 2.

Government and agencies fixed maturity securities – These securities are generally priced by pricing services or index providers. The pricing services or index providers may use current market trades for securities with similar quality, maturity and coupon. If no such trades are available, the pricing service typically uses analytical models which may incorporate option adjusted spreads, daily interest rate data and market/sector news. The group generally classifies the fair values of government and agencies securities in Level 2.

Corporate fixed maturity securities – These securities are generally priced by pricing services or index providers. The pricing services or index providers typically use discounted cash flow models that incorporate benchmark curves for treasury, swap and high issuance credits. Credit spreads are developed from current market observations for like or similar securities. The Group generally classifies the fair values of its corporate securities in Level 2.

Investments in funds that the Group classifies as fair value through profit or loss - These investments are generally priced by the administrator. The administrator will value investments using mark-to-market where possible with securities at market price where quoted, listed or traded on a recognised market. Investments in other funds which are not on that basis will be valued on the latest available redemption price less any redemption charges. The Group generally classifies the fair values of these investments in funds as Level 2.

Investments in funds that the Group classifies as available-for-sale - These investments are generally priced on net asset values ("NAV") received from the fund managers or administrators. Due to the timing of the delivery of the final NAV by certain of the fund managers, valuations of certain alternative funds and specialty funds are estimated based on the most recently available information, including period end NAVs, period end estimates, or, in some cases, prior month or prior quarter NAVs. As this valuation technique incorporates both observable and unobservable inputs, the group generally classifies the fair value of its investments in funds as Level 3.

Other financial investments - Other financial investments are structured securities including mortgage and asset-backed securities. These securities are generally priced by broker/dealers. Broker/dealers may use current market trades for securities with similar qualities. If no such trades are available, inputs such as bid and offer, prepayment speeds, the U.S. treasury curve, swap curve and cash settlement may be used in a discounted cash flow model to determine the fair value of a security. The Group generally classifies the fair values of its structured securities in Level 2.

Due to the short-term nature of cash at bank and in hand, deposits with ceding undertakings, and other current receivables, their carrying amount is considered to be the same as their fair value.

6. Expenses

a) Net operating expenses

	2025	2024
	$000	$000
Staff related costs	**40,513**	37,269
Depreciation and negative goodwill	**(7,729)**	303
Administrative expenses	**33,249**	32,995
Reinsurance commissions and profit participation	**5,231**	(4,368)
	71,264	66,199

b) Operating lease rentals

Total operating lease charges paid during the year amounted to $766k (2024: $772k).

7. Employees and directors

	2025	2024
	$000	$000
Salaries and other short-term benefits	**33,652**	32,303
Other pension costs	**2,522**	1,974
	36,174	34,277

Directors remuneration

The compensation paid or payable to the Board of Directors for employee services is shown below:

	2025	2024
	$000	$000
Directors' emoluments	**1,411**	1,452

8. Investment return and expenses

	2025	2024
	$000	$000
Investment income:		
Interest income on financial assets not at fair value through profit or loss	**11,960**	6,847
Income from financial assets at fair value through profit or loss	**75,582**	79,632
Income from financial investments	**87,542**	86,479
Net gains on the realisation of investments	**4,350**	5,572
	91,892	92,051
Net unrealised gains on investments	**34,397**	13,176
Total investment return	**126,289**	105,227
Investment expenses and charges:		
Interest payable on financial liabilities at amortised cost	**25,176**	27,323
Other investment management expenses and amortisation on investments	**3,180**	3,964
Net losses on the realisation of investments	**25,455**	14,263
Total investment management expenses, including interest	**53,811**	45,551

9. Other income

Other non-technical income comprises the below amounts.

	2025	2024
	$000	$000
Net foreign exchange gains	**2,659**	289
Other income	**2,101**	68
	4,760	357

10. Taxation

	2025	2024
	$000	$000
Current tax		
Current tax on income for the period	**(1,152)**	(350)
Adjustments in respect of prior periods	**91**	(56)
Total current tax	**(1,061)**	(406)
Deferred tax		
Deferred tax for current period	**3,165**	(4,733)
Deferred tax in respect of prior period	**(31)**	(2,567)
Total deferred tax	**3,134**	(7,300)
Tax (charge)/credit on loss on ordinary activities	**2,073**	(7,706)

	2025	2024
	$000	$000
Deferred tax		
- Origination and reversal of timing differences	**—**	—
	—	—

The tax rate used for the reconciliation is the corporate tax rate of 0% (2024: 0%).

	2025	2024
	$000	$000
Profit/(loss) on ordinary activities before tax	**4,700**	(120,752)
Tax charge at the applicable rate of 0%	**—**	—
Tax effect:		
Non-deductible expenses	**(990)**	41
Exempt income		—
Amounts not recognised in deferred tax	**(6,555)**	7,368
Effects of overseas tax rates	**4,557**	(2,401)
Foreign exchange		—
Other	**975**	9
Effect of changes in tax rates		41
Prior period adjustment	**(60)**	2,648
Tax (credit)/charge for the period	**(2,073)**	7,706

11. Goodwill and other intangible assets

	Goodwill Positive	**Goodwill Negative**	**Computer Software**
	$000	**$000**	**$000**
2025			
Opening net book amount	65,625	—	330
Additions	—	—	2,183
Acquisitions	—	(24,177)	—
Amortisation	(3,860)	—	(345)
Amounts recognised in the profit and loss	—	8,002	—
Closing net book amount	**61,765**	**(16,175)**	**2,168**
2025			
Cost	**77,206**	**(24,177)**	**3,624**
Accumulated amortisation and impairment	**(15,441)**	**8,002**	**(1,456)**
Net book amount	**61,765**	**(16,175)**	**2,168**

The directors have assessed the useful life of the goodwill arising on the acquisition of Compre as 20 years based on the period over which the value of the underlying business acquired is expected to exceed the values of the acquired identifiable net assets. The remaining amortisation period for the goodwill at 31 December 2025 was 16 years.

12. Investments

The following table analyses the Group's investments by financial asset category.

	2025	2024
	$000	$000
Other financial assets		
Financial assets at fair value through profit or loss	**1,397,145**	1,355,196
Available-for-sale financial assets	**218,016**	98,362
	1,615,161	1,453,558
Deposits with ceding undertakings		
Loans and receivables	**431,880**	526,783
Total financial investments	**2,047,041**	1,980,341

The following table analyses the Group’s financial investments by class of investment.

	2025	2024
	$000	$000
Other financial assets		
Investments in bonds:		
- Government bonds	**313,520**	317,921
- Corporate bonds	**963,489**	906,412
Investments in funds:		
- Open-end funds	**250,291**	129,224
- Closed-end funds	**87,345**	98,362
Derivative financial assets	**(20)**	1,103
Other	**536**	536
	1,615,161	1,453,558
Deposits with ceding undertakings	**431,880**	526,783
Total financial investments	**2,047,041**	1,980,341

If observable prices are available for recent arm’s length transactions, the instrument is included in Level 2.

Government and agencies fixed maturity securities – These securities are generally priced by pricing services or index providers. The pricing services or index providers may use current market trades for securities with similar quality, maturity and coupon. If no such trades are available, the pricing service typically uses analytical models which may incorporate option adjusted spreads, daily interest rate data and market/sector news. The group generally classifies the fair values of government and agencies securities in Level 2.

Corporate fixed maturity securities – These securities are generally priced by pricing services or index providers. The pricing services or index providers typically use discounted cash flow models that incorporate benchmark curves for treasury, swap and high issuance credits. Credit spreads are developed from current market observations for like or similar securities. The Group generally classifies the fair values of its corporate securities in Level 2.

Investments in open-end funds that the Group classifies as fair value through profit or loss - These investments are generally priced by the administrator. The administrator will value investments using mark-to-market where possible with securities at market price where quoted, listed or traded on a recognised market. Investments in other funds which are not on that basis will be valued on the latest available redemption price less any redemption charges. The Group generally classifies the fair values of these investments in funds as Level 2.

Investments in closed-end funds that the Group classifies as available-for-sale - These investments are generally priced on net asset values (“NAV”) received from the fund managers or administrators. Due to the timing of the delivery of the final NAV by certain of the fund managers, valuations of certain alternative funds and specialty funds are estimated based on the most recently available information, including period end NAVs, period end estimates, or, in some cases, prior month or prior quarter NAVs. As this valuation technique incorporates both observable and unobservable inputs, the group generally classifies the fair value of its investments in funds as Level 3.

Other financial investments - Other financial investments are structured securities including mortgage and asset-backed securities. These securities are generally priced by broker/dealers. Broker/dealers may use current market trades for securities with similar qualities. If no such trades are available, inputs such as bid and offer, prepayment speeds, the U.S. treasury curve, swap curve and cash settlement may be used in a discounted cash flow model to determine the fair value of a security. The Group generally classifies the fair values of its structured securities in Level 2.

13. Tangible assets

	Computer equipment	Furniture and equipment	Total
	$000	$000	$000
2025			
Opening net book amount	327	322	649
Additions	7	—	7
Depreciation	(150)	(123)	(273)
Closing net book amount	**184**	**199**	**383**
2025			
Cost	**854**	**899**	**1,753**
Accumulated depreciation	**(670)**	**(700)**	**(1,370)**
Net book amount	**184**	**199**	**383**

14. Share capital and reserves

Share capital and share premium

Ordinary shares of $0.01 each allotted and fully paid	**Number of shares**	**Share capital**	**Share premium**
	000	**$000**	**$000**
At 1 January 2025	269,807	2,698	513,115
Issued in the period	—	—	—
At 31 December 2025	**269,807**	**2,698**	**513,115**

The Ordinary shares are entitled to one vote per share, discretionary dividends, and the surplus assets in the event of a winding-up or dissolution of the parent company. There are no restrictions attaching to the Ordinary shares or on the distribution of dividends. No dividends have been proposed or paid during the period. The above number of shares are authorised, issued and fully paid.

Share premium is the payment for shares in excess of the nominal value of those shares.

15. Deferred taxation

The Group has the following provisions for deferred tax at the year end:

	2025	2024
	$000	$000
Deferred tax assets	**9,354**	4,679
Deferred tax liabilities	**(1,325)**	(99)
Net deferred tax balances	**8,029**	4,580

Deferred taxation

The movement in the deferred tax balances during the year is set out below.

	2025	2024
	$000	$000
At start of the year	4,580	12,416
Amounts (charged)/credited in the income statement	3,134	(7,300)
Currency translation differences	315	(536)
At end of the year	8,029	4,580

The provision for deferred taxation provided in the financial statements comprises the following:

	2025	2024
	$000	$000
Trade losses	14,290	12,124
Deferred syndicate taxation impacts	1,790	—
Technical provisions	(7,995)	(7,475)
Other	(56)	(69)
Net deferred tax balances	8,029	4,580

The net deferred tax asset expected to reverse in 2026 is $11.8m. This primarily relates to the utilisation of tax losses and reversal of short-term timing differences.

Unrecognised deferred taxation assets

The Group has carried forward losses in the UK, which have given rise to a deferred tax asset of $18.6m (2024: $20.4m); this deferred tax asset has not been recognised due to uncertainty over recovery. The tax losses can be carried forward indefinitely.

16. Borrowings

		31 December
	2025	2024
	$000	$000
Revolving credit facility	53,569	37,213
Subordinated notes	250,134	241,501
Tier 3 bridge facility	32,000	–
	335,703	278,714
Amounts falling due within 1 year	53,569	37,213
Amounts falling due between 1 and 5 years	282,134	241,501
	335,703	278,714

The Group had the following subordinated notes and terms loans outstanding during the period covered by these financial statements. The origination and maturity dates disclosed in this table provide information about the period in which these borrowings were outstanding.

Facility	Origination date	Maturity date	Rate	Principal
USD subordinated notes	27 June 2022	27 June 2028	9.25%	USD 160m
EUR subordinated notes	27 June 2022	27 June 2028	3m Euribor + 5.6%	EUR 37.5m
USD subordinated notes	24 October 2019	24 October 2029	Term SOFR + 7.16161%	USD 16.5m
EUR subordinated notes	1 December 2017	5 January 2028	3m Euribor + 6.9%	EUR 2.5m
EUR subordinated notes	1 December 2017	5 January 2028	3m Euribor + 6.7%	EUR 24m
USD Tier 3 bridge facility	22 December 2025	21 December 2028	Term SOFR + 2.6%	USD 32m

Revolving credit facility (RCF)

The RCF is a $100m facility with a maturity date of August 2027. The Group pays a commitment fee based on the unutilised amount of the RCF; this fee and corresponding interest expenses are charged to the profit and loss account as incurred, and are presented within 'Investment expenses and charges' in the Group's consolidated profit and loss account.

Subordinated loan notes

The subordinated notes serve the purpose of increasing the Group's Tier 2 basic own funds regulatory capital for its solvency purposes. The Group has complied with the financial covenants of its borrowing facilities during 2024 and 2025.

Tier 3 bridge facility

In December 2025, the Group entered into a $75m Tier 3 bridge facility to support its regulatory capital requirements. The bridge facility is intended to provide capital benefit for Bermuda Solvency Capital Requirement (BSCR) purposes under the Bermuda Monetary Authority (BMA) regulatory framework, subject to applicable regulatory limits and eligibility criteria.

As at 31 December 2025, $32m had been drawn under the facility. Interest is payable on amounts drawn and a commitment fee is payable on the undrawn portion.

17. Other creditors including tax and social security

	2025	2024
	$000	$000
Corporation tax	**833**	176
Other creditors	**5,658**	13,467
	6,491	13,643

Other creditors includes amounts due to be settled in relation to investments made by the Group.

18. Net debt

Analysis of changes in net debt:

	At 1 January 2025	**Cash Flows**	**Fair value and exchange movements**	**Non-cash changes**	**At 31 December 2025**
	$000	**$000**	**$000**	**$000**	**$000**
Cash at bank and in hand	16,475	(6,394)	615	—	**10,696**
Revolving credit facility	(37,213)	(13,780)	(1,988)	(588)	**(53,569)**
Subordinated notes	(241,500)	595	(8,897)	(332)	**(250,134)**
Tier 3 bridge facility	—	(32,000)	—	—	**(32,000)**
	(262,238)	(51,579)	(10,270)	(920)	**(325,007)**

19. Commitments

Operating leases – Group as lessee

The total future minimum lease payments under non-cancellable operating leases are:

	2025	2024
	$000	$000
Operating lease payments which fall due:		
Within one year	**727**	613
Between one and five years	**752**	578
	1,479	1,191

20. Contingencies

In December 2025 two Letter of Credit arrangements were entered into for up to USD 75m and USD 25m respectively to support new transactions being entered into, with these undrawn at 31 December 2025. A previous Letter of Credit arrangement which was arranged in 2023 expired in October 2025. In addition during 2024 a USD 25m Letter of Credit was put in place to be utilised by the Lloyd's syndicate to reduce its cost of capital, with this increased to USD 75m in December 2025.

There were no outstanding contingent assets or liabilities at 31 December 2025 (2024: $nil).

21. Business combination

On 3 April 2025, the Group acquired 100% of the issued share capital of CSE Financial Services Corporation and its subsidiary undertakings (CSE Group) for a cash consideration of $499k. The CSE Group is based in the USA and includes two California-domiciled personal lines insurance carriers which ceased to write new business in 2024. The Group has used acquisition accounting to account for the purchase.

The following table summarises the consideration paid by the Group and the fair value of the assets acquired and liabilities assumed at the acquisition date, being in line with Group accounting policies.

	Fair value $000
Financial investments	12,599
Reinsurance recoverable on unpaid losses	1,736
Other receivables	638
Prepayments and accrued income	118
Cash and cash equivalents	53,705
Technical provisions	(37,163)
Insurance payables	(1,590)
Accruals and deferred income	(5,367)
Net identifiable assets acquired	24,676
Add: goodwill	(24,177)
Net assets acquired	499

The CSE Group subsequent to acquisition has generated no revenue and contributed a profit of $767k to the Group.

22. Controlling parties

Compre Group Holdings Limited’s immediate parent company is Maple Finco Limited. Maple Feederco Limited is the Group’s ultimate controlling party.

23. Related party transactions

The key management personnel are considered to be the Board of Directors only. Details of the Directors’ remuneration are disclosed in note 7. There are no other material related party transactions requiring disclosure.

24. Events after the reporting period

In March 2026 Compre Group completed a loss portfolio transaction with a US insurer to acquire a portfolio of long-tail asbestos liabilities in the USA. Also in March the Compre Group completed an adverse development cover arrangement with a European domiciled reinsurer to underwrite multi-class property and casualty of European cedants covering motor, liability and engineering reinsurance. In addition the Group's Lloyd’s Corporate member has agreed to provide capital to support the new Syndicate 2006 across the 2026-28 underwriting years.