

Accounts disclaimer

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Syndicate 4444 Underwriting Year Accounts for
the 2023 Year of Account Closed as at 31
December 2025

Contents

Syndicate 4444

	Page
Directors and Professional Advisers	3
Report of the Directors of the Managing Agent	4
Independent Auditor's Report	7
Income Statement – Technical Account	11
Income Statement – Non-Technical Account	12
Statement of Changes in Members' Balances	13
Statement of Financial Position	14
Statement of Cash Flows	15
Notes to the Financial Statements	16

Directors and Professional Advisers

MANAGING AGENT:

Canopus Managing Agents Limited

Directors

P Ceurvorst *

M V Greenwood OBE DL *

P F Hazell *

M Newman Appointed 4 June 2024

H Patel Appointed 1 May 2025

J Pearson Appointed 15 March 2023

A Rouffiac Appointed 13 April 2023

Former Directors who served during the 2023 underwriting year

N J Betteridge Resigned 25 May 2023

S Lacy Resigned 25 May 2023

P Meader * Resigned 31 March 2025

N D Robertson Resigned 10 June 2024

K Roy Resigned 10 June 2024

M Watson * Resigned 30 June 2024

* Non-Executive Director

Company Secretary

P Makwana

Registered office

Floor 29

22 Bishopsgate

London

EC2N 4BQ

Managing Agent's registration No. 01514453

FCA firm registration No. 204847

SYNDICATE:

Active Underwriter

A Rouffiac

Investment Managers

BlackRock - 12 Throgmorton Avenue, London, EC2N 2DL

LGIM - One Coleman Street, London, EC2R 5AA

Lloyd's - One Lime Street, London, EC3M 7HA

Loomis Sayles - One Financial Center, Boston, MA 02111

NEAM - 4th Floor, DBP House, 63 Mark Lane, London, EC3R 7NQ

Schroders - 1 London Wall Place, London, EC2Y 5AU

SYZ - Southwest House, 11a Regent Street, London, SW1Y 4LR

Wellington - Cardinal Place, 80 Victoria Street, London, SW1E 5JL

Barings - 20 Old Bailey, London, EC4M 7BF

M&G - 10 Fenchurch Ave, London, EC3M 5AG

RAW Capital Partners - 12 The Grange, St Peter Port, Guernsey GY1 2QJ

Maxim Capital Group - 600 Madison Ave 17th Floor, New York, NY 10022, United States

Invesco Advisers, Inc - 1555 Peachtree Street, N.E., Suite 1800, Atlanta, Georgia 30309, USA

Amundi Asset Management (sub-IM - Chenavari Credit Partners LLP) - 77 Coleman Street, London, EC2R 5BJ

Independent Auditors

Ernst & Young LLP ("EY")

25 Churchill Place, Canary Wharf, London, E14 5EY

Report of the Directors of the Managing Agent

To the members of Syndicate 4444 – 2023 Year of Account

The directors of Canopius Managing Agent (“CMA”), the managing agent for Syndicate 4444 (“the Syndicate”), present their report at 31 December 2025 for the 2023 closed year of account.

This report is prepared in accordance with the Lloyd’s Syndicate Accounting Byelaw (No. 8 of 2005). It accompanies the underwriting year accounts prepared on an underwriting year basis of accounting as required by Statutory Instrument No. 1950 of 2008, the Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008 (“the 2008 Regulations”).

Review of the business for the 2023 closed year of account

Syndicate 4444 is a syndicate at Lloyd’s managed by CMA. Its principal activity is the underwriting of insurance and reinsurance business at Lloyd’s, transacted both through direct channels and via delegated underwriting.

On 1 January 2025 the Syndicate accepted the reinsurance to close of the 2022 year of account of Syndicate 4444.

Results and performance

The 2023 year of account of Syndicate 4444 has been reinsured to close into the 2024 year of account of Syndicate 4444 with effect from 1 January 2026.

The Syndicate capacity for 2023 was £1,800m (\$2,430.0m at converted closing rate of 1.35). The 2023 year has closed at a profit of \$425.0m representing 17.5% of capacity after all personal expenses except members’ agents’ fees. The make-up of the result is a combination of pure year experience which generated a profit of \$365.1m and a profit of \$59.9m from the 2022 and prior years.

The accounts are presented in US dollars, the presentational and functional currency of the Syndicate.

The key performance indicators for the 2023 and prior years are shown in the table below.

	\$m
Gross premiums written	2,437.2
Written premiums, net of reinsurance	1,721.0
Net operating expenses (including members’ personal expenses and net of reinsurance commission)	657.0
Investment return	129.1
Profit for the year	425.0
Gross claims ratio	46.9%
Net claims ratio	47.0%
Expenses ratio	38.2%
Combined operating ratio	85.1%

¹The gross/net claims ratio is the ratio of gross/net claims incurred to gross/net premiums written including acquisition costs.

²The combined operating ratio is the ratio of net claims incurred, acquisition costs and net operating expenses to net premiums written.

Report of the Directors of the Managing Agent

To the members of Syndicate 4444 – 2023 Year of Account

The 2023 year of account benefitted from strong rate increases, particularly across our D&F property and reinsurance classes. A benign US windstorm season combined with favourable non-CAT performance and improved return on investments has contributed to a record profit for the Syndicate. Above average large loss activity within offshore energy and US Professional Lines has been offset by favourable performance across the rest of the book demonstrating the benefit of a diverse and resilient portfolio. As the year closes, we now have more certainty around 2022 and prior years events, including the net losses arising from the conflict in Ukraine and COVID-19.

Operating expenses of \$657m, include acquisition costs of \$553.7m, net of reinsurance ceded commission, has resulted in an expense ratio of 38.2% contributing to an overall combined ratio of 85.1%.

Investment Performance for the closed 2023 year of account

The investment portfolio has generated a favourable return of \$129.1m which reflects the increased income earned by the portfolio in which risk free yields have stayed at elevated levels (when compared to the post Global Financial Crisis 'lower for longer' market environment) as a result of the continued strength of the US economy and that inflation pressures have not yet dissipated.

Risk Management

CMA's governance structure ensures a clear definition of responsibility for the management and oversight of the risks faced by the business. CMA has an established Enterprise Risk Management ("ERM") framework that is designed to identify, assess, measure, mitigate, monitor and report all material financial and non-financial risks. A description of the principal risks and uncertainties facing the Syndicate is set out in note 3 (Management of risk).

Statement of disclosure of information to auditors

In the case of each of the persons who are directors of the managing agent at the time the report is approved:

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

Statement of Managing Agent's Responsibilities

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 require the directors of the managing agent to prepare syndicate annual accounts each year which give a true and fair view, in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Syndicate and of the profit or loss of the Syndicate for that period. In preparing those financial statements, the managing agent is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Syndicate accounts; and
- Prepare the Syndicate accounts on the basis that the Syndicate will continue to write future business unless it is inappropriate to do so.

The managing agent confirms that it has complied with the above requirements in preparing the Syndicate accounts. The directors of the managing agent are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Syndicate and enable it to ensure that the Syndicate accounts comply with the 2008 Regulations. The managing agent is also responsible for safeguarding the assets of the Syndicate and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors of the Managing Agent

To the members of Syndicate 4444 – 2023 Year of Account

The managing agent is responsible for the maintenance and integrity of the corporate and financial information included on the business' website. Legislation in the United Kingdom governing the preparation and dissemination of annual accounts may differ from legislation in other jurisdictions.

Independent Auditors

Ernst & Young LLP was appointed auditor of the Syndicate in accordance with Clause 14(2) of Schedule 1 of the 2008 Regulations.

By order of the Board of the managing agent



James Pearson
Chief Financial Officer
London
19 February 2026

Independent Auditor's Report

To the members of Syndicate 4444 – 2023 Year of Account

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYNDICATE 4444

Opinion

We have audited the syndicate underwriting year accounts for the 2023 year of account of syndicate 4444 ('the syndicate') for the three years ended 31 December 2025 which comprise the Income Statement, the Statement of Changes in Members' Balances, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including 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).

In our opinion, the syndicate underwriting year accounts:

- ▶ give a true and fair view of the profit for the 2023 closed year of account;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and have been properly prepared in accordance with the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the syndicate underwriting year accounts section of our report. We are independent of the syndicate in accordance with the ethical requirements that are relevant to our audit of the syndicate underwriting year accounts in the UK, including the FRC's Ethical Standard as applied to other entities of public interest, 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.

Emphasis of matter – closure of the 2023 year of account

We draw attention to the basis of preparation in note 1 which explains that the 2023 year of account of syndicate 4444 has closed and all assets and liabilities transferred to the 2024 year of account by reinsurance to close at 31 December 2025.

As a result, the syndicate underwriting year accounts for the 2023 year of account of syndicate 4444 have been prepared under basis other than going concern.

Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the syndicate underwriting year accounts, other than the syndicate underwriting year accounts and our auditor's report thereon. The managing agent is responsible for the other information contained within the syndicate underwriting year accounts.

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

Independent Auditor's Report

To the members of Syndicate 4444 – 2023 Year of Account

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the syndicate underwriting year accounts or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the syndicate underwriting year accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005) requires us to report to you, if in our opinion:

- ▶ the managing agent in respect of the syndicate has not kept adequate accounting records;
or
- ▶ the syndicate underwriting year accounts are not in agreement with the accounting records.

Responsibilities of the managing agent

As explained more fully in the Statement of Managing Agent's Responsibilities set out on page 5, the managing agent is responsible for the preparation of the syndicate underwriting year accounts in accordance with The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and The Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005) and for being satisfied that they give a true and fair view, and for such internal control as the managing agent determines is necessary to enable the preparation of the syndicate underwriting year accounts that are free from material misstatement, whether due to fraud or error.

In preparing the syndicate underwriting year accounts, the managing agent is responsible for assessing the syndicate's ability to realise its assets and discharge its liabilities in the normal course of business, disclosing, as applicable, any matters that impact its ability to do so.

Auditor's responsibilities for the audit of the syndicate underwriting year accounts

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the managing agent and management.

Our approach was as follows:

Independent Auditor's Report

To the members of Syndicate 4444 – 2023 Year of Account

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

- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the syndicate and determined that the most significant are direct laws and regulations related to elements of Lloyd's Byelaws and Regulations, and the financial reporting framework (UKGAAP) and requirements referred to by Lloyd's in the Instructions. Our considerations of other laws and regulations that may have a material effect on the syndicate underwriting year accounts included permissions and supervisory requirements of Lloyd's of London, the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA').
- We obtained a general understanding of how the syndicate is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters of the syndicate. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the syndicate, Lloyd's of London and other UK regulatory bodies; reviewed minutes of the Board and the Audit Committee of the managing agent; and gained an understanding of the managing agent's approach to governance.
- For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related syndicate underwriting year accounts' items.
- For both direct and other laws and regulations, our procedures involved: making enquiries of the directors of the managing agent and senior management for their awareness of any non-compliance of laws or regulations, enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, enquiring about the managing agent's methods of enforcing and monitoring compliance with such policies, and inspecting significant correspondence with Lloyd's, the FCA and the PRA.
- The syndicate operates in the insurance industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.
- We assessed the susceptibility of the syndicate's underwriting year accounts to material misstatement, including how fraud might occur by considering the controls that the managing agent has established to address risks identified by the managing agent, or that otherwise seek to prevent, deter, or detect fraud. We also considered areas of significant judgement, complex transactions, performance targets, economic or external pressures and the impact these have on the control environment. The fraud risk was considered to be higher within the valuation of gross and net incurred but not reported reserves and estimated premium income.

Our audit procedures, which were designed to provide reasonable assurance that the syndicate underwriting year accounts were free from fraud or error, included:

- Reviewing accounting estimates for evidence of management bias. Supported by our Actuaries we assessed if there were any indicators of management bias in the valuation of gross and net incurred but not reported reserves and the valuation of estimated premium income.
- Evaluating the business rationale for significant and/or unusual transactions.
- Testing the appropriateness of journal entries recorded in the general ledger, particularly in respect of judgemental areas including gross and net incurred but not reported reserves.

Independent Auditor's Report

To the members of Syndicate 4444 – 2023 Year of Account

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

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

Use of our report

This report is made solely to the syndicate's members, as a body, in accordance with The Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005) and The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the syndicate's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the syndicate and the syndicate's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Andrew Blackmore (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

19 February 2026

Income Statement: Technical Account – General Business

for the 2023 Closed Accounts for the three years ended 31 December 2025

	<i>Note</i>	<i>Cumulative as at 31 December 2025 \$000</i>
<i>Syndicate Allocated Capacity</i>		2,429,957
<i>Written premiums, net of reinsurance</i>		
Gross premiums written	4	2,437,228
Outward reinsurance premiums		(716,248)
Net premiums written		<u>1,720,980</u>
<i>Reinsurance to close premium received, net of reinsurance</i>	5	1,235,999
<i>Allocated investment return transferred from the non-technical account</i>		129,119
<i>Claims incurred, net of reinsurance</i>		
<i>Claims paid</i>		
Gross amount		(1,049,552)
Reinsurers' share		<u>335,263</u>
Net claims paid		(714,289)
<i>Reinsurance to close premium payable, net of reinsurance</i>	6	(1,329,748)
		<u>(2,044,037)</u>
<i>Standard personal expenses</i>	7	(17,514)
<i>Operating expenses</i>	7	<u>(639,526)</u>
<i>Balance on the technical account - general business</i>		<u>385,021</u>

Income Statement: Non-technical Account

for the 2023 Closed Account for the three years ended 31 December 2025

	<i>Note</i>	<i>Cumulative as at 31 December 2025 \$000</i>
<i>Balance on the technical account - general business</i>		385,021
Investment income	9	93,630
Gains on the realisation of investments	9	13,466
Losses on realisation of investments	9	(6,146)
Unrealised gains on investments	9	45,983
Unrealised losses on investments	9	(14,702)
Investment expenses and charges	9	(3,112)
		<hr/> 129,119
Allocated investment return transferred to the general business technical account		(129,119)
Gain on exchange		39,504
Non-technical other income		432
		<hr/>
<i>Total comprehensive income – profit for the 2023 closed year of account</i>		424,957 <hr/>

All of the above amounts are derived from discontinued operations.

Statement of Changes in Members' Balances

for the 2023 Closed Account for the three years ended 31 December 2025

	2023 year of account \$000
At 1 January 2023	-
Profit for the 2023 closed year of account	424,957
Open year profit release	(100,000)
Members' agents' fee advances	(105)
	<hr/>
Amounts due to members at 31 December 2025	324,852 <hr/>

Statement of Financial Position

For the 2023 Closed Year of Account at 31 December 2025

Assets

			31 December 2025
	Note	\$000	\$000
Investments			
Financial Investments	11	1,483,678	
Deposits with ceding undertakings		188	
		<hr/>	1,483,866
Debtors			
Debtors arising out of direct insurance operations	12	250,574	
Debtors arising out of reinsurance operations	13	220,509	
Other debtors	14	34,387	
		<hr/>	505,470
Reinsurance recoveries anticipated on gross reinsurance to close premium payable to close the account	6		943,081
Other assets			
Cash at bank and in hand		23,794	
Other assets - other	15	103,740	
		<hr/>	127,534
Total assets			<hr/> 3,059,951 <hr/>

Liabilities

			31 December 2025
		\$000	\$000
Amounts due to members			
			324,852
Reinsurance to close premium payable to close the account – gross amount	6		2,272,829
Creditors			
Creditors arising out of direct insurance operations	16	30,918	
Creditors arising out of reinsurance operations	16	162,834	
Other creditors	16	266,787	
		<hr/>	460,539
Accruals and deferred income			1,731
			<hr/>
Total liabilities			<hr/> 3,059,951 <hr/>

The financial statements on pages 11 to 30 were approved by the Board of CMA on 18 February 2026 and were signed on its behalf by:



James Pearson
Chief Financial Officer
London
19 February 2026

Statement of Cash Flows

for the 2023 Closed Year of Account for the three years ended 31 December 2025

	31 December 2025
	\$000
<i>Profit on ordinary activities</i>	424,957
Investment return	(129,119)
Increase in debtors, prepayment and accrued interest	(505,470)
Increase in other assets - other	(103,740)
Increase in creditors	462,270
Net RITC premium payable	1,329,748
<i>Net cash inflow from operating activities</i>	1,478,646
<i>Investing activities:</i>	
Purchase of equity and debt instruments	(2,725,079)
Sale of equity and debt instruments	1,272,494
Investment income received	97,838
<i>Net cash outflow from investing activities</i>	(1,354,747)
<i>Financing activities</i>	
Open year profit release	(100,000)
Members' agents' fees paid on behalf of members	(105)
<i>Net cash outflow from financing activities</i>	(100,105)
Increase in cash and cash equivalents	23,794
Cash and cash equivalents on inception	-
<i>Cash and cash equivalents at 31 December</i>	23,794
Cash at bank and in hand	23,794
<i>Cash and cash equivalents at 31 December</i>	23,794

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

1. Statement of compliance & basis of preparation

These financial statements have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, the Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005) and applicable Accounting Standards in the United Kingdom, comprising Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and Financial Reporting Standard 103, "Insurance Contracts" ("FRS103") as modified by the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005).

The risks that the Syndicate is exposed to in respect of the reported financial position and financial performance are significantly less than those disclosed in the Syndicate annual accounts. Accordingly, these underwriting year accounts do not have associated risk disclosures as required by section 34 of FRS 102 and section 4 of FRS 103. Full disclosures relating to these risks are provided in the Syndicate annual accounts. In addition certain other disclosure requirements under FRS 102 and FRS 103, which include reconciliations of changes in insurance liabilities, reinsurance assets and deferred acquisition costs, have not been provided as the directors believe they are not required for a proper understanding of the underwriting year accounts.

Members participate on a syndicate by reference to a year of account and each syndicate year of account is a separate annual venture. These accounts relate to the 2023 year of account which has been closed by reinsurance to close by Syndicate 4444 as at 31 December 2025. Consequently the Statement of Financial Position represents the assets and liabilities of the 2023 year of account at the date of closure. The underwriting account reflects the transactions for that year of account during the three-year period until closure. These accounts cover the three years from the date of inception of the 2023 year of account to the date of closure. Accordingly, this is the only reporting period and so comparative periods are not shown.

As permitted by FRS 103 the Syndicate continues to apply the existing accounting policies that were applied prior to this standard for its insurance contracts

The financial statements are presented in US dollars, the presentational currency, and rounded to the nearest \$'000. The functional currency of the Syndicate is US dollars.

The financial statements for the three year period ended 31 December 2025 were approved for issue by the Board of CMA on 18 February 2026.

2. Summary of significant accounting policies

The underwriting accounts for each year of account are normally kept open for three years before the result on that year is determined. At the end of the three year period, outstanding liabilities can normally be determined with sufficient accuracy to permit the year of account to be closed by payment of a reinsurance to close premium to the successor year of account. Where it is not deemed to be possible to determine the outstanding liabilities with sufficient accuracy, the year of account will not be closed by way of reinsurance to close.

Premiums written

Gross premiums are allocated to years of account on the basis of the inception date of the policy. Premiums in respect of insurance contracts underwritten under a binding authority, line slip or consortium arrangement are allocated to the year of account corresponding to the calendar year of inception of the arrangement. Premiums are shown gross of brokerage payable and exclude taxes and duties levied on them. Premiums written are treated as fully earned.

Commission and brokerage are charged to the year of account to which the relevant policy is allocated.

Reinsurance premium ceded

Initial reinsurance premiums paid to purchase policies that give excess of loss protection on a risks attaching basis are charged to the year of account in which the protection commences. Premiums for other reinsurances such as proportional treaty and excess of loss on a losses occurring basis are charged to the same year of account as the risks being protected.

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

Reinsurance premium ceded (continued)

Reinsurance contracts that contain a retroactive element but continue to transfer significant insurance risk are recognised as reinsurance contracts in full and are not bifurcated.

Gross and reinsurance earned premiums

These accounts are prepared on a fund accounting basis and consequently all premium is treated as being fully earned. Any residual unearned premium relating to the year of account existing on an annual accounting basis has been included within the reinsurance to close premium payable. Where a year is held open any unearned premium existing on an annual accounting basis is included within the amount retained to meet all known and unknown liabilities.

Claims paid and related recoveries

Gross claims paid include internal and external claims settlement expenses and, together with reinsurance recoveries less amounts provided for in respect of doubtful reinsurers, are attributed to the same year of account as the original premium for the underlying policy. Reinstatement premiums payable in the event of a claim being made are charged to the same year of account as that to which the recovery is credited.

Reinsurance to close premium payable

The net reinsurance to close premium is determined on the basis of estimated outstanding liabilities and related claims settlement costs (including claims incurred but not reported), net of estimated collectible reinsurance recoveries, relating to the closed year of account and all previous years of account reinsured therein.

The provision for claims outstanding is assessed on an individual case basis and is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date, together with the provision for related claims handling costs. The provision also includes the estimated cost of claims incurred but not reported ('IBNR') at the balance sheet date based on statistical methods.

These methods generally involve projecting from past experience of the development of claims over time to form a view of the likely ultimate claims to be experienced for more recent underwriting, having regard to variations in the business accepted and the underlying terms and conditions. For the most recent years, where a high degree of volatility arises from projections, estimates may be based in part on output from rating and other models of the business accepted and assessments of underwriting conditions.

The reinsurers' share of the provisions for claims is based on the amounts of outstanding claims and projections for IBNR, net of estimated irrecoverable amounts, having regard to the reinsurance programme in place for the class of business, the claims experience for the year and the current security rating of the reinsurance companies involved. A number of statistical methods are used to assist in making these estimates.

The two most critical assumptions as regards claims provisions are that the past is a reasonable predictor of the likely level of claims development and that the rating and other models used for current business are fair reflections of the likely level of ultimate claims to be incurred.

The directors consider that the provisions for gross claims and related reinsurance recoveries are fairly stated on the basis of the information currently available to them. However, the ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided. Adjustments for the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made. The methods used, and the estimates made, are reviewed regularly.

Short Tail Business

Property and accident and health business is generally "short tail", whereby there is not a significant delay between the occurrence of the claim and the claim being reported. The costs of claims notified at the balance sheet date are estimated on a case-by-case basis to reflect the individual circumstances of each claim. The ultimate expected cost of claims, including IBNR, is projected from this data by reference to statistics, which show how estimates of claims incurred in previous periods have developed over time.

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

Longer tail business

Liability and marine claims are generally longer tail than for those of the other classes of business described above and so a larger element of the claims provision relates to IBNR claims.

Claims estimates for business in this category are derived from a combination of loss ratio based estimates and estimates based upon actual claims experience, using a predetermined formula whereby greater weight is given to actual claims experience as time passes. The initial estimates of the claims provisions are based on the experience of previous years and benchmarks adjusted for factors such as premium rate changes and claims inflation. For liability claims, the assessment of claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. The liability classes of business are also subject to the emergence of new types of latent claims.

Foreign currencies

The financial statements are presented in US dollars being the functional and presentational currency of the Syndicate.

Transactions other than reinsurance to close in Sterling, Canadian dollars, Euros and Australian dollars are translated at the average rates of exchange for each calendar year period. Reinsurance to close premiums receivable and payable and underwriting transactions denominated in other foreign currencies are included at the rate of exchange ruling at the transaction date.

Non-monetary and monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date or if appropriate at the forward contract rate.

Where Sterling, Canadian dollars, Euros or Australian dollars are sold or bought relating to the profit or loss of the closed underwriting account after 31 December, any exchange profit or loss arising is reflected in the underwriting account into which the liabilities of that year have been reinsured.

Investments

Investments are stated at fair value at the balance sheet date. For this purpose listed investments are stated at market value and deposits with credit institutions are stated at cost. Unlisted investments for which a market exists are stated at the average price at which they are traded on the balance sheet date or the last trading day before that date.

The Syndicate has classified its financial instruments in accordance with the requirements of FRS102 and has adopted an approach consistent with IFRS13, Fair Value Measurement. The fair value hierarchy classifies financial instruments into Level 1 to 3 based on the significance of the inputs used in measuring their fair value.

The levels within the fair value hierarchy are defined as follows:

- Level 1 - Based on unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement.
- Level 2 - Based on inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 - Where inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Investment return

Investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses, charges and interest.

Realised gains and losses on investments carried at market value are calculated as the difference between sale proceeds and purchase price. Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and purchase price.

Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the technical account. Investment return has been wholly allocated to the technical account as all investments relate to the technical account.

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

Investment return (continued)

A formulaic allocation method ('Riesco') is used for attributing investment income to years of account. The formula considers the principal profit and loss drivers by year of account to determine an equitable allocation of the investment income.

Operating expenses

Where expenses are incurred by or on behalf of the managing agent on the administration of managed syndicates, these expenses are apportioned using varying methods depending on the type of expense. Expenses which are incurred by Canopius Services Limited ("CSL") are allocated to the managed syndicates and other companies within Canopius Group Limited ("CGL") on bases depending on the amount of work performed, resources used and the volume of business transacted. Operating expenses are allocated to the year of account for which they are incurred.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, are not intended to be sold in the short term and do not fall into the other categories of financial assets as described above. Loans and receivables are measured at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the Syndicate will not be able to collect all amounts due according to their original terms. These are reversed if the payment is received. Receivables arising from insurance contracts are classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

Taxation

Under Schedule 19 of the Finance Act 1993 managing agents are not required to deduct basic rate income tax from trading income. In addition, all UK basic rate income tax deducted from Syndicate investment income is recoverable by managing agents and consequently the distribution made to members or their members' agents is gross of tax. Capital appreciation falls within trading income and is also distributed gross of tax. It is the responsibility of members to agree and settle their individual tax liabilities.

No provision has been made for any United States Federal Income Tax payable on underwriting results or investment earnings. Any payments on account made by the Syndicate during the year have been included in the balance sheet under the heading "other debtors".

No provision has been made for any other overseas tax payable by members on underwriting results.

Pension costs

CSL operates defined contribution pension schemes for the employees of CSL, including those working on the Syndicate's affairs. The assets of the schemes are held separately from those of CSL in independently administered funds.

Profit commission

Profit commission is charged by the managing agent based on profit subject to the operation of a deficit clause. Where profit commission is charged, it is included within members' standard personal expenses within administrative expenses.

Deposits with ceding undertakings

The Syndicate advances funds to ceding undertakings for the settlement of claims. These are measured at cost less allowance for impairment.

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

3. Management of risk

The Syndicate has identified the principal risks and uncertainties arising from its activities and has established policies and procedures to manage these items in accordance with its risk appetite. The sections below explain how the Syndicate defines and manages each category of risk.

a. Insurance risk

Insurance risk is defined as the risk of fluctuations in the timing, frequency and severity of insured events and claims settlements, relative to expectations. Syndicate 4444's exposure to insurance risk arises from underwriting/pricing, insurance concentrations, reserving and reinsurance. The Board of CMA seeks to mitigate insurance risk by analysing historical pricing and claims experience, setting a tolerance to concentration risk, monitoring performance, and conducting in-house actuarial reviews of claims provisions, independent of the underwriting teams.

The Syndicate has formal controls in place to ensure that business is underwritten in a controlled environment by reference to both the annual business plan and in line with underwriting policy. Preventative controls include underwriting authority limits which are agreed and signed off by the Active Underwriter, divisional and Group underwriting guidelines and benchmark ratings for all underwriting divisions. Detection controls include exception reports where authority limits are exceeded, expert review procedures, peer reviews and internal audit reviews.

Syndicate 4444 is exposed to potentially significant losses arising from natural catastrophe events such as windstorm, earthquake, flood or pandemic in addition to man-made perils. CMA quantifies catastrophe risk exposures using proprietary modelling software in conjunction with the principal underwriting systems to assess and model catastrophe exposures. The modelling tools are used in conjunction with CMA's knowledge of the business, historical loss information and geographic accumulations to monitor aggregation and to simulate catastrophe losses. The range of scenarios considered includes natural catastrophe, property, marine, liability and terrorism events.

CMA's capital setting methodology enables modelling to be performed in a sophisticated, but practical, manner particularly in determining the correlations between catastrophe exposed classes of business. Models use event tables which capture directly the different geographic distributions of risk in the various lines of business.

Effective risk management in non-core areas and from non-modelled perils is ensured using a suite of exposure accumulation and aggregation monitoring techniques and proprietary deterministic models.

The managing agent manages insurance risks on behalf of the Syndicate, including the following:

- inappropriate underwriting activities and cycle management;
- inadequate catastrophe exposure management; and
- inadequate or insufficient reinsurance protection.

The underwriters, supported by the actuarial pricing team, use their expertise and experience to determine the likely claims cost and, therefore, the premium that should be sufficient (across a portfolio of risks) to cover claims costs, expenses and to produce an acceptable profit in line with the agreed business plan.

Due to the nature of insurance risk, however, the premium charged may not be sufficient to cover the cost of claims. The shortfall may result from insufficient premium being calculated and charged or from an unexpected or unprecedented high level of claims.

A number of controls are employed to limit insurance exposures. Each year a business plan is prepared and agreed by the Board which sets the premium income targets and exposures to be written in total and for each class of business. Progress against this plan is monitored by the Board during the year.

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

Insurance liabilities are assumed through individual risk acceptances, reinsurance treaties or binding authorities. Binding authorities delegate underwriting authority to other underwriters, or agents acting as coverholders, who use their judgement to write risks on Syndicate 4444's behalf under clear authority levels. In such situations, the coverholders' activities are closely monitored and reviewed, and periodic on-site audits are carried out to ensure that the terms of the delegated authorities are being adhered to.

The Syndicate is also exposed to the risk of:

- inappropriate claims reserves;
- inappropriate payment of claims.

All claims arising are reserved upon notification. The entire portfolio of business is subject to a quarterly reserving process whereby levels of paid and outstanding claims are reviewed. Potential future claims are assessed with a provision for IBNR claims being made. The quarterly review process is overseen by the Reserving Forum and Board Audit Committee. Whilst a detailed and disciplined reserving exercise is carried out, known claims can develop beyond the level of reserves held.

Furthermore, there is increased uncertainty around the provision for IBNR claims. Consequently, there is a possibility that claims may arise which in aggregate exceed the reserve provision established. In the event that claims do not develop in line with expectations, the Reserving Forum will seek to release any redundant reserves. The Syndicate purchases specific reinsurances to protect against single risk losses. The Syndicate also purchases general excess of loss reinsurance to protect from severe losses.

The structure of the programme and type of protection bought will vary from year to year depending on risk appetite and the availability and price of cover.

b. Financial risk

The Syndicate is exposed to a wide range of financial risks, the key financial risk being that the proceeds from its assets are not sufficient to fund the obligations arising from its insurance contracts. An analysis of the Syndicate's exposure to the significant components of financial risk is given below split between:

- (i) Market risk (including interest rate risk and equity price risk);
- (ii) Credit risk (including Fair Value Hierarchy);
- (iii) Currency risk; and
- (iv) Liquidity risk.

(i) Market risk

Market risk arises from fluctuations in values of, or income from, assets or in interest or exchange rates and is derived primarily from the Syndicate's investment asset portfolio and from currency exposures. The Board has agreed an investment strategy commensurate with the Syndicate's risk appetite.

(ii) Credit risk

Credit risk is the risk that the Syndicate becomes exposed to loss if a counterparty fails to perform its contractual obligations. Credit risk could, therefore, impact upon the Syndicate's ability to meet its claims as they fall due. The Syndicate has in place policies and procedures designed to manage its credit risk exposures.

The primary sources of credit risk for the Syndicate are:

- amounts due from reinsurers,
- amounts due from insurance intermediaries, and
- counterparty risk with respect to investments including cash and cash equivalents.

The credit risk in respect of reinsurance debtors is primarily managed by review and approval of reinsurance security by CMA's Reinsurance Security Forum, prior to the purchase of reinsurance contracts. Guidelines are set and monitored, that limit the purchase of reinsurance based on Standard & Poor's or appropriate alternative ratings for each reinsurer. The credit risk in respect of reinsurers is primarily managed by CMA's reinsurance team.

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

Provisions are made against the amounts due from certain reinsurers, depending on the current rating assigned to the reinsurer. Some reinsurers provide collateral, usually in the form of letters of credit, to protect the Syndicate in the event of non-payment of debt. As this collateral effectively guarantees the debt, these reinsurers are zero-rated for bad debt provisions. The recovery of debt from reinsurers is administered by the credit management team.

The credit risk in respect of insurance intermediaries is managed by the credit management function with the aid of the underwriting support team and a dedicated binder management team.

To transact business with the Syndicate the insurance intermediary must first comply with internal guidelines that include approval (where relevant) by both the PRA and Lloyd's, to have a satisfactory credit rating and to have in place a terms of business agreement or a binding authority agreement with the Syndicate. The position is then monitored through ongoing review of the amount of debt outstanding to terms, and by regular cover-holder audits.

Debts from insurance intermediaries fall due according to the terms of trade; debts from reinsurers crystallise in line with the reinsurance contract terms.

Credit risk within the investment funds is managed through the credit research carried out by the investment managers. The investment guidelines are designed to mitigate credit risk by setting minimum credit worthiness of investments and ensuring diversification of the holdings. Fixed income investments are invested in government and corporate bonds.

(iii) Currency risk

Policyholders' assets are held in the five principal Lloyd's settlement currencies (Sterling, Euros, US dollars, Canadian dollars and Australian dollars) which represent the vast majority of the Syndicate's liabilities by currency. A significant proportion of the Syndicate's business is transacted in US dollars. Its functional and presentational currency is US dollars and, therefore, foreign exchange risk arises when non-US dollar profits are converted into US dollars.

CMA has a policy to mitigate foreign exchange risk and this policy is managed by the Finance team and overseen by the Finance Forum.

The Syndicate is exposed to foreign exchange risk primarily with respect to the Sterling, Euro, Canadian dollar and Australian dollar. The Syndicate mitigates this risk by endeavouring to match assets and liabilities in foreign currency. Moreover, Syndicate 4444 enters into conventional foreign currency forward contracts to manage its exposures to foreign exchange rate volatility.

In certain circumstances, the Syndicate is exposed to a foreign exchange risk where regulators demand that the Syndicate holds Canadian dollar currency assets to match liabilities measured on a regulatory basis, rather than best estimate.

The Syndicate does not take speculative currency positions to make gains; the purpose of its foreign exchange risk policy is to protect against the downside risk.

(iv) Liquidity risk

Liquidity risk arises where insufficient financial resources are maintained to meet liabilities as they fall due.

All valid claims must be paid as they fall due and, therefore, it is essential that the Syndicate maintains an appropriate level of liquidity at all times. As a consequence, cash is managed closely by the Treasury team. The Syndicate is exposed to daily calls on its available cash resources, principally from claims arising from its insurance activities.

The Syndicate's policy is to manage its liquidity position so that it can reasonably meet a significant individual or market loss event. This means that the Syndicate maintains sufficient liquid assets, or assets that can be quickly converted into liquid assets, without any significant capital loss, to meet estimated cash flow requirements. The availability of liquidity in the event of a major loss event is regularly tested using internal cash flow forecasts and realistic disaster scenarios.

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

(iv) Liquidity risk (continued)

The majority of the Syndicate's investments are in highly liquid assets which could be converted into cash promptly and at minimal expense. The Syndicate has a relatively low balance of illiquid property backed loans and investments in private debt through limited partnership structures which have limited market liquidity. Cash and overseas deposits are generally bank deposits and money market funds.

In addition, the duration of assets is maintained at a level to manage liability durations and in recognition of the Syndicate's catastrophe exposures. Greater levels of cash and/or liquid assets may be held when determined by market conditions and is considered appropriate by the Chief Investment Officer and the Board.

c. Group risk

Group risk arises from the potential impact of risk events, of any nature, arising in or from membership of a corporate group. CMA is part of the Canopus Group Limited ("CGL"), a global underwriter of insurance and reinsurance business transacted both through direct channels and via delegated underwriting. CGL has established a risk management framework to protect the Group's stakeholders, including syndicate members from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having effective risk management systems in place.

A clear organisational structure is in place with delegated authorities and clear responsibilities. A Group policy framework is in place which sets out the risk management, internal control and business conduct standards for the Group's operations. Group risk management policies set out the identification of risk and its interpretation, limit its structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements. Each policy has a member of senior management charged with overseeing compliance throughout the Group and the CGL Board meet regularly to approve any commercial, regulatory and organisational requirements of such policies.

d. Operational and Regulatory risk

Operational risk is the risk of inadequate or failed internal processes, people and systems, or external events that have an adverse impact on the business. The Syndicate manages these risks through a framework of robust systems and controls. CMA's objective for operational risk management is to identify, assess, manage, monitor and report risks and to prevent or reduce any failures or inadequacies in systems and controls. To this end, CMA has established key policies and controls that include:

- regular meetings of the Board of directors at which key aspects of the managing agent's and Syndicate's businesses are reviewed, including review of reports from various sub-committees of the Board
- underwriting procedures guidelines
- claims management policies and guidelines
- risk registers which are reviewed by risk and control owners on a regular basis
- a suite of risk policies for major risk categories relating to the activities of the Syndicate
- an internal audit function whose audit plan is aligned with CMA's risk framework
- human resources policies and guidelines designed to ensure that the operations are adequately resourced by sufficiently skilled and trained people, who are appropriately remunerated
- financial policies and controls that cover:
 - maintaining segregated funds for the Syndicate's assets
 - investment of funds
 - expense management
 - establishing adequate provisions for unpaid claims
 - credit risk, including debt collection and managing counter-party exposures
 - cash flow and other financial projections
 - regular review and reconciliation of the entity's financial records.

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

In addition, the managing agent has an established and integrated capital and planning cycle. This provides an assessment of the significant financial and non-financial risks, as identified by the managing agent's risk management framework.

The capital requirement is assessed in accordance with applicable requirements through the use of deterministic and stochastic modelling and further challenged using a comprehensive validation process which includes the use of stress and scenario tests. This process assesses the capital required to meet a 1 in 200 year extreme outcome from the aggregation of all recognised sources of risk.

Regulatory risk is the risk that the Syndicate fails to meet the regulatory requirements of the Prudential Regulatory Authority ("PRA"), the Financial Conduct Authority ("FCA"), Lloyd's and those of overseas regulators in jurisdictions where Lloyd's syndicates are licensed to trade.

Regulatory risk is a key area of focus for the Risk and Compliance teams to ensure legislative and regulatory changes are understood and observed.

e. Climate change risk

CMA has recognised climate change as an emerging risk for a number of years and has developed its climate risk framework in line with Canopus Group developments and evolving regulatory expectations. Climate change and society's response to it, present physical, transition and liability risks to the business but CMA believes it is well positioned to identify, assess, manage and mitigate risk and seek opportunities for innovation, diversification and growth within the industry.

CMA's climate risk framework covers governance, risk management, scenario analysis and disclosures. It aligns with the requirements of regulatory requirements in the UK.

CMA's climate risk framework is part of its wider ESG framework which covers a broad range of sustainability issues. As part of this, CMA is developing and embedding a suite of responsible business policies covering underwriting, investments and operations.

4. Segmental analysis

An analysis of the underwriting result before investment return is set out below:

	<i>Gross written premiums</i>	<i>Gross claims incurred</i>	<i>Gross operating expenses</i>	<i>Reinsurance Balance</i>	<i>Total</i>
	<i>(Note a)</i>	<i>(Note b)</i>	<i>(Note c)</i>	<i>(Note d)</i>	<i>Total</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Direct Insurance:					
Accident and health	221,317	(98,420)	(116,538)	(8,364)	(2,005)
Motor (third party liability)	9,903	(5,843)	(5,515)	(1)	(1,456)
Motor (other classes)	14,728	(9,488)	(7,585)	3,124	779
Marine, Aviation & Transport	353,690	(179,141)	(117,911)	(28,673)	27,965
Fire & other damage to property	662,724	(206,243)	(170,479)	(158,772)	127,230
Third party liability	421,009	(182,255)	(134,947)	2,155	105,962
Miscellaneous	78,975	(18,546)	(22,431)	(26,116)	11,882
	1,762,346	(699,936)	(575,406)	(216,647)	270,357
Reinsurance inwards	2,806,111	(2,622,445)	(156,518)	(2,099)	25,049
Total	4,568,457	(3,322,381)	(731,924)	(218,746)	295,406

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

- Reinsurance inwards includes reinsurance to close premium of \$2,131.2m.
- Gross claims incurred include gross claims paid and gross reinsurance to close premium payable of \$2,272.8m within reinsurance inwards.
- Gross operating expenses includes members' personal expenses and the profit on exchange shown in the non-technical account.
- The reinsurance balance includes reinsurance premiums ceded, reinsurance recoveries on claims paid, and reinsurers commission income. Reinsurance inwards includes reinsurance recoveries anticipated on reinsurance to close receivable (\$895.2m) less reinsurance recoveries anticipated on reinsurance to close payable (\$943.1m). The underwriting result for business written through, or transferred to, Lloyd's Brussels have been reported under the inwards reinsurance classes of business, reflecting the contractual arrangement.

The gross premiums written for direct insurance by underwriting location of where the contracts were concluded is presented in the table below:

	2025 \$000
United Kingdom	1,762,346
Total direct insurance gross premiums written	1,762,346

The geographical analysis of gross premiums written, excluding the reinsurance to close premium received, by situs of risk is as follows:

	2023 \$000
United Kingdom	477,047
European Union Member States	163,262
US	1,095,387
Rest of the world	701,532
Total	2,437,228

5. Reinsurance to close premium received from the 2022 year of account

	2023 \$000
Gross reinsurance to close received	2,131,229
Reinsurance recoveries anticipated	(895,230)
Reinsurance to close premium received, net of reinsurance	1,235,999

6. Reinsurance to close premium payable

	Gross \$000	Reinsurance recoveries anticipated \$000	Total \$000
Net notified outstanding claims	945,722	(383,919)	561,803
Provision for claims incurred but not reported	1,327,107	(559,162)	767,945
Reinsurance to close payable net of reinsurance	2,272,829	(943,081)	1,329,748

The reinsurance to close of the 2023 year of account is effected to the 2024 year of account of Syndicate 4444.

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

7. Net operating expenses

	2023 \$000
Brokerage and commission	535,740
Other acquisition costs	132,298
Members' standard personal expenses	17,514
Administrative expenses	85,876
Gross operating expenses – technical account	<u>771,428</u>
Reinsurers commission income	<u>(114,388)</u>
Net operating expenses – technical account	<u>657,040</u>

Other administrative expenses include the following amounts paid to the Syndicate auditor:

	2023 \$000
Audit of the Syndicate accounts	1,414
Other services pursuant to Regulations and Lloyd's Byelaws	203
	<u>1,617</u>

8. Staff numbers and costs

All staff are employed by a service company, CSL. The following amounts were recharged to the Syndicate in respect of salary costs:

	2023 \$000
Wages and salaries	127,951
Social security costs	14,563
Other pension costs	7,165
	<u>149,679</u>

The average number of employees working for the Syndicate during the period was as follows:

	2023
Admin and Finance	269
Underwriting	178
Claims	64
Investments	2
	<u>513</u>

The aggregate remuneration, borne by the Syndicate and a fellow group company, in respect of emoluments paid to the directors of CMA and the active underwriter was \$5.9m. This includes \$0.9m that relates to the active underwriters.

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

9. Investment return

	2023 \$000
Investment income	
Income from investments	93,630
Realised gains on investments	13,466
Unrealised gains on investments	45,983
Realised losses on investments	(6,146)
Unrealised losses on investments	(14,702)
Investment expenses and charges	
Investment management expenses	(3,112)
Investment return	129,119

10. Balance on technical account

Balance excluding investment return and operating expenses other than brokerage and commission	2022 & prior years of account \$000	2023 pure year of account \$000	Total 2023 \$000
Technical account balance before allocated investment return and net operating expenses	27,854	885,088	912,942
Brokerage and commissions on gross premiums	(8,830)	(526,910)	(535,740)
	<u>19,024</u>	<u>358,178</u>	<u>377,202</u>

11. Financial Investments

	2023	
	Market Value \$000	Cost \$000
Shares and other variable yield securities	491,319	472,823
Debt securities and other fixed income securities	962,035	940,949
Deposits with credit institutions	337	337
Derivative assets	61	-
Loans secured by mortgages	29,926	29,694
	<u>1,483,678</u>	<u>1,443,803</u>

The aggregate amount of listed financial investments included above is \$1,095.7m.

The following table shows financial investments recorded at fair value analysis between three levels in the fair value hierarchy:

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Shares and other variable yield securities	342,850	85,387	63,082	491,319
Debt securities and other fixed income securities	174,730	787,305	-	962,035
Deposits with credit institutions	337	-	-	337
Derivative assets	-	61	-	61
Loans secured by mortgages	-	-	29,926	29,926
	<u>517,917</u>	<u>872,753</u>	<u>93,008</u>	<u>1,483,678</u>

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

Level 3 assets include non-traded private credit funds and loans to credit institutions. The fair value of private credit funds is determined with reference to the net asset value. Loans to credit institutions which have no market price have been valued at cost as a proxy for fair value.

12. Debtors arising out of direct insurance operations

	2023 \$000
Due from intermediaries	250,574
	<hr/> 250,574

13. Debtors arising out of reinsurance operations

	2023 \$000
Due within one year	
Ceding undertakings	104,938
Intermediaries	115,566
	<hr/> 220,504
Due after one year	
Ceding undertakings	5
	<hr/> 220,509

14. Other debtors

	2023 \$000
Amounts due from affiliates (Further details in Note. 18)	33,244
Other	1,143
	<hr/> 34,387

15. Other assets - other

Other assets - other include overseas deposits which are lodged as a condition of conducting underwriting business in certain countries.

16. Creditors

	2023 \$000
Arising out of direct insurance operations	30,918
Arising out of reinsurance operations	162,834
Amounts due to affiliates (Further details in Note. 18)	83,901
Inter-year loans	181,409
Other	1,477
	<hr/> 460,539

17. Distribution

On 31 July 2025 the Board of the Managing Agent approved an open year profit distribution of \$100.0m on the 2023 year of account. This was distributed in September 2025.

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

18. Related parties

Transactions between the Managing Agent/Service Company and the Syndicate

CMA is the managing agent of Syndicate 4444. Managing agency fees of \$117k were paid by the Syndicate to CMA for the 2023 YoA.

Profit commission payable by the Syndicate to CMA of \$563k, in respect of the 2023 closed year of account, is reported within accruals and deferred income.

Employment of staff, provision of accommodation and related services are provided at cost by CSL, which is owned by Canopus Holdings UK Ltd ("CHUKL"). Expenses totalling \$186,751k have been recharged to the Syndicate by CSL on the 2023 YoA. At 31 December 2025, an amount of \$10,168k was owed from CSL to the Syndicate.

Canopus Underwriting Bermuda Limited ("CUBL")

Canopus Underwriting Bermuda Limited ("CUBL") is an insurance service company that underwrites property insurance and reinsurance business on behalf of the Syndicate. Premiums written on behalf of the Syndicate on the 2023 YoA totalled \$2,866k. At 31 December 2025, an amount of \$145k was due from the Syndicate to CUBL.

Canopus Asia Pte. Ltd ("CAPL")

Canopus Asia Pte. Ltd ("CAPL") trades as part of the Lloyd's Asia platform. CAPL underwrites Insurance and reinsurance lines, including and most notably, property, marine, energy and engineering, accident & health and treaty reinsurance business, on behalf of the Syndicate. Premiums written on behalf of the Syndicate on the 2023 YoA totalled \$304,604k. At 31 December 2025, an amount of \$80,559k is due from the Syndicate to CAPL.

Canopus Underwriting Agency Inc. ("CUAI")

Canopus Underwriting Agency Inc. ("CUAI") is a New York based insurance service company that underwrites direct and facultative property, marine, financial and professional insurance. It also underwrites property treaty reinsurance business on behalf of the Syndicate. Premiums written on behalf of the Syndicate on the 2023 YoA totalled \$167,096k. At 31 December 2025, an amount of \$6,997k was due from CUIA to the Syndicate.

Canopus Ireland Limited ("CIL")

Canopus Ireland Limited ("CIL") is an insurance service company that underwrites structured reinsurance business on behalf of the Syndicate. Premiums written on behalf of the Syndicate on the 2023 YoA were \$nil. At 31 December 2025, an amount of \$430k was due from the Syndicate to CIL.

Canopus Europe Limited ("CEL")

Canopus Europe Limited ("CEL") is an insurance service company that predominantly underwrites renewable energy and treaty reinsurance business on behalf of the Syndicate. Premiums written on behalf of the Syndicate on the 2023 YoA totalled \$nil. At 31 December 2025, an amount of \$13,400k was owed from CEL to the Syndicate.

Excelsa Re Ltd ("Excelsa")

Excelsa Re Ltd ("Excelsa"), a Bermudan based special purpose insurer writing property treaty and direct and facultative business was considered a related party of the Syndicate until 2024, during this time it accepted \$100,736k of ceded premium from the Syndicate on the 2023 YoA. At 31 December 2025, an amount of \$8,628k was due from the Syndicate to Excelsa.

Other group companies

The Syndicate held creditor balances with the following group companies as at 31 December 2025: Canopus Holdings UK Limited (CHUKL) \$60k, Canopus US Insurance Inc \$2k and Trenwick Underwriting Ltd \$26k.

Samsung Fire and Marine Insurance ("SFMI")

Samsung Fire and Marine Insurance ("SFMI"), a non-life insurance company, has a minority shareholding in a parent of CGL. The Syndicate has an inwards quota share arrangement with SFMI to underwrite US admitted business. Premiums written on behalf of the Syndicate on the 2023 YoA totalled \$63,633k.

Notes to the Financial Statements

for the 2023 Closed Year of Account at 31 December 2025

19. Post balance sheet events

On 18 February 2026 the Board of the Managing Agent authorised the closure of the 2023 year of account by way of reinsurance to close into the 2024 year of account. On the closure of the 2023 year of account an amount of \$324.9m, being the closing result for the year \$425.0m less the open year profit already distributed, less members' agents' fee, will be distributed to members.

20. Ultimate parent undertaking and controlling party

As at 31 December 2025, Syndicate 4444 was managed by CMA and CMA's immediate UK parent is CHUKL, which is registered in England and Wales. CHUKL is part of CGL which is registered in Jersey.

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

The following is provided by way of additional information and does not form part of these accounts. The Seven Year Summary is unaudited.

Seven Year Summary of Results of Closed Years at 31 December 2025

	2017	2018	2019	2020	2021	2022	2023
	£000	£000	£000	£000	£000	£000	£000
Syndicate allocated capacity £000	974,847	1,048,071	1,048,059	1,048,097	1,699,980	1,700,000	1,799,968
Syndicate allocated capacity \$000	1,286,798	1,435,857	1,414,880	1,257,716	2,158,975	2,125,000	2,429,957
Number of underwriting members	1,118	948	379	357	218	197	181
Aggregate net premiums £000	716,195	756,760	243,007	536,342	819,631	887,456	954,283

Results for an Illustrative Share (£10,000)

	£	£	£	£	£	£	£
Gross premiums	8,900	8,992	8,235	7,299	6,987	7,984	8,494
Net premiums	7,347	7,221	2,319	5,117	4,821	5,220	5,302
Premiums for the reinsurance to close an earlier year of account	8,698	8,633	9,107	4,854	4,617	5,180	5,493
Net claims	(16,454)	(15,517)	(9,926)	(9,422)	(8,734)	(9,066)	(8,515)
Premium for the reinsurance to close the year of account	(9,282)	(9,107)	(4,854)	(5,767)	(5,180)	(5,816)	(5,472)
Profit/(loss) on exchange	(257)	84	7	243	(4)	(76)	(541)
Syndicate operating expenses	(997)	(1,010)	(1,093)	(999)	(523)	(562)	(461)
Balance on technical account	(1,663)	(589)	413	(206)	178	697	1,279
Investment return	235	260	159	32	302	436	549
Non technical account profit on exchange							
Profit/(loss) before personal expenses	(1,428)	(329)	572	(238)	480	1,133	1,827
Illustrative profit commission	0	0	0	0	0	(3)	(2)
Illustrative managing agent's fee	(34)	(105)	(14)	(8)	(4)	(2)	(1)
Other illustrative personal expenses	(93)	(89)	(76)	(84)	(75)	(68)	(76)
Illustrative personal expenses	(127)	(194)	(91)	(92)	(79)	(74)	(78)
Profit/(loss) after illustrative profit commission and personal expenses	(1,555)	(523)	482	(330)	401	1,059	1,749
Aggregate annual fee, profit commission and Syndicate expenses	(1,031)	(1,115)	(1,108)	(1,007)	(527)	(567)	(464)

Underwriting Ratios

	%	%	%	%	%	%	%
Gross premium as a percentage of allocated capacity	89.0%	89.9%	82.4%	73.0%	69.9%	79.8%	84.9%
Net premium as a percentage of allocated capacity	73.5%	72.2%	23.2%	51.2%	48.2%	52.2%	53.0%
Balance on technical account as a percentage of gross premiums	(18.7)%	(6.6)%	5.0%	(10.7)%	2.5%	8.7%	15.1%

Notes to the Seven Year Summary

1. The seven year summary has been prepared on the accounting basis used before the adoption of FRS 102 and FRS 103 whereby Syndicate results were reported on a three years basis. Each underwriting year of account was normally kept open for three years at the end of which the result was determined when the year of account was closed by reinsurance, normally to the Syndicate's following year of account. Under the three year basis, premiums were recognised net of brokerage.
2. The illustrative profit commissions and personal expenses are estimates of amounts which are charged on an illustrative share of £10,000.
3. Under the standard agency agreement in force, an underwriting member who dies during the calendar year does not participate in that underwriting year of account.