ANNUAL REPORT AND ACCOUNTS 2025

ATRIUM

Syndicate 609

ANNUAL REPORT AND ACCOUNTS 2025

PROTECTING WHAT'S NEXT

We protect clients around the world from the risks they face, combining the strength of tradition with a forward-looking mindset.

ATRIUM

CONTENTS

ATRIUM SYNDICATE 609 – ANNUAL ACCOUNTS

ATRIUM SYNDICATE 609 – UNDERWRITING YEAR ACCOUNTS

DIRECTORS

Christopher Stooke Non-Executive Chairman
Nicole Coll Non-Executive Director
James Cox Executive Director
John Fowle Chief Executive Officer
Hans-Peter Gerhardt Non-Executive Director
Rachel Grunert Active Underwriter, Syndicate 2026
Peter Laidlaw Active Underwriter, Syndicate 609
Samit Shah Executive Director
Kirsty Steward Executive Director

ADVISORS

Auditor
KPMG LLP
Investment Manager
Wellington Management International Limited
Company Secretary
SGH Company Secretaries Limited

REPORT OF THE DIRECTORS OF THE MANAGING AGENT

The Directors of the managing agent present their report for the year ended 31 December 2025.

This Annual Report is prepared using the annual basis of accounting as required by Statutory Instrument No. 1950 of 2008, the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 (Lloyd's Regulations 2008) and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and Financial Reporting Standard 103: Insurance Contracts (FRS103) and the Lloyd's Syndicate Accounts Instructions Version 3.1 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's.

Separate underwriting year accounts for the 2021 year of account, which has been left open as at 31 December 2025 and the 2023 year of account, which closed on 31 December 2025, can be found on pages 52 to 94.

RESULTS

The Board of Directors (the Board) are pleased to announce total comprehensive income of £116.8m for Syndicate 609 (the syndicate) for calendar year 2025 (2024 – total comprehensive income of £62.0m).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The syndicate's principal activity during the year continued to be the transaction of general insurance and reinsurance business at Lloyd's.

BUSINESS AND PERFORMANCE EVALUATION

The syndicate writes a diversified portfolio of classes of business that include Accident & Health, Aviation, Liability, Marine, Non Marine Direct & Facultative, Property & Casualty Binding Authorities, Reinsurance, Upstream Energy and Terrorism. The syndicate is managed in three distinct business groups – Property, Casualty and Specialty.

In underwriting a diversified portfolio of classes, using their skill, knowledge and historic claims data to evaluate the potential claims costs and to determine the appropriate premium, and also by taking a limited amount of market and credit risk in investing the cash flows generated by this activity, the syndicate aims to reward its capital providers with results that are considered attractive relative to the risks assumed.

The key performance measure for the syndicate is return on adjusted Economic Capital Assessment (ECA). This is determined by comparing the total comprehensive income to the syndicate's ECA set by the Corporation of Lloyd's on agreement of the syndicate's Solvency Capital Requirement (SCR) derived from its Internal Model, including Solvency UK balance sheet adjustments. Return on Capital and the following Key Performance Indicators (KPI's) are monitored regularly by the Directors.

	As Reported 2025 £'m	Pre LPT 2025 £'m	2024 £'m
Gross premiums written	947.1	947.1	1,026.5
Net earned premiums	641.6	791.3	846.3
Total Comprehensive Income	116.8	115.3	62.0
Loss ratio	34.2%	47.1%	57.0%
Combined ratio	90.4%	92.5%	99.5%
Investment return	58.0	59.1	59.4
Adjusted ECA	382.1	382.1	353.4
Return on adjusted ECA	30.6 %	30.2%	17.5%

Loss Portfolio Transfer

On 13 January 2025, the syndicate entered into an loss portfolio transfer (LPT) agreement with Syndicate 2008, managed by Enstar Managing Agency Ltd, the reinsurer.

The transaction covers the discontinued portfolios in Marine Treaty Reinsurance, Property Treaty Reinsurance and US Contractors General Liability. The cover relates to business underwritten in 2023 and earlier (the majority relates to the 2021 year of account and earlier). The LPT is a reinsurance contract by nature. The syndicate ceded net loss reserves of £153.3m with a loss limit of £240.9m. All claims handling responsibilities relating to the ceded policies have been transferred to the reinsurer.

The premium payable associated with the transfer was £149.6m. There were further acquisition costs and interest charges associated with the transaction. After allowing for these costs the net impact to the statement of comprehensive income was a profit of £1.5m.

Russian Aviation Exposures

The syndicate has exposure to the fate of the western leased aircraft in Russia, which predominantly impacts the 2021 year of account. The classes impacted are Aviation War, Aviation Reinsurance and Marine XL The net ultimate loss is split 2% to the 2020 YOA, 87% to the 2021 YOA and 11% to the 2022 YOA.

At 31 December 2024, a probabilistic approach was taken to deriving the reserving position for this loss, which considered the financial implications of various scenarios. This approach has continued to be used at 31 December 2025, and the scenarios and their likelihood continue to rely on expert judgement, supported by legal advice where appropriate. These scenarios reflect actual settlements to date as well as the June 2025 judgement in England and Wales in respect of Russian Aircraft Lessor Policy Claims. Updating the scenarios to reflect the latest information has led to an overall increase in the estimated ultimate loss assessment with expected ultimate gross claims of £513.0m and £146.2m net of reinsurance as at 31 December 2025 (as at 31 December 2024 – £393.4m gross, £113.8m net of reinsurance).

The situation is complex and continues to develop. The Directors, in conjunction with the relevant subject matter experts, continue to monitor the situation closely, taking legal advice and meeting with market participants on a regular basis to ensure that the most up to date information and appropriate assumptions are reflected within the scenarios applied in determining the syndicate reserves.

Due to the nature of the underlying circumstances, both in respect of settlement of claims and the associated reinsurance recoveries, the potential for variation to the booked reserves is considerably greater than the normal level of reserve sensitivity to risk and the actual outcome of the loss could be in a particularly wide range with greater than usual variability. As a result, the 2021 year of account will continue to remain open until the level of reserve sensitivity to risk normalises.

Property Business Group

Classes of business which experienced significant compounded rate increases over the past few years continue to maintain healthy margins despite some material rate reductions. Premium reductions across North America property binders are a result of targeted changes made by the underwriting teams in response to the California wildfires and less demand for bespoke products in response to a slowing of the US economy.

The Property business group was exposed to the California Wildfires in January 2025, with gross losses of £50.2m and net losses of £37.1m contributing 5.3% and 5.8% to the gross and net loss ratios respectively across the following classes of business: Property Direct USA, Property RI, Cargo Fine Art & Specie and Non-Marine D&F. The latter half of the year was impacted by Hurricane Melissa with gross and net losses of £14.3m contributing 1.5% and 2.2% to the gross and net loss ratios respectively, mainly impacting the Non-Marine D&F class of business.

Casualty Business Group

Set against a backdrop of a challenging marketplace of declining rates and robust competition, the Casualty business group continues to enhance its product offering to grow in profitable markets. Development of new products, API roll-out within the AU Gold platform and targeted new business in the diversified class of business are all examples where underwriting teams have identified opportunities for profitable growth.

In the prior year the Casualty business group experienced deterioration to the prior year reserves as a result of construction defect claims in Florida. The successful completion of the LPT, noted above, has managed further deterioration of this book of business. With limited large loss exposure in 2025, the performance of Casualty has significantly improved from 2024, delivering a combined ratio of 76.7%.

Specialty Business Group

As seen across all business groups, Specialty has also experienced rating environment pressure and fewer new business opportunities. Gross written premiums are lower than 2024, driven by Aviation War which was expected as part of the 2025 planned premium targets.

The Specialty business group has been affected by the aforementioned deteriorations on Russia. Additionally there have been a number of aviation loss events during the year, the largest being Air India, with gross losses of £8.6m and net losses of £5.0m.

INVESTMENT PERFORMANCE

Markets closed 2025 on a strong note, with global equities, fixed income, and most commodities delivering positive returns. Despite this broad strength, the year was marked by meaningful rotations: Europe led early before emerging markets took over in the second half, supported by a weaker US Dollar and improving fundamentals. The Federal Reserve delivered three rate cuts totaling 75 bps, helping anchor financial conditions, while US Treasury yields ended the year at 4.18% for the 10 year and 4.84% for the 30 year. Credit markets remained resilient, with high yield and EM sovereigns outperforming as spreads tightened, even from already elevated levels.

The main sectors invested in are Investment Grade Corporates, US Government bonds, Taxable Municipal bonds and Agency Mortgage Backed Securities.

The table below compares the actual investment performance with the 2024 calendar year based on profits returned by holdings in each currency based on the average funds held in underlying investments, excluding overseas deposits.

	2025 %	2024 %
US Dollar	4.9	4.8
Canadian Dollar	3.9	4.9
Euro	2.8	4.0
Sterling	5.7	5.7

RISK STRATEGY

Understanding its Risk Universe, the range of risks to which it is exposed, quantification and management of those risks enable the syndicate to determine the capital required to provide suitable security to its policyholders and to ensure that syndicate capital providers are delivered returns appropriate for the risk they assume. Management of risk and return is the core discipline of the business, against which all significant strategic and operational decisions are evaluated.

The Directors are responsible for setting the risk strategy for the syndicate and for oversight of its implementation. The syndicate's risk strategy is to actively take on underwriting risks across a balanced range of (re)insurance classes where the expected margins more than compensate for the risk to the syndicate and/or the costs of risk mitigation e.g. reinsurance. In addition, the syndicate seeks investment risk where it is adequately rewarded and the level of risk does not constrain the syndicate's underwriting.

As part of the annual business planning process, the Board determines a Risk Policy Statement, which sets out the levels of planned risk taking, sometimes referred to as Risk Appetite, the basis on which these risk levels will be monitored, and the actions to be taken in the event of deviations from the planned levels. The Managing Agency has a comprehensive governance framework within which the syndicate's exposures to these risks are managed. The governance framework is discussed further below.

PRINCIPAL RISKS AND UNCERTAINTIES

Governance

The Board recognises the critical importance of having efficient and effective risk management systems in place but also recognises that it can only mitigate risks, and not eliminate them entirely. The Board has developed its Own Risk and Solvency Assessment (ORSA), comprising the entirety of the processes that it uses to identify, assess, monitor and report the risks faced by the syndicate and to evaluate the amount of funds necessary to cover these risks taking into consideration the business profile and risk appetite of the syndicate. Critical to the efficacy of the ORSA is the effective operation of the Risk Management Framework (RMF), the Governance Structure and the syndicate Internal Model. The RMF incorporates the so-called "Three Lines of Defence" approach to risk management and reporting.

The RMF is the mechanism through which the syndicate ensures it is implementing effective and enterprise wide risk management practices across its business. Key to the business is the management of risk, return and capital, against which all significant strategic and operational business decisions are evaluated. The syndicate has established systems of governance and risk management that enable it to manage its business prudently.

The RMF is the articulation of these systems of risk management and governance and how the various elements interact.

The RMF encompasses the broad range of activities undertaken across the organisational hierarchy to ensure that risks are managed appropriately, spanning from the high level strategy set by the Board to the day-to-day underwriting decisions being made by syndicate staff and the controls in place to govern these. The RMF can be illustrated as follows:

Strategy: This describes the strategy setting process and explains how this filters down through the organisation; incorporating the syndicate's Business Strategy, Business Plan, Risk Policy Statement and Risk Policies.

Business Activities: All business units are responsible for implementing the strategy and business plans in accordance with the framework set out in the risk policies.

The people, controls, management information, processes and senior management oversight in place across the business units serve as the "First Line of Defence" in the RMF.

Risk Governance Structure: The Board has established a Risk Governance Structure in order to ensure that risk is appropriately identified, monitored, managed and reported across the organisation; to review the activities of the business units; and to ensure that the RMF is effectively designed, implemented and governed.

The Risk Governance Structure is comprised of the Risk Committee (RC), which fulfils the role of the syndicate's Risk Management Function, the Internal Model Governance Committee (IMGC), the Risk Governance & Oversight Committee (RGOC), and the Risk Sub-Committees, discussed further, below.

Independent Assurance: The syndicate has in place a Compliance Function and an Actuarial Function in addition to the Risk Management Function (fulfilled by the RC, the RGOC and the Risk Management Team). These functions have specific responsibilities documented in their terms of reference and are staffed by fit and proper individuals with suitable qualifications, expertise and experience. The activities of these functions seek to provide the Board with assurance as to the appropriateness and effectiveness of the various elements of the RMF, the internal control environment, and the calculation of capital.

There are a number of risk management tools which support independent assessment and reporting of risk. Taken together this Independent Assurance comprises the "Second Line of Defence".

Independent Oversight: The RMF provides for independent oversight and challenge via the operation of the Internal Audit Function as well as the Audit Committee, which is a Committee of the Board with membership comprised of Non-Executive Directors. Together, these two groups provide the "Third Line of Defence". The Audit Committee, along with its broader responsibilities for the financial statements and financial reporting process, has oversight of internal controls and the Internal Audit Function.

Risk Committee (RC)

The RC fulfils the Risk Management Function, in conjunction with the RGOC and the Risk Management Team, and coordinates the risk management activities conducted for the syndicate. The RC has its membership comprised of Non-Executive Directors though is attended by various Executives to ensure that the RC is provided with the information it requires to perform its role. It is responsible for ensuring that the RMF and Internal Model operate effectively, and for maintaining an aggregated and holistic view of risks to the syndicate and reporting on them to the Board, committees and management as appropriate. It also ensures that there is robust and effective management, governance and oversight of the syndicate Internal Model which is used to set capital and is also widely used within the business.

Due to overarching considerations of climate change and Environmental, Corporate and Social Governance (ESG) in strategy setting and risk profile changes, this committee is also responsible for oversight of the climate change and sustainability frameworks.

To support delivery of the RC's responsibilities, there is the Capital Committee, RGOC and its Risk Sub-Committees, each being responsible for oversight, review and challenge of the activities of the syndicate and in particular, ensuring activities are within risk policies, that risks are suitably identified, monitored and reported, and that appropriate contingency plans are in place.

The Capital Committee has been set up in 2026 to support the Risk Committee by providing challenge on the Internal Model and reviews of model changes.

The principal risks to which the syndicate is exposed are discussed below, together with the mitigation techniques adopted. For clarity, the risks are analysed by reference to the Risk Sub-Committees that have responsibility for the relevant risk area.

The RGOC exists to support the RC and ensure that it can focus on key issues and also to ensure that there is the scope for executive discussion on risk issues and aggregation across the Risk Sub-Committees prior to the RC.

Insurance Risk Sub-Committee (IRSC)

The IRSC is responsible for oversight of insurance risk which includes underwriting, claims, reserving and reinsurance.

Underwriting risk is the risk that future losses are greater than allowed for within premiums. This could be due to natural fluctuations in claims frequencies and severities, changes in economic and judicial environments, anti-selection, inappropriate premium estimation or catastrophic loss activity.

Underwriting risk is mitigated through numerous controls including underwriter peer review, authority limits, independent review of risks written and purchase of an appropriate reinsurance programme. The Syndicate Business Forecast is completed annually and stipulates those classes of business and concentration by class that will be written during the forthcoming year. It is reviewed by the IRSC and approved by the Board prior to being submitted to Lloyd's for approval. Actual performance during the year is monitored by reference to the Syndicate Business Forecast.

The risk of catastrophic claims is mitigated by the syndicate having a defined risk appetite which determines the net loss that it intends to retain for major catastrophe events and where deemed appropriate, reinsurance is purchased to limit the impact of losses. Although the likelihood of occurrence is considered to be remote, there may be circumstances where the loss from a particular catastrophe event exceeds the net risk appetite perhaps due to the occurrence of a loss that has not been considered or where the reinsurance purchased proves to be insufficient. In addition climate change can affect the occurrence and severity of weather related events. Whilst the impact of these is researched, there is significant uncertainty to the impact climate change has on events in the tail of distributions which increases uncertainty in this area.

Reserving risk is the risk that there is insufficient provision for losses that have already occurred.

Reserving risk is mitigated by the robust reserve adequacy exercise that is performed on a quarterly basis by the Actuarial Function and approved by the Board. The quarterly exercise involves a review of the paid and outstanding claims and an assessment of the appropriate provision for incurred but not reported (IBNR) claims. The reserves are considered by the IRSC and approved by the Board. The reserving is carried out based on historical development data, the claims environment and information provided by lawyers and third party claims adjusters. In addition the IRSC and Board receives the results of analysis performed by an external actuarial firm to assist their review.

Although a thorough review process is carried out, the reserves carried may be more or less than adequate to meet the final cost of claims.

The IRSC also reviews the proposed reinsurance programme that is used to protect capital from the frequency and severity of losses that may be sustained through underwriting the varied lines of business written. The review includes analysis of the reinsurance cover being purchased and assessment of the proposed counterparties.

During 2026 the IRSC will be replaced by an Underwriting Committee reporting directly into the Board (and Chaired by an Independent Non-Executive Director (INED)) and a Reserving Committee which will report into the Audit Committee, both of which would oversee the syndicate.

Financial Risk Sub-Committee (FRSC)

The FRSC is responsible for oversight of financial risks and the steps taken to mitigate them as they arise from investments, asset/liability management, credit, liquidity and concentration risks. These risks are discussed further below.

Investment risk is the risk that the syndicate's earnings are affected by changes in the value of the investment portfolio, such changes in value may be driven by changes in the economic and political environment and by movements in interest and foreign exchange rates. The syndicate's investments are managed in accordance with investment guidelines established by the Board and are reviewed on a regular basis. The FRSC monitors the performance of the external investment managers and the custodians responsible for the safekeeping of the investments, and reports regularly to the Board.

Asset/liability mismatch is the risk that the syndicate could incur a loss through inadequate matching of its investments with its insurance liabilities. Due to the short tail nature of the majority of these liabilities, the syndicate does not seek to achieve a precise matching with the investment portfolio, instead developing an investment duration guideline that is broadly in line with the average payment profile of the liabilities. However, the syndicate substantially mitigates exposures to currency mismatch by investing premiums in the currency in which subsequent claims are most likely to be incurred and periodic rebalancing to ensure that these remain appropriate for the liabilities. The majority of the syndicate's business is denominated in US Dollars and accordingly the substantial part of the investment portfolio is in US Dollar denominated investments.

The key aspect of credit risk is the risk of default by one or more of the syndicate's reinsurers, their investment counterparties, or insurance intermediaries. Reinsurance is placed with security that adheres to the reinsurance policy. The exposure to credit risk in the investment portfolio is mitigated through adherence to the investment guidelines which require the syndicate's core investment portfolios to be held in government and corporate debt with a high credit quality rating and with a relatively short duration, thus substantially mitigating the risk of sustaining losses from default.

Exposure to intermediaries is mitigated by rigorous review of new intermediaries, contractual terms of business, regulated or segregated client accounts, monitoring of balances and credit control procedures.

Liquidity risk is the risk that the syndicate will not be able to meet its short term liabilities as they fall due, owing to a shortfall in cash. This risk is mitigated through holding invested funds in high credit quality and short duration investments. Cash flow projections are also reviewed on a regular basis. The need for overdraft facilities in case of an unprojected cash flow deficit is also reviewed regularly.

Concentration risk is the exposure to loss that could arise if the bulk of the amounts recoverable by the syndicate were dependent on a limited number of reinsurers, or if investments were restricted to limited numbers of counterparties or sectors. The risk is mitigated by restricting the permitted cessions to individual reinsurers for any one underwriting year and through the investment guidelines which limit exposure to individual investment counterparties and sectors.

Operational Risk Sub-Committee (ORSC)

The ORSC is responsible for oversight of the syndicate's exposures to operational and regulatory risks.

Operational risk is the risk of loss due to inadequate or failed processes and procedures, people and systems, or external events. The syndicate seeks to manage these risks by operating a control based environment which consists of documented procedures, segregation of duties and appropriate levels of review.

Regulatory risk is the risk of loss owing to a breach of regulatory requirements or failure to respond to regulatory change. The Managing Agency has a Compliance Officer and team who monitor regulatory developments and assess the impact on agency policy and maintain an ongoing open dialogue with both regulators and Lloyd's. They also carry out a compliance monitoring programme.

Regular reviews are performed by the Internal Audit department to ensure that deviations from the agency's policies, and control weaknesses, are identified and reported to the appropriate level of management and the Audit Committee when considered necessary.

Customer Oversight Group

The Customer Oversight Group is responsible for oversight of the syndicate's exposure to conduct risk and ensuring that the syndicate is providing good outcomes to customers as set out in the Financial Conduct Authority's (FCA) Consumer Duty. The Customer Oversight Group reports directly to the Board.

Conduct risk is the risk that, as part of writing and servicing insurance policies, the syndicate fails to pay due regard to the interests of its customers. This is mitigated through the application of a conduct risk policy and procedures and through staff's adherence to a Code of Business Principles and Ethics. Atrium is committed to conducting its activities and stakeholder relationships in a fair and honest manner and the highest standard of conduct, professionalism and integrity is expected from all of its employees, with due regard paid at all levels of the organisation to ensuring good outcomes for customers. Key controls include training of staff, embedding of the consideration of conduct risk as part of the business planning process and through the product life-cycle and Board and governance oversight and reporting. The Customer Oversight Group fulfils the role of a "product oversight group" providing customer challenge and perspective to the syndicate's products. Hans-Peter Gerhardt (INED) was appointed by the Board as Consumer Duty Champion from December 2025 following the resignation of Stephen Hearn who had previously held this appointment.

Executive Committee (XCo)

The XCo deals with the day-to-day activities of the Atrium Group, including Atrium Underwriters Limited (AUL), and is responsible for developing and executing the strategic priorities of the business, developing and implementing business plans, policies, procedures and budgets that have been recommended and approved by the Board, monitoring the operating and financial performance of the syndicate, prioritising and allocating investment and resources, and managing the risk profile of the syndicate. The XCo is responsible for the people strategy and establishment of the culture, values and behaviours of the organisation. The XCo implements policy and strategy adopted by the Board and deals with all operational matters affecting the syndicate.

XCo is an executive committee of the Board and is the overall decision-making body for performance and delivery, under delegated authority from the Board. Members of XCo include the Executive Directors of the Managing Agency and the

Chief Strategy Officer with the Chair being the Chief Executive Officer of the Managing Agent or, in their absence, any other member of the committee.

Effective 1 January 2026 XCo has moved to be a group level executive committee of the Atrium Underwriting Group Limited (AUGL) Board with the same membership and with clear delegation of authority from both AUGL and AUL Boards.

Culture Committee

The Culture Committee is a sub-committee of the XCo which reviews and provides formal governance over all areas relating to culture, namely the creation of a work environment that reflects the XCo approved values and enables its people to achieve their full potential and do their best work. It has a diverse membership from across the business, of different levels of seniority, which is refreshed annually.

CLIMATE CHANGE AND SUSTAINABILITY

Governance

The Chief Risk Officer is the Executive Director with responsibility for sustainability and managing the financial risks from climate change risk. There is regular communication with the XCo to ensure sustainability and climate change are incorporated into strategic decisions. In terms of formal governance, the RC is responsible for reviewing updates to the sustainability strategy and framework prior to Board approval, as well as assessing other sustainability-related risks. This is due to the overarching ramifications of climate change and other sustainability factors in strategy setting and risk profile changes. Sustainability is a standing agenda item for this Committee.

Strategy

Climate risk can be broadly divided into three categories: physical, transition and liability. Physical risk relates to the change in climate and weather events which have the potential to directly affect the economy. Transition risk can occur when moving towards a lower carbon economy and how the speed of the transition may affect certain sectors and affect financial stability. Liability risk refers to potential increased litigation against policyholders from individuals or businesses who have experienced losses because of physical or transition risk.

The syndicate has a dedicated sustainability strategy to manage physical, transition and liability aspects. Strategic objectives have been mapped to, and integrated with, the overall group strategy to ensure risks and opportunities from climate change and other sustainability aspects are fully embedded within the business. The syndicate has always been fully focused on managing the physical risks of the business it writes and it has a formalised framework specifically for managing physical climate risk. This addresses potential, current and future climate impacts on the natural catastrophe exposed portfolio by regional peril combinations and identifies potential risk mitigation strategies.

An assessment of transition risk is made as part of the syndicate's ORSA process and further analysis is performed during the business planning process. This allows the syndicate to identify areas of the portfolio with more material exposures as well as providing some metrics to our categorisations. The transition risk from our investment portfolio is limited due to the short duration of the portfolio and the lack of investment in equities.

In terms of liability risk, the syndicate assesses its exposures on high-risk classes via risk assessments looking at potential litigation risks and potential mitigations such as exclusion clauses embedded into policy wording. In addition, the risk team review current trends in climate risk litigation and their applicability to the underwriting portfolios. The syndicate is focused on taking advantage of the new opportunities that a shift to a low carbon economy might bring, whilst being mindful of the commerciality of these and managing the associated risks encountered with new technology, scarcity of data, uncertainty of forward-looking scenarios and the potential of systemic risk.

Sustainability considerations are incorporated into the annual business planning submissions, with each class of business factoring in both the risks and opportunities posed to them. This is an iterative process which will be enhanced year-on-year to help shape the strategy.

Risk Management

The aim of risk management is to ensure durability and value for stakeholders by managing the risks and opportunities presented by climate change in a holistic and balanced manner, embracing the values of an integrated governance structure. The syndicate's collaborative culture and relative agility in the Lloyd's market means it is well placed to achieve this ideal. The syndicate has formal sustainable underwriting rules and guidelines which state its appetite for certain risks. These rules and guidelines incorporate the syndicate's stance on areas which it deems not to be conducive with its wider sustainability strategy, as well as formalising compliance with Lloyd's guidance regarding no new cover for thermal coal-fired power plants, thermal coal mines, oil sands and Arctic energy exploration activities. In addition, the syndicate has a comprehensive responsible investment policy which covers its governance framework, risk appetite, metrics and ESG integration. The syndicate has processes in place to help ensure underwriters and investment managers comply with these. The Internal Model of the syndicate that is used to assess risk and calculate capital requirements incorporate climate risk via a variety of approaches. The syndicate continues to build on existing data and metrics related to climate risk, conduct tests of existing models, systems and processes to ensure they are adequate and relevant, build on scenario analysis and stress testing, review new opportunities (underwriting and technological) and increase knowledge and education. Third party data is used on a measured basis, ensuring that both the advantages and disadvantages are understood. The syndicate endeavours to incorporate climate risk and sustainability concerns across all decision-making processes and act as a responsible business.

Metrics and Targets

The syndicate has estimated its carbon emissions which are shown in the table below. 2025 emissions are not available yet and the syndicate has not estimated the Scope 3 disclosures with respect to underwriting and investment portfolios.

Energy and greenhouse gas disclosures	2024	2023
Scope 1 (natural gas, other fuels, refrigerants) tCO2e:	15.9	147.4
Scope 2* (purchased electricity - location-based) tCO2e:	30.7	68.7
Scope 3:	–	–
Business travel tCO2e:	1,496.8	941.7
Commuting/WFH, paper services, tech/hardware, furniture, data centres, waste, water tCO2e:	385.6	732.0
Total tCO2e:	1,929.0	1,889.8
Number of full-time employees	202.6	182.0
Carbon intensity – Total tCO2e/FTE	9.5	10.4

In 2024 total emissions stayed fairly consistent compared to 2023 with a 8.7% decrease in the carbon intensity due to the increase in headcount.

As reported last year, we have moved our offices to a more sustainable building and this improvement in energy efficiency can be seen in the significant decrease in our scope 1 and 2 emissions which have dropped by 78%. This is also reflected in our scope 3 emissions (excluding business travel) as 2023 was significantly impacted by the office move. A major increase was business travel which increased by 59% compared to the previous year (39% on an intensity basis).

From an investment perspective, the investment manager monitors and reports ESG ratings, weighted average carbon intensity (WACI), science-based targets (SBTs) summary and implied temperature rise (ITR) summary for the portfolio where available. Typically this is only for corporate bonds which are the largest asset class. In 2025 the syndicate has set targets around all of these metrics for the first time.

The investment managers also report how they are engaging with companies on ESG matters and this is reviewed quarterly.

GROUP DEVELOPMENTS

On 7 July 2025 it was announced that Atrium Underwriting Group Limited (AUGL) had entered into a definitive agreement with the CRC Group under which the CRC Group will acquire the managing agency from investment funds managed by Stone Point Capital LLC and other investors.

Effective 25 November 2025 steps were completed to effect a group reorganisation and demerger, following which Atrium Corporate Capital Limited (previously a subsidiary of AUGL) become a directly held subsidiary of Northshore Holdings Limited (Northshore) and the remainder of the Atrium Group subsidiaries under Alopuc Limited were transferred to a separate group owned by Northshore DM Limited (NDML), a Bermudian company. Immediately post the demerger NDML had the same shareholders as Northshore.

Effective 31 December 2025 NDML was acquired by CRC Group UK Holdings Limited (a UK holding company) which is 100% owned by CRC Insurance Group, LLC (a US domiciled company). The Atrium Group retains its brand name and independence under the leadership of its current management team within the CRC Group.

With effect from 1 January 2026, AUL is managing a new syndicate, Syndicate 2026. For the 2026 YOA Syndicate 2026 will issue binding authorities to permit Atrium Insurance Agency Limited (AIAL) to underwrite Weather and US Delegated Property Cat business on behalf of Syndicate 2026. Under the terms of the binding authorities, fees and profit commission will be payable to AIAL. There will be no allocation of business between Syndicate 609 and Syndicate 2026 and no shared reinsurance, although it is possible that Syndicate 609 may be invited and elect to participate on Syndicate 2026 led binding authorities underwritten by AIAL in the future. Rachel Grunert has been appointed as the Active Underwriter for Syndicate 2026 and was appointed to the Board on 1 January 2026. Capital to support Syndicate 2026 has been provided by a number of third parties. AUL has in place appropriate governance procedures to manage both syndicates with each syndicate having its own set of risk appetites and Lloyd's approved business plan.

DIRECTORS AND OFFICERS

The Directors & Officers of the managing agent who served during the year ended 31 December 2025 and to the date of signing these financial statements were as follows:

Nicole Coll

James Cox

John Fowle

Stephen Hearn (Resigned 1 December 2025)

Hans-Peter Gerhardt (Appointed 1 December 2025)

Rachel Grunert (Appointed 1 January 2026)

Peter Laidlaw

SGH Company Secretaries Limited (Company Secretary)

Samit Shah

Kirsty Steward

Christopher Stooke

DIRECTORS' INTERESTS

Details of Directors' interests may be found in note 23 to the accounts.

GOING CONCERN

The Directors have performed an assessment of the syndicate's ability to continue as a going concern, including indirect impacts of the war in Ukraine.

The syndicate has exposure to the fate of the western leased aircraft in Russia, which predominantly impacts the 2021 year of account. The classes impacted are Aviation War, Aviation Reinsurance and Marine XL. The net ultimate loss is split 2% to the 2020 YOA, 87% to the 2021 YOA and 11% to the 2022 YOA.

At 31 December 2024, a probabilistic approach was taken to deriving the reserving position for this loss, which considered the financial implications of various scenarios. This approach has continued to be used at 31 December 2025 and the scenarios and their likelihood continue to rely on expert judgement, supported by legal advice where appropriate. These scenarios reflect actual settlements to date as well as the June 2025 judgement in England and Wales in respect of Russian Aircraft Lessor Policy Claims. Updating the scenarios to reflect the latest information has led to an overall increase in the estimated ultimate loss assessment with expected ultimate gross claims of £513.0m and £146.2m net of reinsurance as at 31 December 2025 (as at 31 December 2024 - £393.4m gross, £113.8m net of reinsurance).

The situation is complex and continues to develop. The Directors, in conjunction with the relevant subject matter experts, continue to monitor the situation closely, taking legal advice and meeting with market participants on a regular basis to ensure that the most up to date information and appropriate assumptions are reflected within the scenarios applied determining the syndicate reserves.

Due to the nature of the underlying circumstances, both in respect of settlement of claims and the associated reinsurance recoveries, the potential for variation to the booked reserves is considerably greater than the normal level of reserve sensitivity to risk and the actual outcome of the loss could be in a particularly wide range with greater than usual variability. As a result, the 2021 year of account will continue to remain open until the level of reserve sensitivity to risk normalises.

The syndicate has a documented Stress & Scenario Testing Framework which sets out the stress, scenario and reverse stress tests conducted during the year and the governance, reporting and escalation procedures around these. As per its role to oversee and coordinate the stress testing process, the RGOC has reviewed this framework and the RC has also reviewed and challenged the Framework tests.

The purpose of scenario testing is to assess the financial impact caused by a series of major detrimental events within one scenario. The total financial impact is then used as a check of the Internal Model's robustness and the syndicate's overall capital adequacy. The scenarios used by management are informed by the syndicate business plan, making them bespoke to the business. As part of the stress testing work, reverse stress tests were also completed. Reverse stress tests assess scenarios and circumstances that would render the syndicate's business model unviable, thereby identifying potential business vulnerabilities.

The Board's long term strategy is to support the syndicate in managing the market cycle and providing long term sustainable returns to capital providers and shareholders. The syndicate was able to open the 2026 year of account with stamp capacity of £981.5m and at the current time there is an expectation that the syndicate will open a 2027 year of account.

As at 31 December 2025, the Board considers that the syndicate has more than adequate liquidity to pay its obligations as they fall due. The syndicate held cash and cash equivalents of £116.6m and fixed maturity investments with maturity dates of less than one year of £436.9m.

Based on the going concern assessment performed as at 31 December 2025, the Directors have formed a judgment that there is a reasonable expectation that the syndicate has adequate resources to continue in operational existence in the foreseeable future, a period of at least 12 months from the date of signing these financial statements. The 2026 year of account has opened and based on the Directors' assessment that the syndicate has sufficient resources to do so, they have a reasonable expectation to be in a position to open a 2027 year of account. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

RE-APPOINTMENT OF AUDITOR

The Board of Directors have re-appointed KPMG LLP as the syndicate auditor for the year ending 31 December 2026. KPMG LLP have indicated their willingness to continue in office as the syndicate auditor.

SYNDICATE ANNUAL GENERAL MEETING

As permitted under the Syndicate Meetings (Amendment No.1) Byelaw (No.18 of 2000) AUL does not propose to hold a Syndicate Annual General Meeting of the members of the syndicate. Members may object to this proposal or the intention to reappoint auditors within 21 days of the issue of these financial statements. Any such objection should be addressed to James Smith, Compliance Officer, at the registered office.

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a Director of the managing agent at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with its report, of which the auditor is unaware. Having made enquiries of fellow Directors of the agency and the syndicate's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board

John Fowle
Chief Executive Officer

16 February 2026

STATEMENT OF THE MANAGING AGENT'S RESPONSIBILITIES

The Directors of the managing agent are responsible for preparing the syndicate annual accounts in accordance with applicable law and regulations.

Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 requires the directors of the managing agent to prepare their syndicate's annual accounts for each financial year. Under that law they have elected to prepare the annual accounts in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements are also prepared in accordance with Lloyd's Syndicate Accounts Instructions Version 3.1 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's.

Under Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 the directors of the managing agent must not approve the annual accounts unless they are satisfied that they give a true and fair view of the state of affairs of the syndicate and of the profit or loss of the syndicate for that period. In preparing these annual accounts, the directors of the managing agent are 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 annual accounts;
- Assess the syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to cease trading, or have no realistic alternative but to do so.

The Directors of the managing agent are responsible for keeping adequate accounting records that are sufficient to show and explain the syndicate's transactions and disclose with reasonable accuracy at any time the financial position of the syndicate and enable them to ensure that the annual accounts comply with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of syndicate annual accounts that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the syndicate and to prevent and detect fraud and other irregularities.

The Directors of the managing agent are responsible for the maintenance and integrity of the syndicate and financial information included on the syndicate's website. Legislation in the UK governing the preparation and dissemination of syndicate annual accounts may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SYNDICATE 609

OPINION

We have audited the Syndicate annual accounts of Syndicate 609 ("the Syndicate") for the year ended 31 December 2025 which comprise the Statement of Comprehensive Income: Technical account – General Business, Statement of Comprehensive Income: Non-Technical Account, Balance Sheet – Assets, Balance Sheet – Liabilities, Statement of Changes in Members' Balances, Statement of Cash Flows, and related notes, including the accounting policies in note 3.

In our opinion the Syndicate annual accounts:

- give a true and fair view of the state of the Syndicate's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The *Financial Reporting Standard applicable in the UK and Republic of Ireland; and*
- have been prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, and Sections 1 and 5 of the Syndicate Accounts Instructions Version 3.1 as modified by the Syndicate Accounts Frequently Asked Questions Version 1.1 dated 13 February 2026, issued by the Council of Lloyd's (together "the Syndicate Accounts Instructions").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), applicable law, and, under the terms of our engagement letter dated 30 July 2025, the Syndicate Account Instructions. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Syndicate in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

EMPHASIS OF MATTER – LEVEL OF UNCERTAINTY IN RUSSIAN AVIATION EXPOSURES

We draw attention to Note 2 of the Syndicate annual accounts, concerning the significant level of uncertainty in relation to the possible claims arising out of the Syndicate's Russian aviation exposures. This matter results in more potential variability than would ordinarily be the case in the potential outcomes regarding technical provisions.

Our opinion is not modified in respect of this matter.

GOING CONCERN

The directors of the Managing Agent ("the Directors") have prepared the Syndicate annual accounts on the going concern basis as they do not intend to cease underwriting or to cease its operations, and as they have concluded that the Syndicate's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Syndicate annual accounts ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Syndicate's business model and analysed how those risks might affect the Syndicate's financial resources or ability to continue operations over the going concern period, including inspecting correspondence with the Council of Lloyd's to assess whether there were any known impediments to establishing a further year of account.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the Syndicate annual accounts is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Syndicate's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Syndicate will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of directors, the Audit Committee, internal audit and inspection of policy documentation as to the Syndicate and Managing Agent's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Syndicate and Managing Agent's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements related to the valuation of claims reserves.

Valuation of these liabilities, especially in respect of the incurred but not reported (IBNR) component, is highly judgmental as it requires a number of assumptions to be made such as initial expected loss ratios and claim development patterns all of which carry high estimation uncertainty and are difficult to corroborate creating opportunity for management to commit fraud.

On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited estimation involved in accruing premium income. We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of certain fraud risk management controls.

We performed procedures including:

- Identifying potential journal entries to test based on risk criteria and comparing these entries to supporting documentation. These included entries consisting of unusual double entries to cash accounts or journals posted by individuals who typically do not make journal entries.
- We assessed the appropriateness and consistency of the methods and assumptions used for reserving. For a selection of classes of business we considered to be higher risk, we performed alternative projections to the actuarial best estimate using our own gross loss ratios and compared these to the Syndicate's results, assessing the results for evidence of bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial information from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), from inspection of the Managing Agent's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Syndicate is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial information varies considerably.

Firstly, the Syndicate is subject to laws and regulations that directly affect the financial information including financial reporting legislation (such as the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, and the Lloyd's Syndicate Accounts Instructions), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial information items.

Secondly, the Syndicate is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial information, for instance through the imposition of fines or litigation or the loss of the Syndicate's capacity to operate. We identified the following areas as those most likely to have such an effect: corruption and bribery, compliance with regulations relating to sanctions due to the nature of the business written by the Syndicate, financial products and services regulation and the Solvency UK regime including capital requirements, recognising the financial and regulated nature of the Syndicate's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial information, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial information, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing noncompliance or fraud and cannot be expected to detect noncompliance with all laws and regulations.

OTHER INFORMATION – REPORT OF THE DIRECTORS OF THE MANAGING AGENT

The Directors are responsible for the Report of the Directors of the Managing Agent. Our opinion on the Syndicate annual accounts does not cover that report and, accordingly, in this audit report we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the Report of the Directors of the Managing Agent and, in doing so, consider whether, based on our Syndicate annual accounts audit work, the information therein is materially misstated or inconsistent with the Syndicate annual accounts or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Report of the Directors of the Managing Agent;
- in our opinion the information given in the Report of the Directors of the Managing Agent is consistent with the Syndicate annual accounts; and
- in our opinion the Report of the Directors of the Managing Agent has been prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept on behalf of the Syndicate; or

- the Syndicate annual accounts are not in agreement with the accounting records; or
- certain disclosures of Managing Agent's emoluments specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

RESPONSIBILITIES OF THE DIRECTORS OF THE MANAGING AGENT

As explained more fully in their statement set out on page 14, the Directors of the Managing Agent are responsible for: the preparation of the Syndicate annual accounts in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Syndicate Accounts Instructions, and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Syndicate annual accounts that are free from material misstatement, whether due to fraud or error; assessing the Syndicate'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 they either intend to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the Syndicate annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Syndicate annual accounts.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Directors of the Managing Agent are required, under the Syndicate Accounts Instructions, to include these financial statements within a document to which XBRL tagging has been applied. This auditor's report provides no assurance over whether the XBRL tagged document has been prepared in accordance with those requirements.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Syndicate's members, as a body, in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the terms of our engagement letter with the Managing Agent. 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 the further matters we are required to state to them in accordance with the terms agreed with the Managing Agent, 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.

Elizabeth Cox

Elizabeth Cox (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
London
E14 5GL

19 February 2026

STATEMENT OF COMPREHENSIVE INCOME TECHNICAL ACCOUNT – GENERAL BUSINESS

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	£'000	2025 £'000	£'000	2024 £'000
Earned premiums, net of reinsurance					
Gross premiums written	5		947,133		1,026,490
Outward reinsurance premiums			(295,226)		(162,915)
Net premiums written			651,907		863,575
Change in the provision for unearned premiums:					
Gross amount		(466)		(24,604)	
Reinsurers' share		(9,803)		7,361	
Change in the net provision for unearned premiums			(10,269)		(17,243)
Earned premiums, net of reinsurance			641,638		846,332
Allocated investment return transferred from the non-technical account			58,021		59,393
Claims incurred, net of reinsurance					
Claims paid:					
Gross amount		(621,961)		(363,232)	
Reinsurers' share		252,397		50,191	
Net claims paid			(369,564)		(313,041)
Change in the provision for claims:					
Gross amount		126,141		(292,665)	
Reinsurers' share		23,810		119,219	
Change in the net provision for claims			149,951		(173,446)
Claims incurred, net of reinsurance			(219,613)		(486,487)
Net operating expenses	6		(360,336)		(355,440)
Balance on the technical account for general business			119,710		63,798

All operations relate to continuing activities.

NON-TECHNICAL ACCOUNT – GENERAL BUSINESS

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 £'000	2024 £'000
Balance on the general business technical account		119,710	63,798
Investment income	9	36,265	35,024
Realised gains on investments	9	6,210	16,569
Unrealised gains on investments	9	16,253	8,554
Investment expenses and charges	9	(707)	(754)
Total investment return		58,021	59,393
Allocated investment return transferred to general business technical account		(58,021)	(59,393)
Foreign exchange gains/(losses)		2,359	(4,995)
Profit for the financial year		122,069	58,803
Other comprehensive income			
Currency translation differences		(5,252)	3,167
Total comprehensive income for the year		116,817	61,970

All operations relate to continuing activities.

BALANCE SHEET: ASSETS

AT 31 DECEMBER 2025

	NOTES	£'000	2025 £'000	£'000	2024 £'000
Investments					
Financial investments	11	1,108,582		1,337,744	
Deposits with ceding undertakings		2,481		2,795	
			1,111,063		1,340,539
Reinsurers' share of technical provisions					
Provision for unearned premiums		25,760		37,950	
Claims outstanding		399,192		406,847	
			424,952		444,797
Debtors					
Debtors arising out of direct insurance operations	12	392,963		390,409	
Debtors arising out of reinsurance operations	13	38,788		43,456	
Other debtors	14	3,093		1,966	
			434,844		435,831
Other assets					
Cash at bank and in hand		33,225		21,073	
			33,225		21,073
Prepayments and accrued income					
Prepayments and accrued interest		3,490		3,680	
Deferred acquisition costs	15	128,052		128,445	
			131,542		132,125
Total assets			2,135,626		2,374,365

BALANCE SHEET: LIABILITIES

AT 31 DECEMBER 2025

	NOTES	£'000	2025 £'000	£'000	2024 £'000
Capital and reserves					
Members' balances		146,768		154,380	
			146,768		154,380
Technical provisions					
Provision for unearned premiums	17	423,294		445,243	
Claims outstanding	17	1,378,580		1,590,827	
			1,801,874		2,036,070
Creditors					
Creditors arising out of direct insurance operations	18	31,908		32,323	
Creditors arising out of reinsurance operations	19	65,540		74,579	
Other creditors	20	48,694		31,402	
			146,142		138,304
Accruals and deferred income			40,842		45,611
Total liabilities			1,988,858		2,219,985
Total liabilities, capital and reserves			2,135,626		2,374,365

The Annual Report and Accounts were approved at a meeting of the Board of Directors of Atrium Underwriters Limited, on 16 February 2026 and were signed on its behalf by:

Kirsty Steward
Agency Finance Director

16 February 2026

John Fowle
Chief Executive Officer

16 February 2026

STATEMENT OF CHANGES IN MEMBERS' BALANCES

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £'000	2024 £'000
Members' balances brought forward at 1 January	154,380	98,356
Profit for the financial year	116,817	61,970
Payments of profit to members' personal reserve funds	(118,651)	–
Members' agent fees	(3,645)	(3,547)
Other	(2,133)	(2,399)
Members' balances carried forward at 31 December	146,768	154,380

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £'000	2024 £'000
Cash flows from operating activities		
Profit for the financial year	122,069	58,803
Increase/(decrease) in gross technical provisions	(124,483)	323,033
(Increase) in reinsurers' share of gross technical provisions	(8,780)	(128,321)
Increase in debtors	(31,060)	(59,265)
Increase in creditors	16,531	35,448
Investment return	(58,021)	(59,393)
Other	(2,383)	4,836
Net cash flows from operating activities	(86,127)	175,141
Cash flows from investing activities		
Purchase of debt instruments	(588,218)	(797,165)
Sale of debt instruments	715,280	638,912
Investment income received	41,768	39,901
Other	–	–
Net cash flows from investing activities	168,830	(118,352)
Cash flows from financing activities		
Transfer to members in respect of underwriting participations	(118,651)	–
Other	2,734	(5,914)
Net cash flows from financing activities	(115,917)	(5,914)
Net increase in cash and cash equivalents	(33,214)	50,875
Cash and cash equivalents at beginning of financial year	158,932	107,461
Effect of foreign exchange rates on cash and cash equivalents	(9,162)	596
Cash and cash equivalents at end of financial year	116,556	158,932
Reconciliation to cash at bank and in hand		
Cash at bank and in hand at end of financial year	33,225	21,073
Short term deposits with credit institutions	83,331	137,859
Cash and cash equivalents at end of financial year	116,556	158,932

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2025

1. BASIS OF PREPARATION

The syndicate is managed by Atrium Underwriters Limited (AUL) which is incorporated in the United Kingdom. The address of its registered office is Level 20, 8 Bishopsgate, London, EC2N 4BQ and the company registration number of the managing agent is 1958863.

The syndicate's principal activity during the year continued to be the transaction of general insurance and reinsurance business at Lloyd's.

These financial statements have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and applicable Accounting Standards in the United Kingdom and the Republic of Ireland, including Financial Reporting Standard 102 (FRS 102). FRS 102 requires the application of Financial Reporting Standard 103 (FRS 103) in relation to insurance contracts. The financial statements are also prepared in accordance with Lloyd's Syndicate Accounts Instructions Version 3.1 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's.

The financial statements have been prepared on the historical cost basis with the exception of financial assets which are measured at fair value through profit or loss.

The Directors of the Managing Agent have prepared these financial statements on the basis that the syndicate will continue to write future business. The ability of the syndicate to meet its obligations as they fall due is underpinned by the support provided by the Lloyd's solvency process and its chain of security for any members who are not able to meet their underwriting liabilities.

Reclassification of comparative information

During 2025 Lloyd's finalised changes to the syndicate accounts process to rationalise and standardise financial reporting across the market. As a result, certain comparative information has been reclassified to ensure consistency with current year presentation and compliance with the Lloyd's Syndicate Accounts instructions. The changes comprise gross deferred acquisition costs being disclosed as assets and ceded acquisition costs being disclosed within accruals and deferred income. Last year deferred acquisition costs were presented net of ceded acquisition costs on the balance sheet. Additionally, money market funds previously classified as financial investments within the purchases and sales of debt instruments in the Statement of Cash Flows are now reported as cash equivalents.

The reclassification changes have been applied retrospectively and had no impact on previously reported total comprehensive income and net assets.

Going Concern

The Directors have performed an assessment of the syndicate's ability to continue as a going concern, including the indirect impacts of the war in Ukraine, as detailed in note 2.

The syndicate has a documented Stress & Scenario Testing Framework which sets out the stress, scenario and reverse stress tests conducted during the year and the governance, reporting and escalation procedures around these. As per its role the RGOC and Risk Committee have reviewed the tests performed and their results.

The purpose of scenario testing is to assess the financial impact caused by a series of major detrimental events within one scenario. The total financial impact is then used as a check of the Internal Model's robustness and the syndicate's overall capital adequacy. The scenarios used by management are informed by the syndicate business plan, making them bespoke to the business. As part of the stress testing work, reverse stress tests were also completed. Reverse stress tests assess scenarios and circumstances that would render the syndicate's business model unviable, thereby identifying potential business vulnerabilities.

The Board's long term strategy is to support the syndicate in managing the market cycle and providing long term sustainable returns to capital providers and shareholders, which may include increasing stamp capacity in order to take advantage of rising rates and new business opportunities. The syndicate continues to take advantage of the current rating environment by writing increased level of business at higher pricing levels in 2025. The syndicate was able to open the 2026 year of account with stamp capacity of £981.5m and at the current time there is an expectation that the syndicate will open a 2027 year of account.

1. BASIS OF PREPARATION CONTINUED

As at 31 December 2025, the Board considers that the syndicate has more than adequate liquidity to pay its obligations as they fall due. The syndicate held cash and cash equivalents of £116.6m and fixed maturity investments with maturity dates of less than one year of £439.9m.

Based on the going concern assessment performed as at 31 December 2025, the Directors have formed a judgment that there is a reasonable expectation that the syndicate has adequate resources to continue in operational existence in the foreseeable future, a period of at least 12 months from the date of signing these financial statements. The 2026 year of account has opened and based on the Directors assessment that the syndicate has sufficient resources to do so, they have a reasonable expectation to be in a position to open a 2027 year of account. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

2. USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, the directors of the managing agent have made judgements, estimates and assumptions that affect the application of the syndicate's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The measurement of the provision for claims outstanding involves judgments and assumptions about the future that have the most significant effect on the amounts recognised in the financial statements.

The provision for claims outstanding comprises the estimated cost of settling all claims incurred but unpaid at the balance sheet date, whether reported or not. This is a judgemental and complex area due to the subjectivity inherent in estimating the impact of claims events that have occurred but for which the eventual outcome remains uncertain. In particular, judgment is applied when estimating the value of amounts that should be provided for claims that have been incurred at the reporting date but have not yet been reported to the syndicate.

The amount included in respect of IBNR is based on statistical techniques of estimation applied by the in-house actuaries and reviewed by external consulting actuaries. These techniques generally involve projecting from past experience the development of claims over time in view of the likely ultimate claims to be experienced and for more recent underwriting, having regard to variations in business accepted and the underlying terms and conditions. The provision for claims also includes amounts in respect of internal and external claims handling costs. 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 business accepted and assessments of underwriting conditions.

The best estimate reserves include the expected impact of inflationary pressures on the claims. The impact of inflation is assessed on a class by class basis with reference to available forward looking inflation forecasts and relevant indices as applicable to each class. The capital setting process for in 2025 took account of future inflationary expectations as well as the enhanced volatility caused by the potential impact and uncertainties around future tariffs and potential trade barriers.

The syndicate has exposure to the fate of the western leased aircraft in Russia, which predominantly impacts the 2021 year of account. The classes impacted are Aviation War, Aviation Reinsurance and Marine XL. The net ultimate loss is split 2% to the 2020 YOA, 87% to the 2021 YOA and 11% to the 2022 YOA.

At 31 December 2024, a probabilistic approach was taken to deriving the reserving position for this loss, which considered the financial implications of various scenarios. This approach has continued to be used at 31 December 2025 and the scenarios and their likelihood continue to rely on judgement, supported by legal advice where appropriate. These scenarios reflect actual settlements to date as well as the June 2025 judgement in England and Wales in respect of Russian Aircraft Lessor Policy Claims. Updating the scenarios to reflect the latest information has led to an overall increase in the estimated ultimate loss assessment with expected ultimate gross claims of £513.0m and £146.2m net of reinsurance as at 31 December 2025 (as at 31 December 2024 - £393.4m gross, £113.8m net of reinsurance).

The situation is complex and continues to develop. The Directors, in conjunction with the relevant subject matter experts, continue to monitor the situation closely, taking legal advice and meeting with market participants on a regular basis to

2. USE OF JUDGEMENTS AND ESTIMATES CONTINUED

ensure that the most up to date information and appropriate assumptions are reflected within the scenarios applied in determining the syndicate reserves.

Due to the nature of the underlying circumstances, both in respect of settlement of claims and the associated reinsurance recoveries, the potential for variation to the booked reserves is considerably greater than the normal level of reserve sensitivity to risk and the actual outcome of the loss could be in a particularly wide range with greater than usual variability. As a result, the 2021 year of account will continue to remain open until the level of reserve sensitivity to risk normalises.

In arriving at the level of claims provisions, a margin is applied over and above the actuarial best estimate so no adverse run-off deviation is envisaged. Further information about the risk that the provision for claims outstanding could be materially different from the ultimate cost of claims settlement, is included in note 4.

The calculation of estimated premium income is inherently subjective and attained through underwriters' best estimates at a policy level.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the syndicate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The areas involving a higher degree or judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Insurance Classification

The syndicate's contracts are classified at inception, for accounting purposes, as insurance contracts. A contract that is classified as an insurance contract remains an insurance contract until all rights and obligations are extinguished or expire. Insurance contracts are those contracts that transfer significant insurance risk, if and only if, an insured event could cause an insurer to pay significant additional benefits above premiums received and interest earned thereon, excluding scenarios that lack commercial substance. Such contracts may also transfer financial risk.

Gross Premiums Written

Gross written premiums comprise the total premiums receivable for the whole period of cover under contracts incepting during the financial year, together with adjustments arising in the financial year to premiums receivable in respect of business written in previous financial years.

All gross premiums are shown gross of commission payable to intermediaries and are exclusive of taxes and duties levied thereon.

Unearned Premiums

Written premiums are recognised as earned income over the period of the policy on a time apportionment basis, having regard, where appropriate, to the incidence of the risk. Unearned premiums represent the proportion of premiums written that relate to unexpired terms of policies in force at the balance sheet date.

Reinsurance Premium Ceded

Outwards reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct or inwards business being reinsured.

Claims Provisions and Related Recoveries

Gross claims incurred comprise the estimated cost of all claims occurring during the year, whether reported or not, including related direct and indirect claims handling costs and adjustments to claims outstanding from previous years.

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 IBNR at the balance sheet date based on statistical methods.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 amount of salvage and subrogation recoveries is separately identified and, where material, reported as an asset.

The reinsurers' share of 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 to 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.

Deferred Acquisition Costs

Acquisition costs, comprising commission and other costs related to the acquisition of insurance contracts, are deferred to the extent that they are attributable to premiums unearned at the balance sheet date.

Unexpired Risks Provision

A provision for unexpired risks is made where claims and related expenses arising after the end of the financial period in respect of contracts concluded before that date, are expected to exceed the unearned premiums and premiums receivable under these contracts, after the deduction of any acquisition costs deferred. The provision for unexpired risks is calculated by reference to the classes of business which are managed together, after taking into account relevant investment returns.

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 are calculated as the difference between sale proceeds and purchase price.

Unrealised gains and losses on investments represents the difference between the valuation at the balance sheet date and the valuation at the previous balance sheet date, or purchase price, if acquired during the year, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

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

Foreign Currencies

The syndicate's functional currency is US Dollars, being the primary economic environment in which it operates. The syndicate's presentational currency is Sterling.

Transactions in foreign currencies are translated at the average rates of exchange for the period. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date. Differences arising on translation of foreign currency amounts relating to the insurance operations of the syndicate are included in the non-technical account.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

In translating its results and financial position into the presentational currency, the syndicate translates all assets and liabilities at the closing rates of exchange and translates all income and expense items at average rates, with all resulting exchange gains and losses being recognised in other comprehensive income.

Financial Instruments

The syndicate has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including deposits with credit institutions, debtors arising out of direct insurance and reinsurance operations, cash and cash equivalents and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at fair value.

Investments are stated at current value at the balance sheet date. For this purpose, listed investments are stated at fair 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. Any surplus or deficit on any revaluation is recognised in the non-technical account.

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

Basic financial liabilities, including creditors arising from insurance operations that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is then measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or expires.

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

Fair Value Measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the syndicate estimates the fair value by using a valuation technique. See note 11 for further information on the syndicate's valuation techniques.

At each reporting date the syndicate assesses whether there is objective evidence that financial assets not at fair value through profit or loss, are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of an asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

An impairment loss recognised reduces directly the carrying amount of the impaired asset. All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

Deposits with Ceding Undertakings

Deposits with ceding undertakings relate to the payment of advance funds by the syndicate under the reinsurance agreement with LIC into segregated Part VII settlement bank accounts managed by the managing agent on behalf of LIC

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

to settle Part VII claims. Amounts are denominated in multiple currencies, primarily Sterling (GBP), US Dollars (USD) and Euros (Euro). Deposits with ceding undertakings are measured at cost less allowance for impairment.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to only an insignificant risk of change in value.

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.

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 are included in the balance sheet under the heading 'other debtors'.

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

Pension Costs

The Atrium Group operates a defined contribution pension scheme. Pension contributions relating to syndicate staff are charged to the syndicate and included within net operating expenses.

Profit Commission

Profit commission is charged by the managing agent at a rate of 20% of 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.

4. RISK AND CAPITAL MANAGEMENT

This note presents information about the nature and extent of insurance and financial risks to which the syndicate is exposed.

Risk Management Framework

The Board has established a Risk Governance Structure in order to ensure that risk is appropriately identified, monitored, managed and reported across the organisation; to review the activities of the business units; and to ensure that the RMF is effectively designed, implemented and governed.

The Risk Governance Structure is comprised of the Risk Committee (RC), which fulfils the role of the syndicate's Risk Management Function, the Internal Model Governance Committee (IMGC), the Risk Governance & Oversight Committee (RGOC), and the Risk Sub-Committees.

Insurance Risk Management

The syndicate accepts insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The syndicate is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts. The actual number and value of claims will vary from year to year and from the level estimated, possibly significantly.

The syndicate manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on assumptions which have regard to trends and past experience. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the syndicate from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis. Where an individual exposure is deemed surplus to the syndicate's risk appetite additional facultative reinsurance is also purchased.

4. RISK AND CAPITAL MANAGEMENT CONTINUED

The IRSC oversees the management of reserving risk. The use of proprietary and standardised modelling techniques, internal and external benchmarking, and the review of claims development are all instrumental in mitigating reserving risk.

The syndicate's in-house actuaries perform a reserving analysis on a quarterly basis liaising closely with underwriters, claims and reinsurance technicians. The aim of this exercise is to produce a probability-weighted average of the expected future cash outflows arising from the settlement of incurred claims. These projections include an analysis of claims development compared to the previous 'best estimate' projections. The output of the reserving analysis is reviewed by external consulting actuaries.

The IRSC performs a comprehensive review of the projections, both gross and net of reinsurance. Following this review the IRSC makes recommendations to the Board of the claims provisions to be established. In arriving at the level of claims provisions a margin is applied over and above the actuarial best estimate.

Concentration of insurance risk:
A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial business. The relative variability of the outcome is mitigated if there is a large portfolio of similar risks.

Assumptions and Sensitivities:
The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The syndicate uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios.

The syndicate considers that the liability for insurance claims recognised in the balance sheet is adequate. However, actual experience will differ from the expected outcome.

The amount disclosed in the table represents the profit or loss impact of an increase or decrease in the insurance liability as a result of applying sensitivity. The amount disclosed for the impact on claims outstanding - net of reinsurance represents the impact on both the profit and loss for the year and members' balance.

	SENSITIVITY	
31 December 2025	+ 5.0% £'000	– 5.0% £'000
Claims outstanding – gross of reinsurance	(68,929)	68,929
Claims outstanding – net of reinsurance	(48,969)	48,969

	SENSITIVITY	
31 December 2024	+ 5.0% £'000	– 5.0% £'000
Claims outstanding – gross of reinsurance	(79,541)	79,541
Claims outstanding – net of reinsurance	(59,199)	59,199

Financial Risk Management
The syndicate is exposed to financial risk through its financial assets, reinsurance assets and policyholder liabilities. In particular the key financial risk is that proceeds from, or the valuation of, financial assets are not sufficient to fund the obligations arising from policies as they fall due. The syndicate monitors and manages the financial risks relating to the operations of the syndicate through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk: Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of assets

4. RISK AND CAPITAL MANAGEMENT CONTINUED

held and the value of liabilities. The objective of the syndicate in managing its market risk is to ensure that risk is managed in line with the syndicate's risk appetite.

The syndicate has established policies and procedures in order to manage market risk and methods to measure it.

There were no material changes in the syndicate's market risk exposure in the financial year nor to the objectives, policies or processes for managing market risk.

Foreign currency risk management

The syndicate undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The syndicate has minimal exposure to currency risk as the syndicate's financial assets are primarily matched to the same currencies as its insurance contract liabilities. As a result, foreign exchange risk arises from other recognised assets and liabilities denominated in other currencies.

The table below summarises the carrying value of the syndicate's assets and liabilities at the reporting date:

2025	STERLING £'000	EURO £'000	US DOLLAR £'000	CAN DOLLAR £'000	OTHER £'000	TOTAL £'000
Investments	105,928	77,429	810,143	117,563	–	1,111,063
Reinsurer's share of technical provisions	18,510	12,401	388,358	5,683	–	424,952
Debtors	49,335	23,095	346,307	16,107	–	434,844
Other assets	5,726	7,059	17,947	2,163	330	33,225
Prepayments and accrued interest	32,481	8,380	78,181	12,500	–	131,542
Total assets	211,980	128,364	1,640,936	154,016	330	2,135,626
Technical provisions	(209,264)	(117,042)	(1,341,819)	(133,749)	–	(1,801,874)
Creditors	(25,493)	(2,712)	(117,877)	(58)	(2)	(146,142)
Accruals and deferred income	(1,431)	(500)	(38,433)	(478)	–	(40,842)
Total liabilities	(236,188)	(120,254)	(1,498,129)	(134,285)	(2)	(1,988,858)
Total capital and reserves	24,208	(8,110)	(142,807)	(19,731)	(328)	(146,768)

2024	£'000	£'000	£'000	£'000	£'000	£'000
Investments	117,650	63,505	1,038,236	121,148	–	1,340,539
Reinsurers' share of technical provisions	17,498	11,243	412,480	3,576	–	444,797
Debtors	51,666	15,545	351,728	16,892	–	435,831
Other assets	5,166	8,708	4,900	1,965	334	21,073
Prepayments and accrued interest	29,707	6,858	83,323	12,237	–	132,125
Total assets	221,687	105,859	1,890,667	155,818	334	2,374,365
Technical provisions	(218,014)	(101,820)	(1,585,343)	(130,893)	–	(2,036,070)
Creditors	(15,655)	(4,226)	(117,863)	(558)	(2)	(138,304)
Accruals and deferred income	(2,266)	(620)	(42,216)	(509)	–	(45,611)
Total liabilities	(235,935)	(106,666)	(1,745,422)	(131,960)	(2)	(2,219,985)
Total capital and reserves	14,248	807	(145,245)	(23,858)	(332)	(154,380)

4. RISK AND CAPITAL MANAGEMENT CONTINUED

The following table details the syndicate's sensitivity to a 10% increase and decrease in GBP against USD, Euro and CAD. For each sensitivity the impact of change in a single factor is shown, with other assumptions unchanged.

	IMPACT ON RESULTS BEFORE TAX 2025 £'000	IMPACT ON MEMBERS' BALANCES 2025 £'000	IMPACT ON RESULTS BEFORE TAX 2024 £'000	IMPACT ON MEMBERS' BALANCES 2024 £'000
10% increase in GBP/USD exchange rate	(14,281)	(14,281)	(14,283)	(14,283)
10% decrease in GBP/USD exchange rate	14,281	14,281	14,283	14,283
10% increase in GBP/Euro exchange rate	(811)	(811)	85	85
10% decrease in GBP/Euro exchange rate	811	811	(85)	(85)
10% increase in GBP/CAD exchange rate	(1,973)	(1,973)	(2,552)	(2,552)
10% decrease in GBP/CAD exchange rate	1,973	1,973	2,552	2,552

Interest rate risk management

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk arises primarily from the syndicate's financial investments, cash and overseas deposits. The risk of changes in the fair value of these assets is managed by primarily investing in short-duration financial investments and cash and cash equivalents. The FRSC monitors the duration of these assets on a regular basis. The syndicate has no significant concentration of interest rate risk. The syndicate manages this risk by adopting close asset/liability matching criteria, to minimise the impact of mismatches between asset and liability values arising from interest rate movements.

The following table details the syndicate's sensitivity to a 50 basis point increase and decrease in the yield curves. For each sensitivity the impact of change in a single factor is shown, with other assumptions unchanged.

	IMPACT ON RESULTS BEFORE TAX 2025 £'000	IMPACT ON MEMBERS' BALANCES 2025 £'000	IMPACT ON RESULTS BEFORE TAX 2024 £'000	IMPACT ON MEMBERS' BALANCES 2024 £'000
50 basis point increase	(10,763)	(10,763)	(14,476)	(14,476)
50 basis point decrease	10,866	10,866	14,478	14,478

The syndicate's method for measuring sensitivity to interest rate fluctuations has not changed significantly over the financial year.

Credit risk: Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the syndicate. The key areas of exposure to credit risk for the syndicate are in relation to its investment portfolio, reinsurance programme and amounts due from policyholders and intermediaries.

The objective of the syndicate in managing its credit risk is to ensure risk is managed in line with the syndicate's risk appetite. The syndicate has established policies and procedures in order to manage credit risk and methods to measure it.

There were no material changes in the syndicate's credit risk exposure in the financial year nor to the objectives, policies and processes for managing credit risk.

The syndicate has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The syndicate seeks to transact with entities that are rated the equivalent to investment grade and above.

This information is supplied by independent rating agencies where available and if not available the syndicate uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers.

4. RISK AND CAPITAL MANAGEMENT CONTINUED

The syndicate's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the FRSC annually. Furthermore, in certain instances, the syndicate receives deposits from its reinsurers which it holds under the terms of the reinsurance agreements.

Receivables consist of a large number of policyholders, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The syndicate does not have any significant credit risk exposure to any single counterparty or any group of counterparties. Concentration of credit did not exceed 10% of gross monetary assets at any time during the financial year. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets and reinsurance assets recorded in the financial statements represents the syndicate's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The syndicate monitors the credit risk in relation to its investment portfolio and reinsurance programme by monitoring external credit ratings for the investments and reinsurance assets held by the syndicate on a quarterly basis.

The following table shows aggregated credit risk exposure for assets with external credit ratings. Reinsurance assets are reinsurers' share of outstanding claims and IBNR and reinsurance receivables. They are allocated in the table below on the basis of ratings for claims paying ability.

2025	AAA £'000	AA £'000	A £'000	BBB £'000	OTHER £'000	NOT RATED £'000	TOTAL £'000
Shares and other variable yield securities	77,023	6,308	–	54,846	–	–	138,177
Debt securities and other fixed income securities	220,222	293,791	282,855	99,500	–	1,721	898,089
Loans and deposits with credit institutions	–	–	15	–	–	–	15
Syndicate loans to central fund	–	–	–	–	–	–	–
Other investments	30,371	14,832	10,863	4,592	2,408	9,235	72,301
Deposits with ceding undertakings	–	–	2,481	–	–	–	2,481
Reinsurers' share of claims outstanding	43	321,752	56,903	–	–	20,494	399,192
Debtors arising out of direct insurance operations	–	–	392,963	–	–	–	392,963
Debtors arising out of reinsurance operations	–	7,201	12,464	–	–	230	19,895
Other debtors and accrued interest	–	–	6,583	–	–	–	6,583
Cash at bank and in hand	–	–	33,225	–	–	–	33,225
	327,659	643,884	798,352	158,938	2,408	31,680	1,962,921

4. RISK AND CAPITAL MANAGEMENT CONTINUED

2024	AAA £'000	AA £'000	A £'000	BBB £'000	OTHER £'000	NOT RATED £'000	TOTAL £'000
Shares and other variable yield securities	2,570	—	142,313	—	—	—	144,883
Debt securities and other fixed income securities	513,428	192,115	283,436	118,159	—	2,981	1,110,119
Loans and deposits with credit institutions	—	—	16	—	—	—	16
Syndicate loans to central fund	—	—	7,024	—	—	—	7,024
Other investments	37,630	10,557	9,261	7,277	2,552	8,425	75,702
Deposits with ceding undertakings	—	—	2,795	—	—	—	2,795
Reinsurers' share of claims outstanding	2	318,347	85,307	—	—	3,191	406,847
Debtors arising out of direct insurance operations	—	—	390,409	—	—	—	390,409
Debtors arising out of reinsurance operations	—	15,580	8,525	—	—	—	24,105
Other debtors and accrued interest	—	—	5,646	—	—	—	5,646
Cash at bank and in hand	—	—	21,073	—	—	—	21,073
	553,630	536,599	955,805	125,436	2,552	14,597	2,188,619

Not rated investments represent cash awaiting investment within our Lloyd's overseas deposits.

The following tables shows the carrying value of debtors that are neither past due nor impaired, the aging of assets that are past due but not impaired and assets that have been impaired. The factors considered in determining that the value of the assets have been impaired were: analysis of impairment, ageing of balances, past loss experience, current economic conditions and other relevant circumstances.

4. RISK AND CAPITAL MANAGEMENT CONTINUED

2025	NEITHER PAST DUE NOT IMPAIRED ASSETS £'000	PAST DUE BUT NOT IMPAIRED ASSETS £'000	TOTAL £'000
Shares and other variable yield securities	138,177	–	138,177
Debt securities and other fixed income securities	898,089	–	898,089
Loans and deposits with credit institutions	15	–	15
Syndicate loans to central fund	–	–	–
Other investments	72,301	–	72,301
Deposits with ceding undertakings	2,481	–	2,481
Reinsurers' share of claims outstanding	399,192	–	399,192
Debtors arising out of direct insurance operations	392,963	–	392,963
Debtors arising out of reinsurance operations	19,895	18,893	38,788
Other debtors and accrued interest	6,583	–	6,583
Cash at bank and in hand	33,225	–	33,225
	1,962,921	18,893	1,981,814

2024	NEITHER PAST DUE NOR IMPAIRED ASSETS £'000	PAST DUE BUT NOT IMPAIRED ASSETS £'000	TOTAL £'000
Shares and other variable yield securities	144,883	–	144,883
Debt securities and other fixed income securities	1,110,119	–	1,110,119
Loans and deposits with credit institutions	16	–	16
Syndicate loans to central fund	7,024	–	7,024
Other investments	75,702	–	75,702
Deposits with ceding undertakings	2,795	–	2,795
Reinsurers' share of claims outstanding	406,847	–	406,847
Debtors arising out of direct insurance operations	390,409	–	390,409
Debtors arising out of reinsurance operations	24,105	19,351	43,456
Other debtors and accrued interest	5,646	–	5,646
Cash at bank and in hand	21,073	–	21,073
	2,188,619	19,351	2,207,970

4. RISK AND CAPITAL MANAGEMENT CONTINUED

2025	0-3 MONTHS PAST DUE £'000	3-6 MONTHS PAST DUE £'000	6-12 MONTHS PAST DUE £'000	GREATER THAN 1 YEAR PAST DUE £'000	TOTAL £'000
Debtors arising out of reinsurance operations	5,541	9,461	3,891	–	18,893
	5,541	9,461	3,891	–	18,893

2024	0-3 MONTHS PAST DUE £'000	3-6 MONTHS PAST DUE £'000	6-12 MONTHS PAST DUE £'000	GREATER THAN 1 YEAR PAST DUE £'000	TOTAL £'000
Debtors arising out of reinsurance operations	7,973	609	7,644	3,125	19,351
	7,973	609	7,644	3,125	19,351

Liquidity Risk Management

Liquidity risk is the risk that the syndicate cannot meet its obligations associated with financial liabilities as they fall due. The syndicate has adopted an appropriate liquidity risk management framework for the management of the syndicate's liquidity requirements. The syndicate manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities.

The syndicate is exposed to liquidity risk arising from clients on its insurance and investment contracts. In respect of catastrophic events there is liquidity risk from a difference in timing between claim payments and recoveries thereon from reinsurers. Liquidity management ensures that the syndicate has sufficient access to funds necessary to cover insurance claims, surrenders, withdrawals and maturing liabilities. In practice, most of the syndicate's assets are marketable securities which could be converted into cash when required.

There were no material changes in the syndicate's liquidity risk exposure in the financial year nor to the objectives, policies and processes for managing liquidity risk.

In relation to the financial assets, the tables below have been drawn up based on the undiscounted contractual maturities of the assets including interest that will be earned on those assets except where the syndicate anticipates that the cash flow will occur in a different period.

The table also shows the expected maturity profile of the syndicate's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognised insurance and participating investment contract liabilities. The table includes both interest and principal cash flows.

2025	LESS THAN 1 YEAR £'000	1 - 3 YEARS £'000	3 - 5 YEARS £'000	MORE THAN 5 YEARS £'000	TOTAL £'000
Claims outstanding	480,148	510,286	232,257	155,889	1,378,580
Creditors	145,993	149	–	–	146,142
	626,141	510,435	232,257	155,889	1,524,722

2024	LESS THAN 1 YEAR £'000	1 - 3 YEARS £'000	3 - 5 YEARS £'000	MORE THAN 5 YEARS £'000	TOTAL £'000
Claims outstanding	474,095	604,700	290,296	221,736	1,590,827
Creditors	138,052	252	–	–	138,304
	612,147	604,952	290,296	221,736	1,729,131

4. RISK AND CAPITAL MANAGEMENT CONTINUED

Climate Change Risk

Climate risk can be broadly divided into 3 categories: physical, transition and liability. Physical risk relates to the change in climate and weather events which have the potential to directly affect the economy. Transition risk can occur when moving towards a lower carbon economy and how the speed of the transition may affect certain sectors and affect financial stability. Liability risk refers to potential increased litigation against policyholders from individuals or businesses who have experienced losses because of physical or transition risk.

In 2022 Atrium formalised its framework for managing physical climate change risk. This addresses potential, current and future climate impacts on the natural catastrophe exposed portfolio by region peril combinations and identifies potential risk mitigation strategies.

An assessment of transition risk is made as part of Atrium's ORSA process. The transition risk from the investment portfolio is limited due to the short duration of the portfolio and the lack of investment in equities. However, there is more notable exposure from several sections of our underwriting portfolio such as Aviation and Marine.

In terms of liability risk, the syndicate periodically assesses its exposures on high-risk classes via risk assessments looking at potential litigation risks. In addition, the risk team review current trends in climate risk litigation and their applicability to our underwriting portfolios.

ESG Strategy

Our ESG strategy encompasses climate change risk but also considers a wider range of effects that may cause uncertainty to the financial performance of the syndicate. There are separate Diversity and Inclusion and Corporate Social Responsibility working groups. Atrium's RC maintains oversight for climate change and ESG risk as both can have significant effects on other insurance risks.

Atrium produced their first ESG Framework in 2022 in accordance with Lloyd's requirements. The Framework was created in a bespoke manner but using the Task Force on Climate-related Financial Disclosures (TCFD) principles and those set out in the PRA's SS3/19. The framework is reviewed regularly and updated annually, with recognition that the risks posed may be long term and across different areas of the business.

In 2023, Atrium continued to identify and mitigate against climate change risk, as well as progress on other ESG-related aspects. During the year Atrium integrated ESG into its business planning process to help identify key areas of ESG risk in its portfolio and also improve awareness of areas of potential reputational risk within our portfolios. We are improving our data and metrics related to climate risk, conducting tests of existing models, systems and processes to ensure they are adequate and relevant, building on scenario analysis and stress testing, reviewing new opportunities (underwriting and technological) and increasing knowledge and education. We endeavour to incorporate climate risk and ESG concerns across all decision-making processes and act as a responsible business.

Capital Management

Capital framework at Lloyd's

The Society of Lloyd's (Lloyd's) is a regulated undertaking and subject to supervision by the Prudential Regulatory Authority (PRA) under the Financial Services and Markets Act 2000, and in accordance with the Solvency UK Framework.

Within this supervisory framework, Lloyd's applies capital requirements at member level and centrally to ensure that Lloyd's complies with the Solvency UK requirements, and beyond that to meet its own financial strength, licence and ratings objectives.

Although, as described below, Lloyd's capital setting processes use a capital requirement set at syndicate level as a starting point, the requirement to meet Solvency UK and Lloyd's capital requirements apply at overall and member level only respectively, not at syndicate level. Accordingly, the capital requirement in respect of the syndicate is not disclosed in these financial statements.

4. RISK AND CAPITAL MANAGEMENT CONTINUED

Lloyd's capital setting process

In order to meet Lloyd's requirements, each syndicate is required to calculate its SCR for the prospective underwriting year. This amount must be sufficient to cover a 1 in 200 year loss, reflecting uncertainty in the ultimate run-off of underwriting liabilities (SCR 'to ultimate'). The syndicate must also calculate its SCR at the same confidence level but reflecting uncertainty over a one year time horizon (one year SCR) for Lloyd's to use in meeting Solvency UK requirements. The SCRs of each syndicate are subject to review by Lloyd's and approval by the Lloyd's Capital and Planning Group.

A syndicate may be comprised of one or more underwriting members of Lloyd's. Each member's SCR is determined by the sum of the member's share of the syndicate SCR 'to ultimate'. Where a member participates on more than one syndicate, a credit for diversification is provided to reflect the spread of risk, but consistent with determining an SCR which reflects the capital requirement to cover a 1 in 200 loss 'to ultimate' for that member. Over and above this, Lloyd's applies a capital uplift to arrive at the member's capital requirement, known as the ECA. The purpose of this uplift, which is a Lloyd's not a Solvency UK requirement, is to ensure capital is sufficient to meet Lloyd's financial strength, licence and ratings objectives. The capital uplift applied for 2025 was 35% of the member's SCR 'to ultimate'.

Provision of capital by members

Each member may provide capital to meet its ECA either by assets held in trust by Lloyd's specifically for that member (funds at Lloyd's), assets held and managed within a syndicate (funds in syndicate), or as the member's share of the members' balances on each syndicate on which it participates. Accordingly all of the assets less liabilities of the syndicate, as represented in the members' balances reported on the balance sheet, represent resources available to meet members' and Lloyd's capital requirements.

5. ANALYSIS OF UNDERWRITING RESULT

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

2025	GROSS PREMIUMS WRITTEN £'000	GROSS PREMIUMS EARNED £'000	GROSS CLAIMS INCURRED £'000	GROSS OPERATING EXPENSES £'000	REINSURANCE BALANCE £'000	UNDERWRITING RESULT £'000
Direct insurance:						
Accident & Health	43,288	38,532	(13,879)	(18,787)	(2,845)	3,021
Motor (third party liability)	3,233	3,660	(2,122)	(1,375)	285	448
Motor (other classes)	25,145	24,835	(8,767)	(12,880)	(302)	2,886
Marine, Aviation and Transport	212,982	216,550	(179,952)	(84,994)	54,224	5,828
Fire and other damage to property	364,313	367,284	(152,017)	(155,245)	(36,107)	23,915
Third party liability	194,729	195,370	(74,336)	(85,804)	(21,234)	13,996
Credit and suretyship	15,957	13,594	(4,785)	(6,774)	(764)	1,271
Legal expenses	7,653	7,154	(1,211)	(3,269)	(1)	2,673
	867,300	866,979	(437,069)	(369,128)	(6,744)	54,038
Reinsurance acceptances	79,833	79,688	(58,751)	(12,598)	(688)	7,651
	947,133	946,667	(495,820)	(381,726)	(7,432)	61,689

5. ANALYSIS OF UNDERWRITING RESULT CONTINUED

2024	GROSS PREMIUMS WRITTEN £'000	GROSS PREMIUMS EARNED £'000	GROSS CLAIMS INCURRED £'000	GROSS OPERATING EXPENSES £'000	REINSURANCE BALANCE £'000	UNDERWRITING RESULT £'000
Direct insurance:						
Accident & Health	33,777	34,852	(15,121)	(17,903)	(1,838)	(10)
Motor (third party liability)	4,096	4,037	(1,981)	(1,655)	(302)	99
Motor (other classes)	18,431	17,399	(8,139)	(12,926)	311	(3,355)
Marine, Aviation and Transport	246,826	244,585	(197,874)	(91,073)	35,377	(8,985)
Fire and other damage to property	419,651	409,969	(156,812)	(140,731)	(30,031)	82,395
Third party liability	211,741	215,388	(225,125)	(86,067)	26,068	(69,736)
Credit and suretyship	12,899	12,304	4,625	(5,148)	4,007	15,788
Legal expenses	3,832	3,697	(2,189)	(3,056)	(2)	(1,550)
	951,253	942,231	(602,616)	(358,559)	33,590	14,646
Reinsurance acceptances	75,237	59,655	(53,281)	(20,777)	4,162	(10,241)
	1,026,490	1,001,886	(655,897)	(379,336)	37,752	4,405

The below is an additional disclosure for Lloyd's reporting purposes and is included to facilitate the classification of the above segments into the Lloyd's aggregate classes of business:

2025	GROSS PREMIUMS WRITTEN £'000	GROSS PREMIUMS EARNED £'000	GROSS CLAIMS INCURRED £'000	GROSS OPERATING EXPENSES £'000	REINSURANCE BALANCE £'000	UNDERWRITING RESULT £'000
Additional analysis						
Fire and damage to property of which is:						
Specialities	36,955	34,228	(7,796)	(18,755)	(5,773)	1,904
Energy	787	840	983	(254)	(406)	1,163

2024	GROSS PREMIUMS WRITTEN £'000	GROSS PREMIUMS EARNED £'000	GROSS CLAIMS INCURRED £'000	GROSS OPERATING EXPENSES £'000	REINSURANCE BALANCE £'000	UNDERWRITING RESULT £'000
Additional analysis						
Fire and damage to property of which is:						
Specialities	35,237	35,183	(858)	(18,749)	(5,606)	9,970
Energy	1,068	1,220	(974)	(393)	(167)	(314)

5. ANALYSIS OF UNDERWRITING RESULT CONTINUED

All premiums are concluded in the UK. The gross premiums written for direct insurance by location (where the contracts were concluded) is presented in the table below:

	2025	2024
United Kingdom	78,805	55,173
European Union Member States	111,402	118,907
US	450,568	530,799
Rest of the world	226,526	246,374
	867,300	951,253

6. NET OPERATING EXPENSES

	2025 £'000	2024 £'000
Acquisition costs	275,955	298,965
Change in deferred acquisition costs	(5,099)	(8,568)
Administrative expenses	65,044	56,158
Members' standard personal expenses	45,826	32,781
Reinsurance commissions and profit participations	(21,390)	(23,896)
	360,336	355,440

Total commissions for direct insurance business for the year amounted to:

	2025 £'000	2024 £'000
Total commission for direct insurance business	267,591	252,436

Administrative expenses include:

	2025 £'000	2024 £'000
Auditor's remuneration:		
Fees payable to the syndicate's auditor for the audit of these financial statements	400	25
Fees payable to the syndicate's auditor and its associates in respect of other services pursuant to legislation	255	467

7. STAFF NUMBERS AND COSTS

All staff are employed by Atrium Group Services Limited (AGSL). The following amounts were recharged to the syndicate in respect of staff costs:

	2025 £'000	2024 £'000
Wages and salaries	30,443	24,306
Social security costs	5,759	5,869
Other pension costs	4,369	3,567
Variable compensation	32,033	20,762
	72,604	54,504

7. STAFF NUMBERS AND COSTS CONTINUED

The average number of employees employed by AGSL, but working for the syndicate during the year, analysed by category, was as follows:

	2025 NUMBER	2024 NUMBER
Administration and finance	109	101
Underwriting	92	90
Claims	16	15
Investments	2	2
	219	208

8. REMUNERATION OF THE DIRECTORS OF ATRIUM UNDERWRITERS LIMITED

The nine (2024: ten) directors of AUL who served during 2025 received the following aggregate remuneration charged to the syndicate and included within net operating expenses:

	2025 £'000	2024 £'000
Directors' emoluments	1,167	1,352
Pensions	28	63
	1,195	1,415

No other compensation was payable to key management personnel and charged to the syndicate.

The Active Underwriter received the following remuneration charged as a syndicate expense and included within directors' emoluments above:

	2025 £'000	2024 £'000
Emoluments	236	272

9. INVESTMENT RETURN

	2025 £'000	2024 £'000
Interest and similar income		
Interest and similar income	36,265	35,024
Other income from investments		
Gains on the realisation of investments	8,777	18,751
Losses on the realisation of investments	(2,567)	(2,182)
Unrealised gains on investments	25,684	23,076
Unrealised losses on investments	(9,431)	(14,522)
Investment expenses and charges		
Investment managers expenses, including interest	(707)	(754)
Total investment return	58,021	59,393
Transferred to the technical account from the non-technical account	58,021	59,393

10. DISTRIBUTION AND OPEN YEARS OF ACCOUNT

A distribution to members of £126.7m will be proposed in relation to the closing year of account (2023) (2024: £118.7m distribution in relation to the closing year of account (2022)).

The table below shows the current reporting year result (total comprehensive income/(loss)) remaining open after the three-year period:

	2025 £'000	2024 £'000
2021	2,089	(47,461)

11. INVESTMENTS

	FAIR VALUE		COST	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Shares and other variable yield securities and units in unit trusts	138,177	144,883	138,177	144,883
Debt securities and other fixed income securities	898,089	1,110,119	884,393	1,034,017
Loans and deposits with credit institutions	15	16	15	16
Syndicate loans to central fund	–	7,024	–	7,024
Other investments	72,301	75,702	70,096	74,894
	1,108,582	1,337,744	1,092,681	1,260,834

Shares and other variable yield securities and units in unit trusts represents the syndicate's holdings in collective investment schemes.

Other investments represents overseas deposits.

Included in the carrying values above are listed investments as follows:

	2025 £'000	2024 £'000
Listed investments	866,335	1,049,284

Fair Value Methodology

Fair value is the amount for which an asset or liability could be exchanged between willing parties in an arm's length transaction. Fair values are determined at prices quoted in active markets. In some instances, such price information is not available for all instruments and the syndicate applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases management estimate other than observable market inputs within the valuation model. There is no standard model and different assumptions would generate different results.

To provide an indication about the reliability of the inputs used in determining fair value, the syndicate has classified its financial instruments into the three levels. Investments carried at fair value have been categorised using a fair value hierarchy. An explanation of each level and the value hierarchy is provided below.

Fair value hierarchy:

Level 1 – Inputs to level 1 fair value are quoted prices (unadjusted) in active markets for identical assets. An active market is one in which transactions for the asset occurs with sufficient frequency and volume to provide pricing information on an on-going basis.

Level 2 – The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

11. INVESTMENTS CONTINUED

Level 3 – Inputs to level 3 fair values are based on unobservable inputs for the assets at the last measurement date. If all significant inputs required to fair value an instrument are observable then the instrument is included in level 2, if not it is included in level 3.

The table below shows financial instruments carried at fair value through profit or loss grouped into the level in the fair value hierarchy into which each fair value measurement is categorised.

AS AT 31 DECEMBER 2025	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Shares and other variable yield securities and units in unit trusts	–	138,177	–	138,177
Debt securities and other fixed income securities	–	898,089	–	898,089
Loans and deposits with credit institutions	15	–	–	15
Syndicate loans to central fund	–	–	–	–
Other investments	–	72,301	–	72,301
	15	1,108,567	–	1,108,582

AS AT 31 DECEMBER 2024	LEVEL 1 £'000	LEVEL 2 £'000	LEVEL 3 £'000	TOTAL £'000
Shares and other variable yield securities and units in unit trusts	–	144,883	–	144,883
Debt securities and other fixed income securities	7,125	1,102,994	–	1,110,119
Loans and deposits with credit institutions	16	–	–	16
Syndicate loans to central fund	–	–	7,024	7,024
Other investments	–	75,702	–	75,702
	7,141	1,323,579	7,024	1,337,744

Lloyd's introduced syndicate loans to the Central Fund in relation to the 2019 year of account and 2020 year of account, with two tranches collected from the syndicate on the 2020 year of account. The proceeds from these loans were used to strengthen Lloyd's central resources and to inject capital into LIC. Interest thereon has been determined by reference to the risk-free yield plus a credit spread, and was paid annual on an anniversary of the loan. These investments for which the fair value cannot be determined using direct of indirect inputs have been categorised as level 3. The last tranche of these loans was repaid during 2025.

12. DEBTORS ARISING OUT OF DIRECT INSURANCE OPERATIONS

	2025 £'000	2024 £'000
Due within one year	392,962	390,407
Due after one year	1	2
	392,963	390,409

13. DEBTORS ARISING OUT OF REINSURANCE OPERATIONS

	2025 £'000	2024 £'000
Due within one year	38,402	43,067
Due after one year	386	389
	38,788	43,456

14. OTHER DEBTORS

	2025 £'000	2024 £'000
Other	3,093	1,966
	3,093	1,966

15. DEFERRED ACQUISITION COSTS

The table below shows changes in deferred acquisition costs from the beginning of the period to the end of the period.

	2025			2024		
	GROSS £'000	REINSURANCE £'000	NET £'000	GROSS £'000	REINSURANCE £'000	NET £'000
Balance at 1 January	128,445	(7,456)	120,989	119,819	(5,761)	114,058
Incurred deferred acquisition costs	188,885	13,044	201,929	242,654	15,193	257,847
Amortised deferred acquisition costs	(183,786)	(10,707)	(194,493)	(234,086)	(16,828)	(250,914)
Foreign exchange movements	(5,492)	450	(5,042)	58	(60)	(2)
Balance at 31 December	128,052	(4,669)	123,383	128,445	(7,456)	120,989

16. CLAIMS DEVELOPMENT

The following tables show the development of claims over a period of time on both a gross and a net of reinsurance basis. FRS 103 requires that claims development shall go back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payment, but need not go back more than ten years. The top half of the table shows how the estimates of total claims for each underwriting year develop over time. The lower half of the table reconciles the cumulative claims to the amount appearing in the balance sheet.

The cumulative claims estimates and payments for each underwriting year are translated into pounds sterling at the exchange rates prevailing at 31 December 2025 in all cases.

ANALYSIS OF CLAIMS DEVELOPMENT – GROSS	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000	2024 £'000	2025 £'000	TOTAL £'000
Estimate of ultimate gross claims:											
at end of underwriting year	125,090	201,599	146,653	148,242	151,700	180,971	206,994	187,262	271,639	203,145	
one year later	235,450	320,881	277,705	300,637	262,003	451,847	370,122	355,298	429,796		
two years later	229,430	327,673	290,645	312,319	277,860	562,006	400,311	339,718			
three years later	218,384	325,002	286,848	309,112	274,091	641,910	415,527				
four years later	216,147	315,129	297,744	319,172	291,197	782,173					
five years later	213,543	325,754	309,525	334,732	285,127						
six years later	217,452	332,432	325,599	335,352							
seven years later	227,921	351,231	322,683								
eight years later	231,957	349,008									
nine years later	229,126										
Estimate of gross claims reserve	229,126	349,008	322,683	335,352	285,127	782,173	415,527	339,718	429,796	203,145	3,691,655
Provision in respect of prior years											56,204
Less gross claims paid	(207,385)	(306,956)	(268,910)	(259,669)	(226,031)	(508,817)	(244,422)	(188,904)	(142,046)	(16,139)	(2,369,279)
Gross claims reserve	21,741	42,052	53,773	75,683	59,096	273,356	171,105	150,814	287,750	187,006	1,378,580

16. CLAIMS DEVELOPMENT CONTINUED

ANALYSIS OF CLAIMS DEVELOPMENT – NET	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000	2024 £'000	2025 £'000	TOTAL £'000
Estimate of ultimate net claims:											
at end of reporting year	107,739	160,205	132,339	131,094	130,504	160,022	167,336	176,908	202,334	175,414	
one year later	211,541	274,717	255,620	271,918	242,061	332,687	344,329	335,724	358,047		
two years later	210,695	285,588	265,952	285,966	259,283	379,150	357,108	321,260			
three years later	202,398	281,926	263,461	280,032	258,166	396,402	350,597				
four years later	199,147	271,352	262,720	286,881	264,533	416,427					
five years later	196,467	277,508	273,852	297,495	256,945						
six years later	199,691	282,870	284,497	273,176							
seven years later	209,743	301,056	260,478								
eight years later	213,987	274,348									
nine years later	201,038										
Estimate of net claims reserve	201,038	274,348	260,478	273,176	256,945	416,427	350,597	321,260	358,047	175,414	2,887,730
Provision in respect of prior years											32,851
Less net claims paid	(190,155)	(255,651)	(234,224)	(227,634)	(208,932)	(283,904)	(212,353)	(181,669)	(131,432)	(15,239)	(1,941,193)
Net claims reserve	10,883	18,697	26,254	45,542	48,013	132,523	138,244	139,591	226,615	160,175	979,388

Amounts recognised in foreign currencies have been restated at the closing rates of exchange at the end of the reporting year.

17. TECHNICAL PROVISIONS

The table below shows changes in the insurance contract liabilities and assets from the beginning of the period to the end of the period.

	2025			2024		
CLAIMS OUTSTANDING	GROSS PROVISIONS £'000	REINSURANCE ASSETS £'000	NET £'000	GROSS PROVISIONS £'000	REINSURANCE ASSETS £'000	NET £'000
Balance at 1 January	1,590,827	(406,847)	1,183,980	1,285,324	(281,387)	1,003,937
Claims paid during the year	(621,961)	252,397	(369,564)	(363,232)	50,191	(313,041)
Expected cost of current year claims	495,820	(276,207)	219,613	655,897	(169,409)	486,488
Foreign exchange movements	(86,106)	31,465	(54,641)	12,838	(6,242)	6,596
Balance at 31 December	1,378,580	(399,192)	979,388	1,590,827	(406,847)	1,183,980

	2025			2024		
UNEARNED PREMIUMS	GROSS PROVISIONS £'000	REINSURANCE ASSETS £'000	NET £'000	GROSS PROVISIONS £'000	REINSURANCE ASSETS £'000	NET £'000
Balance at 1 January	445,243	(37,950)	407,293	419,761	(30,969)	388,792
Premiums written during the year	947,133	(295,226)	651,907	1,026,490	(162,915)	863,575
Premiums earned during the year	(946,667)	305,029	(641,638)	(1,001,886)	155,554	(846,332)
Foreign exchange movements	(22,415)	2,387	(20,028)	878	380	1,258
Balance at 31 December	423,294	(25,760)	397,534	445,243	(37,950)	407,293

18. CREDITORS ARISING OUT OF DIRECT INSURANCE OPERATIONS

	2025 £'000	2024 £'000
Due within one year	31,907	32,321
Due after one year	1	2
	31,908	32,323

19. CREDITORS ARISING OUT OF REINSURANCE OPERATIONS

	2025 £'000	2024 £'000
Due within one year	65,392	74,328
Due after one year	148	251
	65,540	74,579

20. OTHER CREDITORS

	2025 £'000	2024 £'000
Profit commissions payable	32,762	24,772
Other related party balances (non-syndicate)	728	(429)
Other liabilities	15,204	7,059
	48,694	31,402

21. CASH AND CASH EQIVALENTS

	2025 £'000	2024 £'000
Cash at bank and in hand	33,225	21,073
Short term debt instruments presented within other financial investments	83,331	137,859
	116,556	158,932

Included within cash and cash equivalents are the following amounts which are not available for use by the syndicate because they are held in regulated bank accounts in overseas jurisdictions:

	2025 £'000	2024 £'000
Cash at bank and in hand	2,229	2,701
	2,229	2,701

22. ANALYSIS OF NET DEBT

2025	AT 1 JANUARY 2025 £'000	CASH FLOWS £'000	FOREIGN EXCHANGE MOVEMENTS £'000	AT 31 DECEMBER 2025 £'000
Cash at bank and in hand	21,073	12,061	91	33,225
Short term debt instruments presented within other financial investments	137,859	(45,275)	(9,253)	83,331
	158,932	(33,214)	(9,162)	116,556

23. DISCLOSURES OF INTEREST

During 2025 Atrium Underwriting Group Limited (AUGL) was a wholly owned subsidiary of Alopuc Limited (a UK holding company) and Alopuc Limited was in turn a wholly owned subsidiary of Northshore Holdings Limited (Northshore), a Bermudan company. The ultimate beneficial owners of Northshore are affiliates of Stone Point Capital LLC (Stone Point) who hold approximately 88% economic interest. The balance of the shareholding in Northshore are held by Atrium management and staff (9.9%), Dowling Capital Partners (1.8%) and Capital City Partners LLC (0.3%).

During 2025 AUGL was the holding company of the following wholly owned subsidiaries; AUL, Atrium Insurance Agency Limited (AIAL), AGSL, Atrium Risk Management Services (Washington) Ltd (ARMS), Atrium Corporate Capital Limited (ACCL) and Atrium 5 Limited. AGSL is the holding company of Atrium Nominees Limited. AUL is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is the managing agent of the syndicate.

Effective 25 November 2025 steps were completed to effect a group reorganisation and demerger, following which ACCL became a directly held subsidiary of Northshore and the remainder of the Atrium Group subsidiaries under Alopuc Limited were transferred to a separate group owned by Northshore DM Limited (NDML), a Bermudan Company. Immediately post the demerger NDML had the same shareholders as Northshore.

Effective 31 December 2025 NDML was acquired by CRC Group UK Holdings Limited (a UK holding company) which is 100% owned by CRC Insurance Group, LLC (a US domiciled company).

The Atrium corporate underwriting capacity has been provided by ACCL, with its capacity noted in the table below for those years where ACCL was under common control of Alopuc:

	2021 CAPACITY £M	2023 CAPACITY £M	2024 CAPACITY £M	2025 CAPACITY £M
Syndicate 609	158.7	221.6	234.9	250.1

ACCL's participations on the managed syndicate as a % of syndicate capacity for those years where ACCL was under common control of Alopuc:

	YEAR OF ACCOUNT			
	2021 %	2023 %	2024 %	2025 %
Syndicate 609	25.4	25.4	25.4	25.4

For the 2025 YOA ACCL varied its participation on Syndicate 609 to a limited tenancy basis. Effective 25 November 2025, ACCL ceased to be part of the Atrium group following the demerger and is now a direct subsidiary of Northshore.

AIAL is a registered Lloyd's UK coverholder and is authorised and regulated by the Financial Conduct Authority. Syndicate 609 leads a binding authority granted to AIAL to underwrite space business. Under the terms of the binding authority, fees and profit commission are payable by the syndicate to AIAL. Fee income of US$537,000 (2024 - US$388,000) is payable by the syndicate to AIAL in relation to premium earned in calendar year 2024. Profit commission of US$161 has been incurred by the syndicate (2024 - US$2,000) during the calendar year 2025.

For the 2023 YOA onwards the small volume of EEA business written by the AIAL space cell has been written by Syndicate 609 on a Lloyd's Insurance Company (Lloyd's Europe) Consortium Stamp (comprised of the same members and participations as the main AIAL Space Consortium) and reinsured back to Syndicate 609 and other Lloyd's syndicate consortium members from Lloyd's Europe (as is consistent with the Lloyd's Europe underwriting model). This is to ensure regulatory compliance of the model for EEA business post Lloyd's implementing its updated operating model in 2022. Given the de minimis income associated with the space cell's EEA business the treatment of fees and PC associated with this business will continue to be accounted for under AIAL's binding authority (to the benefit of AIAL).

AUL is managing a new Atrium syndicate for the 2026 YOA, Syndicate 2026. For the 2026 YOA Syndicate 2026 will issue binding authorities to permit AIAL to underwrite Weather and US Delegated Property Cat business on behalf of Syndicate 2026. Under the terms of the binding authorities, fees and profit commission will be payable to AIAL. There will be no

23. DISCLOSURES OF INTEREST CONTINUED

allocation of business between Syndicate 609 and Syndicate 2026 and no shared reinsurance, although it is possible that Syndicate 609 may be invited and elect to participate on Syndicate 2026 led binding authorities underwritten by AIAL in the future.

AGSL is a group service company. All UK employee contracts and, where possible, all material service provider contracts are held by AGSL. A service agreement is in place whereby AGSL provides management services to all Atrium group companies. Under the service agreement AGSL will charge the costs to each Atrium group company, including AUL, for the respective services provided. Although Northshore is now a separate group from the Atrium group of companies post the demerger, AGSL will provide management services to Northshore Group under the terms of a transition services agreement.

ARMS is incorporated in Washington State, United States, and was established to support the syndicate strategy to maintain and grow its North American direct portfolio and distribution network. With effect from 1 January 2025 the ARMS fee charging structure transitioned to a new model whereby fees for claims handling services and digital management services are charged on a similar basis as a third party provider of similar services.

Fees of US$8,246,000 were incurred by the syndicate in the calendar year 2025 (2024 - US$3,547,000).

The Directors' participations on the syndicate via Nomina No. 207 LLP (the staff LLP) are as follows (this includes any director of AUL that served during 2025 and was a partner in the staff LLP):

	2021 £	2023 £	2024 £	2025 £	2026 £
James Cox	313,317	473,168	580,834	508,412	504,959
John Fowle	—	—	207,246	181,285	205,702
Peter Laidlaw	232,067	432,146	424,653	372,298	362,527
Samit Shah	432,970	688,180	842,376	736,932	675,000
Kirsty Steward	77,680	103,262	127,973	112,250	111,327

AUL has made no loans to directors of the company during 2025 (2024: nil). There were no loans outstanding at the balance sheet date.

Managing agency fees of £6,839,000 (2024 – £6,399,000) were paid by the syndicate to AUL. Profit commission of £31,494,000 (2024 – £19,879,000) is payable by the syndicate to AUL in relation to the 2025 calendar year result. The managing agents' agreement was amended in 2007 to enable managing agents to make payments on account of profit commission, prior to the closure of a year of account. Payments on account can be made when the syndicate transfers open year surpluses from the syndicate level premium trust funds to the members' personal reserve fund. No such payment was made in 2025 (2024 – £nil). Profit commission of £32,505,000 on the 2023 year of account is included within creditors as this year of account closed on 31 December 2025.

The Stone Point managed Trident V Funds (acting in concert) became majority owners of Northshore from 1 January 2021. Stone Point has investments in a wide range of companies and sectors, including the global insurance industry and as such as part of ordinary business and operations AUL and the syndicate might enter into transactions with other Stone Point affiliates from time to time. This could include transactions relating to inwards and outwards reinsurance, insurance intermediation, provision of insurance services, or other non-insurance related services. Any such related party transactions are entered into by the syndicate on a commercial basis and managed in accordance with the protocols set out in Atrium's Conflicts of Interest Policy.

As previously noted, NMDL was acquired by CRC Group UK Holdings Limited on 31 December 2025. Prior to the change in ownership the syndicate already has a number of binding authority contracts with the CRC Group which have been entered into on a commercial arm's length basis. Atrium has in place established protocols for the management of Conflicts of Interest and related party transactions across the group which will apply to any new or renewal transactions between the Atrium managed syndicates and CRC group entities going forwards following the change in ownership. The protocols are designed

23. DISCLOSURES OF INTEREST CONTINUED

to ensure that any such transactions and potential conflicts of interest are managed in line with applicable Lloyd's, PRA and FCA rules. The framework includes a Conflicts of Interest Policy, maintenance of a schedule of related party transactions and an AUL Conflicts Committee (comprised of the three Independent Non-Executive Directors who are members of the Board).

There are no shareholder representatives from either Stone Point (during 2025) or the CRC Group (in 2026) on the Board of AUL.

As part of Lloyd's Brexit arrangements, AUL has entered into an outsourcing agreement and a secondment agreement with LIC and reinsurance contracts between the syndicate and LIC. This structure covers business underwritten by AUL on behalf of LIC since 1 January 2019 as well as legacy EEA business transferred to LIC under the Lloyd's Part VII Transfer, which had a Scheme Effective Date of 30 December 2020. The outsourcing agreement covers the activities performed by AUL on behalf of LIC in writing and servicing the relevant business. The secondment agreement (effective 1 January 2022) covers provision of seconded AUL underwriters to LIC under the Lloyd's European Operating Model. The reinsurance contracts cede 100% of the business written by, or transferred to, LIC back to the syndicate. Since 1 January 2022, Atrium has had a number of Atrium underwriters who are seconded to LIC's UK branch (LIC UK) via tripartite secondment agreements to perform Insurance Distribution Directive (IDD) activities as secondees of LIC UK.

24. FOREIGN EXCHANGE RATES

The effects of exchange rate movements are recorded in two elements. Transactions during the year, translated at each quarter's average rate, and the translation of closing balances into the functional currency of USD gave rise to foreign exchange losses which are identified within the non-technical account. Revaluation of all functional currency balances to the presentational currency of GBP, at the closing rate of exchange on 31 December 2025, resulted in a foreign exchange loss and is included within Other Comprehensive Income.

The rates of exchange used in preparing the financial statements are as follows:

			2025			2024
	OPENING	AVERAGE	CLOSING	OPENING	AVERAGE	CLOSING
£ Sterling : £ Sterling	1.00	1.00	1.00	1.00	1.00	1.00
US Dollar: £ Sterling	1.25	1.31	1.35	1.27	1.28	1.25
Euro: £ Sterling	1.21	1.18	1.15	1.15	1.18	1.21
Canadian Dollar: £ Sterling	1.80	1.83	1.85	1.69	1.74	1.80

25. POST BALANCE SHEET EVENTS

There are no events to report after the balance sheet date as at the date of signing these accounts.

26. FUNDS AT LLOYD'S

Every member is required to hold capital at Lloyd's which is held in trust and known as Funds at Lloyd's ('FAL'). These funds are intended primarily to cover circumstances where syndicate assets prove insufficient to meet participating members' underwriting liabilities. The level of FAL that Lloyd's requires a member to maintain is determined by Lloyd's based on Prudential Regulatory Authority requirements and resource criteria. The determination of FAL has regard to a number of factors including the nature and amount of risk to be underwritten by the member and the assessment of the reserving risk in respect of business that has been underwritten. Since FAL is not under the management of the Managing Agent, no amount has been shown in these Financial Statements by way of such capital resources. However, the Managing Agent is able to make a call on the Member's FAL to meet liquidity requirements or to settle losses.

Syndicate 609

UNDERWRITING YEAR ACCOUNTS FOR THE 2021 AND 2023 YEARS OF ACCOUNT

REPORT OF THE DIRECTORS OF THE MANAGING AGENT

The Directors of the managing agent present their report at 31 December 2025 for the 2021 and 2023 years of account of Syndicate 609 (the syndicate).

This report is prepared in accordance with the Lloyd's Syndicate Accounting Byelaw (No 8 of 2006). 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 (the 2008 Regulations) and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and Financial Reporting Standard 103: Insurance Contracts (FRS103).

REVIEW OF THE 2021 YEAR OF ACCOUNT

The Directors have determined that the 2021 year of account will remain open as at 31 December 2025 due to the level of reserve sensitivity over the reserves that have been established in relation to the western leased aircraft in Russia. The cumulative loss to date is £20.2m. Further details on the underwriting results are included within the Underwriter's Report.

REVIEW OF THE 2023 CLOSED YEAR OF ACCOUNT

The 2023 year of account closed with a profit of £130.0m after standard personal expenses (14.9% of capacity). There was an underwriting deficit of £7.5m attributable to business reinsured into the 2023 year of account, net of profit commission and other associated expenses. Further details on the underwriting results are included within the Underwriter's Report.

PRINCIPAL RISKS AND UNCERTAINTIES

Governance

The Board recognises the critical importance of having efficient and effective risk management systems in place but also recognises that it can only mitigate risks, and not eliminate them entirely. The Board has developed its Own Risk and Solvency Assessment (ORSA), comprising the entirety of the processes that it uses to identify, assess, monitor and report the risks faced by the syndicate and to evaluate the amount of funds necessary to cover these risks taking into consideration the business profile and risk appetite of the syndicate. Critical to the efficacy of the ORSA is the effective operation of the Risk Management Framework (RMF), the Governance Structure and the syndicate Internal Model. The RMF incorporates the so-called "Three Lines of Defence" approach to risk management and reporting.

The RMF is the mechanism through which the syndicate ensures it is implementing effective and enterprise wide risk management practices across its business. Key to the business is the management of risk, return and capital, against which all significant strategic and operational business decisions are evaluated. The syndicate has established systems of governance and risk management that enable it to manage its business prudently.

The RMF is the articulation of these systems of risk management and governance and how the various elements interact.

The RMF encompasses the broad range of activities undertaken across the organisational hierarchy to ensure that risks are managed appropriately, spanning from the high level strategy set by the Board to the day-to-day underwriting decisions being made by syndicate staff and the controls in place to govern these. The RMF can be illustrated as follows:

Strategy: This describes the strategy setting process and explains how this filters down through the organisation; incorporating the syndicate's Business Strategy, Business Plan, Risk Policy Statement and Risk Policies.

Business Activities: All business units are responsible for implementing the strategy and business plans in accordance with the framework set out in the risk policies.

The people, controls, management information, processes and senior management oversight in place across the business units serve as the "First Line of Defence" in the RMF.

Risk Governance Structure: The Board has established a Risk Governance Structure in order to ensure that risk is appropriately identified, monitored, managed and reported across the organisation; to review the activities of the business units; and to ensure that the RMF is effectively designed, implemented and governed.

The Risk Governance Structure is comprised of the Risk Committee (RC), which fulfils the role of the syndicate's Risk Management Function, the Internal Model Governance Committee (IMGC), the Risk Governance & Oversight Committee (RGOC), and the Risk Sub-Committees, discussed further, below.

Independent Assurance: The syndicate has in place a Compliance Function and an Actuarial Function in addition to the Risk Management Function (fulfilled by the RC, the RGOC and the Risk Management Team). These functions have specific responsibilities documented in their terms of reference and are staffed by fit and proper individuals with suitable qualifications, expertise and experience. The activities of these functions seek to provide the Board with assurance as to the appropriateness and effectiveness of the various elements of the RMF, the internal control environment, and the calculation of capital.

There are a number of risk management tools which support independent assessment and reporting of risk. Taken together this Independent Assurance comprises the "Second Line of Defence".

Independent Oversight: The RMF provides for independent oversight and challenge via the operation of the Internal Audit Function as well as the Audit Committee, which is a Committee of the Board with membership comprised of Non-Executive Directors. Together, these two groups provide the "Third Line of Defence". The Audit Committee, along with its broader responsibilities for the financial statements and financial reporting process, has oversight of internal controls and the Internal Audit Function.

Risk Committee (RC)

The RC fulfils the Risk Management Function, in conjunction with the RGOC and the Risk Management Team, and coordinates the risk management activities conducted for the syndicate. The RC has its membership comprised of Non-Executive Directors though is attended by various Executives to ensure that the RC is provided with the information it requires to perform its role. It is responsible for ensuring that the RMF and Internal Model operate effectively, and for maintaining an aggregated and holistic view of risks to the syndicate and reporting on them to the Board, committees and management as appropriate. It also ensures that there is robust and effective management, governance and oversight of the syndicate Internal Model which is used to set capital and is also widely used within the business.

Due to overarching considerations of climate change and Environmental, Corporate and Social Governance (ESG) in strategy setting and risk profile changes, this committee is also responsible for oversight of the climate change and sustainability frameworks.

To support delivery of the RC's responsibilities, there is the Capital Committee, RGOC and its Risk Sub-Committees, each being responsible for oversight, review and challenge of the activities of the syndicate and in particular, ensuring activities are within risk policies, that risks are suitably identified, monitored and reported, and that appropriate contingency plans are in place.

The Capital Committee has been set up in 2026 to support the Risk Committee by providing challenge on the Internal Model and reviews of model changes.

The principal risks to which the syndicate is exposed are discussed below, together with the mitigation techniques adopted. For clarity, the risks are analysed by reference to the Risk Sub-Committees that have responsibility for the relevant risk area.

The RGOC exists to support the RC and ensure that it can focus on key issues and also to ensure that there is the scope for executive discussion on risk issues and aggregation across the Risk Sub-Committees prior to the RC.

Insurance Risk Sub-Committee (IRSC)

The IRSC is responsible for oversight of insurance risk which includes underwriting, claims, reserving and reinsurance.

Underwriting risk is the risk that future losses are greater than allowed for within premiums. This could be due to natural fluctuations in claims frequencies and severities, changes in economic and judicial environments, anti-selection, inappropriate premium estimation or catastrophic loss activity.

Underwriting risk is mitigated through numerous controls including underwriter peer review, authority limits, independent review of risks written and purchase of an appropriate reinsurance programme. The Syndicate Business

Forecast is completed annually and stipulates those classes of business and concentration by class that will be written during the forthcoming year. It is reviewed by the IRSC and approved by the Board prior to being submitted to Lloyd's for approval. Actual performance during the year is monitored by reference to the Syndicate Business Forecast.

The risk of catastrophic claims is mitigated by the syndicate having a defined risk appetite which determines the net loss that it intends to retain for major catastrophe events and where deemed appropriate, reinsurance is purchased to limit the impact of losses. Although the likelihood of occurrence is considered to be remote, there may be circumstances where the loss from a particular catastrophe event exceeds the net risk appetite perhaps due to the occurrence of a loss that has not been considered or where the reinsurance purchased proves to be insufficient. In addition climate change can affect the occurrence and severity of weather related events. Whilst the impact of these is researched, there is significant uncertainty to the impact climate change has on events in the tail of distributions which increases uncertainty in this area.

Reserving risk is the risk that there is insufficient provision for losses that have already occurred.

Reserving risk is mitigated by the robust reserve adequacy exercise that is performed on a quarterly basis by the Actuarial Function and approved by the Board. The quarterly exercise involves a review of the paid and outstanding claims and an assessment of the appropriate provision for incurred but not reported (IBNR) claims. The reserves are considered by the IRSC and approved by the Board. The reserving is carried out based on historical development data, the claims environment and information provided by lawyers and third party claims adjusters. In addition the IRSC and Board receives the results of analysis performed by an external actuarial firm to assist their review.

Although a thorough review process is carried out, the reserves carried may be more or less than adequate to meet the final cost of claims.

The IRSC also reviews the proposed reinsurance programme that is used to protect capital from the frequency and severity of losses that may be sustained through underwriting the varied lines of business written. The review includes analysis of the reinsurance cover being purchased and assessment of the proposed counterparties.

During 2026 the IRSC will be replaced by an Underwriting Committee reporting directly into the Board (and Chaired by an Independent Non-Executive Director (INED)) and a Reserving Committee which will report into the Audit Committee, both of which would oversee the syndicate.

Financial Risk Sub-Committee (FRSC)

The FRSC is responsible for oversight of financial risks and the steps taken to mitigate them as they arise from investments, asset/liability management, credit, liquidity and concentration risks. These risks are discussed further below.

Investment risk is the risk that the syndicate's earnings are affected by changes in the value of the investment portfolio, such changes in value may be driven by changes in the economic and political environment and by movements in interest and foreign exchange rates. The syndicate's investments are managed in accordance with investment guidelines established by the Board and are reviewed on a regular basis. The FRSC monitors the performance of the external investment managers and the custodians responsible for the safekeeping of the investments, and reports regularly to the Board.

Asset/liability mismatch is the risk that the syndicate could incur a loss through inadequate matching of its investments with its insurance liabilities. Due to the short tail nature of the majority of these liabilities, the syndicate does not seek to achieve a precise matching with the investment portfolio, instead developing an investment duration guideline that is broadly in line with the average payment profile of the liabilities. However, the syndicate substantially mitigates exposures to currency mismatch by investing premiums in the currency in which subsequent claims are most likely to be incurred and periodic rebalancing to ensure that these remain appropriate for the liabilities. The majority of the syndicate's business is denominated in US Dollars and accordingly the substantial part of the investment portfolio is in US Dollar denominated investments.

The key aspect of credit risk is the risk of default by one or more of the syndicate's reinsurers, their investment counterparties, or insurance intermediaries. Reinsurance is placed with security that adheres to the reinsurance policy. The exposure to credit risk in the investment portfolio is mitigated through adherence to the investment guidelines which require the syndicate's core investment portfolios to be held in government and corporate debt with a high credit quality rating and with a relatively short duration, thus substantially mitigating the risk of sustaining losses from default.

Exposure to intermediaries is mitigated by rigorous review of new intermediaries, contractual terms of business, regulated or segregated client accounts, monitoring of balances and credit control procedures.

Liquidity risk is the risk that the syndicate will not be able to meet its short term liabilities as they fall due, owing to a shortfall in cash. This risk is mitigated through holding invested funds in high credit quality and short duration investments. Cash flow projections are also reviewed on a regular basis. The need for overdraft facilities in case of an unprojected cash flow deficit is also reviewed regularly.

Concentration risk is the exposure to loss that could arise if the bulk of the amounts recoverable by the syndicate were dependent on a limited number of reinsurers, or if investments were restricted to limited numbers of counterparties or sectors. The risk is mitigated by restricting the permitted cessions to individual reinsurers for any one underwriting year and through the investment guidelines which limit exposure to individual investment counterparties and sectors.

Operational Risk Sub-Committee (ORSC)

The ORSC is responsible for oversight of the syndicate's exposures to operational and regulatory risks.

Operational risk is the risk of loss due to inadequate or failed processes and procedures, people and systems, or external events. The syndicate seeks to manage these risks by operating a control based environment which consists of documented procedures, segregation of duties and appropriate levels of review.

Regulatory risk is the risk of loss owing to a breach of regulatory requirements or failure to respond to regulatory change. The Managing Agency has a Compliance Officer and team who monitor regulatory developments and assess the impact on agency policy and maintain an ongoing open dialogue with both regulators and Lloyd's. They also carry out a compliance monitoring programme.

Regular reviews are performed by the Internal Audit department to ensure that deviations from the agency's policies, and control weaknesses, are identified and reported to the appropriate level of management and the Audit Committee when considered necessary.

Customer Oversight Group

The Customer Oversight Group is responsible for oversight of the syndicate's exposure to conduct risk and ensuring that the syndicate is providing good outcomes to customers as set out in the Financial Conduct Authority's (FCA) Consumer Duty. The Customer Oversight Group reports directly to the Board.

Conduct risk is the risk that, as part of writing and servicing insurance policies, the syndicate fails to pay due regard to the interests of its customers. This is mitigated through the application of a conduct risk policy and procedures and through staff's adherence to a Code of Business Principles and Ethics. Atrium is committed to conducting its activities and stakeholder relationships in a fair and honest manner and the highest standard of conduct, professionalism and integrity is expected from all of its employees, with due regard paid at all levels of the organisation to ensuring good outcomes for customers. Key controls include training of staff, embedding of the consideration of conduct risk as part of the business planning process and through the product life-cycle and Board and governance oversight and reporting. The Customer Oversight Group fulfils the role of a "product oversight group" providing customer challenge and perspective to the syndicate's products. Hans-Peter Gerhardt (INED) was appointed by the Board as Consumer Duty Champion from December 2025 following the resignation of Stephen Hearn who had previously held this appointment.

Executive Committee (XCo)

The XCo deals with the day-to-day activities of the Atrium Group, including Atrium Underwriters Limited (AUL), and is responsible for developing and executing the strategic priorities of the business, developing and implementing business plans, policies, procedures and budgets that have been recommended and approved by the Board, monitoring the operating and financial performance of the syndicate, prioritising and allocating investment and resources, and managing the risk profile of the syndicate. The XCo is responsible for the people strategy and establishment of the culture, values and behaviours of the organisation. The XCo implements policy and strategy adopted by the Board and deals with all operational matters affecting the syndicate.

XCo is an executive committee of the Board and is the overall decision-making body for performance and delivery, under delegated authority from the Board. Members of XCo include the Executive Directors of the Managing Agency and the Chief Strategy Officer with the Chair being the Chief Executive Officer of the Managing Agent or, in their absence, any other member of the committee.

Effective 1 January 2026 XCo has moved to be a group level executive committee of the Atrium Underwriting Group Limited (AUGL) Board with the same membership and with clear delegation of authority from both AUGL and AUL Boards.

Culture Committee

The Culture Committee is a sub-committee of the XCo which reviews and provides formal governance over all areas relating to culture, namely the creation of a work environment that reflects the XCo approved values and enables its people to achieve their full potential and do their best work. It has a diverse membership from across the business, of different levels of seniority, which is refreshed annually.

CLIMATE CHANGE AND SUSTAINABILITY

Governance

The Chief Risk Officer is the Executive Director with responsibility for sustainability and managing the financial risks from climate change risk. There is regular communication with the XCo to ensure sustainability and climate change are incorporated into strategic decisions. In terms of formal governance, the RC is responsible for reviewing updates to the sustainability strategy and framework prior to Board approval, as well as assessing other sustainability-related risks. This is due to the overarching ramifications of climate change and other sustainability factors in strategy setting and risk profile changes. Sustainability is a standing agenda item for this Committee.

Strategy

Climate risk can be broadly divided into three categories: physical, transition and liability. Physical risk relates to the change in climate and weather events which have the potential to directly affect the economy. Transition risk can occur when moving towards a lower carbon economy and how the speed of the transition may affect certain sectors and affect financial stability. Liability risk refers to potential increased litigation against policyholders from individuals or businesses who have experienced losses because of physical or transition risk.

The syndicate has a dedicated sustainability strategy to manage physical, transition and liability aspects. Strategic objectives have been mapped to, and integrated with, the overall group strategy to ensure risks and opportunities from climate change and other sustainability aspects are fully embedded within the business. The syndicate has always been fully focused on managing the physical risks of the business it writes and it has a formalised framework specifically for managing physical climate risk. This addresses potential, current and future climate impacts on the natural catastrophe exposed portfolio by regional peril combinations and identifies potential risk mitigation strategies.

An assessment of transition risk is made as part of the syndicate's ORSA process and further analysis is performed during the business planning process. This allows the syndicate to identify areas of the portfolio with more material exposures as well as providing some metrics to our categorisations. The transition risk from our investment portfolio is limited due to the short duration of the portfolio and the lack of investment in equities.

In terms of liability risk, the syndicate assesses its exposures on high-risk classes via risk assessments looking at potential litigation risks and potential mitigations such as exclusion clauses embedded into policy wording. In addition, the risk team review current trends in climate risk litigation and their applicability to the underwriting portfolios. The syndicate is focused on taking advantage of the new opportunities that a shift to a low carbon economy might bring, whilst being mindful of the commerciality of these and managing the associated risks encountered with new technology, scarcity of data, uncertainty of forward-looking scenarios and the potential of systemic risk.

Sustainability considerations are incorporated into the annual business planning submissions, with each class of business factoring in both the risks and opportunities posed to them. This is an iterative process which will be enhanced year-on-year to help shape the strategy.

Risk Management

The aim of risk management is to ensure durability and value for stakeholders by managing the risks and opportunities presented by climate change in a holistic and balanced manner, embracing the values of an integrated governance structure. The syndicate's collaborative culture and relative agility in the Lloyd's market means it is well placed to achieve this ideal. The syndicate has formal sustainable underwriting rules and guidelines which state its appetite for certain risks. These rules and guidelines incorporate the syndicate's stance on areas which it deems not to be conducive with its wider sustainability strategy, as well as formalising compliance with Lloyd's guidance regarding no new cover for thermal coal-fired power plants, thermal coal mines, oil sands and Arctic energy exploration activities. In addition, the syndicate has a comprehensive responsible investment policy which covers its governance framework, risk appetite, metrics and ESG integration. The syndicate has processes in place to help ensure underwriters and investment managers comply with these. The Internal Model of the syndicate that is used to assess risk and calculate capital requirements incorporate climate risk via a variety of approaches. The syndicate continues to build on existing data and metrics related to climate risk, conduct tests of existing models, systems and processes to ensure they are adequate and relevant, build on scenario analysis and stress testing, review new opportunities (underwriting and technological) and increase knowledge and education. Third party data is used on a measured basis, ensuring that both the advantages and disadvantages are understood. The syndicate endeavours to incorporate climate risk and sustainability concerns across all decision-making processes and act as a responsible business.

DIRECTORS AND OFFICERS

The Directors & Officers of the managing agent who served during the year ended 31 December 2025 and to the date of signing these financial statements were as follows:

Nicole Coll

James Cox

John Fowle

Stephen Hearn (Resigned 1 December 2025)

Hans-Peter Gerhardt (Appointed 1 December 2025)

Rachel Grunert (Appointed 1 January 2026)

Peter Laidlaw

SGH Company Secretaries Limited (Company Secretary)

Samit Shah

Kirsty Steward

Christopher Stooke

DIRECTORS' INTERESTS

Details of Directors' interests may be found in note 17 to the accounts.

RE-APPOINTMENT OF AUDITORS

The Board of Directors have re-appointed KPMG LLP as the syndicate auditor for the year ending 31 December 2026. KPMG LLP have indicated their willingness to continue in office as the syndicate auditor.

By order of the Board

John Fowle
Chief Executive Officer

16 February 2026

STATEMENT OF THE MANAGING AGENT'S RESPONSIBILITIES

The Directors of the managing agent are responsible for preparing 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. They have elected to prepare the accounts in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 the directors of the managing agent must not approve the underwriting year accounts unless they are satisfied that they give a true and fair view of the result of the underwriting year at closure. In preparing these underwriting accounts, the directors of the managing agent are required to:

- Select suitable accounting policies and then apply them consistently and where there are items which affect more than one year of account, ensure a treatment which is equitable between the members of the syndicate;
- 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 underwriting accounts;
- Assess the syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to cease trading, or have no realistic alternative but to do so. As explained in note 1 the Directors of the managing agent have not prepared the underwriting year accounts on a going concern basis.

The Directors of the managing agent are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the syndicate's transactions and disclose with reasonable accuracy at any time the financial position of the syndicate and enable them to ensure that the underwriting year accounts comply with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors of the managing agent are responsible for the maintenance and integrity of the syndicate and financial information included on the syndicate's website. Legislation in the UK governing the preparation and dissemination of underwriting year accounts may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYNDICATE 609 2021 YEAR OF ACCOUNT

OPINION

We have audited the Syndicate underwriting year accounts for the 2021 open year of account of Syndicate 609 for the five year period ended 31 December 2025 which comprise the Statement of Comprehensive Income: Technical Account - General Business; Statement of Comprehensive Income: Non-Technical Account – General Business; Balance Sheet; Statement of Cash Flows and related notes, including the accounting policies in Note 3.

In our opinion the Syndicate underwriting year accounts for the 2021 open year of account:

- give a true and fair view of the Syndicate's state of affairs as at 31 December 2025 and of the Syndicate's loss for the 2021 open year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and in accordance with the requirements of 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Syndicate in accordance with, UK ethical requirements including the Financial Reporting Council ("FRC") Ethical Standard as applied to other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

EMPHASIS OF MATTER – NON-GOING CONCERN BASIS OF PREPARATION

We draw attention to the disclosure made in Note 1 to the Syndicate underwriting year accounts for the 2021 open year of account which explains that the Syndicate underwriting year accounts for the 2021 open year of account have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

EMPHASIS OF MATTER – SYNDICATE RESERVES

We draw attention to the disclosure made in Note 6 to the Syndicate underwriting year accounts for the 2021 open year of account concerning the significant level of uncertainty in relation to the possible claims arising out of the Syndicate's Russian aviation exposures. This matter results in more potential variability than would ordinarily be the case in the potential outcomes regarding technical provisions. This uncertainty has resulted in the Board deciding not to close the 2021 year of account.

Our opinion is not modified in respect of this matter.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the Audit Committee, internal audit and inspection of policy documentation as to the Syndicate and Managing Agent's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Syndicate and Managing Agent's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements related to the valuation of claims reserves.

Valuation of these liabilities, especially in respect of the incurred but not reported (IBNR) component, is highly judgmental as it requires a number of assumptions to be made such as initial expected loss ratios and claim development patterns all of which carry high estimation uncertainty and are difficult to corroborate creating opportunity for management to commit fraud.

On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited estimation involved in accruing premium income. We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of certain fraud risk management controls.

We performed procedures including:

- Identifying potential journal entries to test based on risk criteria and comparing these entries to supporting documentation. These included entries consisting of unusual double entries to cash accounts or journals posted by individuals who typically do not make journal entries.
- We assessed the appropriateness and consistency of the methods and assumptions used for reserving. For a selection of classes of business we considered to be higher risk, we performed alternative projections to the actuarial best estimate using our own gross loss ratios and compared these to the Syndicate's results, assessing the results for evidence of bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial information from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), from inspection of the Managing Agent's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Syndicate is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial information varies considerably.

Firstly, the Syndicate is subject to laws and regulations that directly affect the financial information including financial reporting legislation (such as the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, and the Lloyd's Syndicate Accounts Instructions), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial information items.

Secondly, the Syndicate is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial information, for instance through the imposition of fines or litigation or the loss of the Syndicate's capacity to operate. We identified the following areas as those most likely to have such an effect: corruption and bribery, compliance with regulations relating to sanctions due to the nature of the business written by the Syndicate, financial products and services regulation and the Solvency UK regime including capital requirements, recognising the financial and regulated nature of the Syndicate's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial information, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial information, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing noncompliance or fraud and cannot be expected to detect noncompliance with all laws and regulations.

OTHER INFORMATION

The directors of the Managing Agent are responsible for the other information, which comprises the information included in the underwriting year accounts, other than the Syndicate underwriting year accounts for the 2021 open year of account and our auditor's report thereon. Our opinion on the Syndicate underwriting year accounts for the 2021 open year of account does not cover the other information and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the Report of the Directors of the Managing Agent and, in doing so, consider whether, based on our Syndicate underwriting year accounts for the 2021 open year of account audit work, the information therein is materially misstated or inconsistent with the Syndicate underwriting year accounts for the 2021 open year of account or our audit knowledge. Based solely on that work we have not identified material misstatements in the Report of the Directors of the Managing Agent.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005), we are required to report to you if, in our opinion:

- adequate accounting records have not been kept on behalf of the Syndicate; or
- the Syndicate underwriting year accounts for the 2021 open year of account are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

RESPONSIBILITIES OF THE DIRECTORS OF THE MANAGING AGENT

As explained more fully in their statement set out on page 59, the directors of the Managing Agent are responsible for: the preparation of the Syndicate underwriting year accounts for the 2021 open year of account and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Syndicate underwriting year accounts for the 2021 open year of account that are free from material misstatement, whether due to fraud or error; assessing the Syndicate'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 they either intend to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the Syndicate underwriting year accounts for the 2021 open year of account as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Syndicate underwriting year accounts for the 2021 open year of account.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the members of the 2021 open year of account of the Syndicate ("the Syndicate's 2021 year of account Members"), as a body, in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and Lloyd's Syndicate Accounting Byelaw. Our audit work has been undertaken so that we might state to the Syndicate's 2021 open year of account 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 2021 open year of account Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Cox (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
London E14 5GL

19 February 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYNDICATE 609 2023 YEAR OF ACCOUNT

OPINION

We have audited the Syndicate underwriting year accounts for the 2023 year of account of Syndicate 609 for the three year period ended 31 December 2025 which comprise the Statement of Comprehensive Income: Technical Account - General Business; Statement of Comprehensive Income: Non-Technical Account – General Business; Balance Sheet; Statement of Cash Flows and related notes, including the accounting policies in Note 3.

In our opinion the Syndicate underwriting year accounts for the 2023 closed year of account:

- give a true and fair view of the Syndicate's profit for the 2023 closed year;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and in accordance with the requirements of 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Syndicate in accordance with, UK ethical requirements including the Financial Reporting Council ("FRC") Ethical Standard as applied to other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

EMPHASIS OF MATTER – NON-GOING CONCERN BASIS OF PREPARATION

We draw attention to the disclosure made in Note 1 to the Syndicate underwriting year accounts for the 2023 closed year of account which explains that the Syndicate underwriting year accounts for the 2023 closed year of account are now not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of directors, the audit committee, internal audit and inspection of policy documentation as to the Syndicate and Managing Agent's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Syndicate and Managing Agent's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements related to the valuation of claims reserves.

Valuation of these liabilities, especially in respect of the incurred but not reported (IBNR) component, is highly judgmental as it requires a number of assumptions to be made such as initial expected loss ratios and claim development patterns all of which carry high estimation uncertainty and are difficult to corroborate creating opportunity for management to commit fraud.

On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited estimation involved in accruing premium income. We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of certain fraud risk management controls.

We performed procedures including:

- Identifying potential journal entries to test based on risk criteria and comparing these entries to supporting documentation. These included entries consisting of unusual double entries to cash accounts or journals posted by individuals who typically do not make journal entries.
- We assessed the appropriateness and consistency of the methods and assumptions used for reserving. For a selection of classes of business we considered to be higher risk, we performed alternative projections to the actuarial best estimate using our own gross loss ratios and compared these to the Syndicate's results, assessing the results for evidence of bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial information from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), from inspection of the Managing Agent's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Syndicate is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial information varies considerably.

Firstly, the Syndicate is subject to laws and regulations that directly affect the financial information including financial reporting legislation (such as the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, and the Lloyd's Syndicate Accounts Instructions), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial information items.

Secondly, the Syndicate is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial information, for instance through the imposition of fines or litigation or the loss of the Syndicate's capacity to operate. We identified the following areas as those most likely to have such an effect: corruption and bribery, compliance with regulations relating to sanctions due to the nature of the business written by the Syndicate, financial products and services regulation and the Solvency UK regime including capital requirements, recognising the financial and regulated nature of the Syndicate's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial information, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial information, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing noncompliance or fraud and cannot be expected to detect noncompliance with all laws and regulations.

OTHER INFORMATION

The directors of the Managing Agent are responsible for the other information, which comprises the information included in the underwriting year accounts, other than the Syndicate underwriting year accounts for the 2023 closed year of account and our auditor's report thereon. Our opinion on the Syndicate underwriting year accounts for the 2023 closed year of account does not cover the other information and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the Report of the Directors of the Managing Agent and, in doing so, consider whether, based on our Syndicate underwriting year accounts for the 2023 closed year of account audit work, the information therein is materially misstated or inconsistent with the Syndicate underwriting year accounts for the 2023 closed year of account or our audit knowledge. Based solely on that work we have not identified material misstatements in the Report of the Directors of the Managing Agent.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005), we are required to report to you if, in our opinion:

- adequate accounting records have not been kept on behalf of the Syndicate; or
- the Syndicate underwriting year accounts for the 2023 closed year of account are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

RESPONSIBILITIES OF THE DIRECTORS OF THE MANAGING AGENT

As explained more fully in their statement set out on page 59, the directors of the Managing Agent are responsible for: the preparation of the Syndicate underwriting year accounts for the 2023 closed year of account and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Syndicate underwriting year accounts for the 2023 closed year of account that are free from material misstatement, whether due to fraud or error; assessing the Syndicate'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 they either intend to cease operations, or have no realistic alternative but to do so.

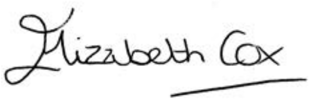
AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the Syndicate underwriting year accounts for the 2023 closed year of account as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Syndicate underwriting year accounts for the 2023 closed year of account.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the members of the 2023 closed year of account of the Syndicate ("the Syndicate's 2023 year of account Members"), as a body, in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and Lloyd's Syndicate Accounting Byelaw. Our audit work has been undertaken so that we might state to the Syndicate's 2023 year of account 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 2023 year of account Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Elizabeth Cox (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
London E14 5GL

19 February 2026

UNDERWRITER'S REPORT SYNDICATE 609

When I look back on the year, I have mixed emotions. The financial numbers, which is what really counts, remain solid. Additionally, we successfully completed the Loss Portfolio Transfer on the discontinued lines of business, another positive and important milestone for the syndicate. As an underwriter who has been around to see enough hard markets come and go, I know what lies ahead for us in the coming years will be challenging.

As the market shows signs of growth and revisiting past mistakes, experience tells me that this is exactly the time in the cycle when Atrium Underwriters show their real prowess. Generating a profit in a hard market is not all that difficult, whereas navigating through a soft market and still producing an adequate return is a real art. We remain up for the challenge.

2021 YEAR OF ACCOUNT

The syndicate has exposure to the fate of western leased aircraft in Russia. Further detail is provided in Note 6. Given there is still material uncertainty as to the claim quantum on so many policies, it was agreed that leaving the 2021 year open is the only right decision given the need to maintain equity between names on differing years of account.

In prior reports, I had provided detail on the issue we had affecting the prior years of account as a result of our Florida based contractors portfolio. Given the uncertainty as to the potential for further deterioration and the length of the 'tail' in line with the lengthy statute of limitations applicable, we made the decision to purchase a Loss Portfolio Transfer to protect the syndicate against any further movements. This reinsurance contract covers the US Contractors portfolio as well as two other classes where Atrium ceased underwriting, being Marine Reinsurance and Property Reinsurance. As I mentioned in last year's report this effectively crystalises our position on these classes for the prior years and allows the business to focus our energies on the ongoing portfolio.

2023 YEAR OF ACCOUNT

I am delighted to report that Syndicate 609 achieved a profit of £130.0m after all personal expenses, but before members agent's fees.

This equates to 14.9% return on stamp capacity, which is a good return given the 2023 year did not benefit from the usual level of investment income or prior year releases as a result of the 2021 year of account remaining open. This will mean our return on stamp capacity will be at the lower end of the market in what was a year less impacted by major natural catastrophes of any severity.

The 2023 year saw year-on-year premium growth over 2022, as rates continued to harden across all classes. The arrival of new capacity entering the market meant growth was slightly dampened in a number of areas, however, we achieved significant growth in the Aviation and Property classes. Additional growth was achieved across classes as rate adequacy was at a decade high.

Catastrophe events impacting the year of account included the New Zealand floods and Cyclone Gabrielle, Hawaiian wildfires and Hurricane Otis which hit Mexico, but with a benign hurricane season in North America, the year was less impacted than either the 2022 year or the 2024 year.

There was a considerable strengthening of the US Dollar against the GBP in 2022, which led to the requirement to increase the 2023 stamp capacity by more than the market conditions would otherwise have indicated as necessary. We needed to ensure we had sufficient headroom for the additional GBP premium this would generate. This USD strengthening was relatively short-lived and the USD to GBP rate of exchange reversed during the 2023 year.

Finally, the Gross Written Premium for the 2023 year is £729.1m which equates to a utilisation of stamp of 83.8%.

2024 YEAR OF ACCOUNT

After several years of compound rate increases, the 2024 year was set-up to be a great year as we looked to continue to grow with margins within the syndicate's portfolio probably at an all-time high for many classes. The stamp capacity went up further as we looked to increase our relevance across the key business lines.

Growth was seen by many classes, but it was evident, fairly early into the year, that the large influx of capacity was already having an impact on any top line ambitions we had. Growth in either line size or the opportunity to write any meaningful amounts of new business become increasingly tough as everyone in the market was chasing the same objective. As the basics of economics tells us, once supply outweighs demand, reduced pricing becomes the differentiator of choice for many.

We did achieve good growth in the property classes during 2024, both organically and through two meaningful quota-share arrangements we put in place to capitalise on the market conditions in the property catastrophe sphere. The casualty classes were largely flat in terms of income growth and the specialty classes were the area where there was already pressure evident and the income fell short of plan as the market used aggressive pricing strategies to gain market share.

The year was also one of both frequency and severity of catastrophe losses. The year started with major flooding in Europe, and then Dubai. In March 2024 the Francis Scott Key Bridge in Baltimore was hit by a containership, the MV Dali, causing severe physical damage leading the bridge to collapse.

Whilst this loss is still open and probably years from settlement, we have revised our losses estimates to be in line with the market estimates and are holding reserves of £41.1m gross and £5.3m net of reinsurance recoveries.

The 2024 year was also hit by several natural catastrophe losses with Hurricanes Milton and Helene being the larger US Windstorms impacting the year. Hurricane Milton is currently reserved at £15.7m (gross and net) with Helene being reserved at considerably less at £9.8m (gross and net). The largest loss impact to the 2024 year account is the California wildfires in January 2025. These losses were unprecedented in terms of the financial market loss and quantum of properties affected by a wildfire.

My early indication of loss quantum at $50.0m (£37.1m) net looks to be largely correct making this the largest property catastrophe loss impact to the syndicate since 2017.

Whilst this run of losses will have a material impact on the year, the losses came at a time when the market rates were at their peak, and as a result we are still confident we will be able to produce a profitable result for the year.

2025 YEAR OF ACCOUNT

In comparison to the 2024 year, the 2025 year has been pretty uneventful, which on the face of it would appear to be good news.

However, excess volumes of capacity and a quieter year for major losses combined to make an increasingly competitive market. We knew the 2024 year was going to be the peak of the market cycle, and whilst the swing from positive premium rating to negative premium rating was almost immediate, the overall rate swing was manageable and the 2025 year is still at rating levels above that of 2022.

The property classes, which were still seeing rate increases as recently as the start of the year, are now seeing rate reductions as the norm. The lower premium rates coupled with the reduction in business flowing to London in the facultative space, has a double impact. Whilst the teams are well-versed in navigating these tougher times, we genuinely thought that we would have a longer period of good rate adequacy before we started seeing unsustainable rates being offered up by the market.

An area of the market where there has been an increase in loss activity is the Aviation market, with the market sustaining losses from American Airlines, Air India and UPS, all potentially having an impact on our Aviation Reinsurance account. Whilst the quantum of the total impact of these events is still unclear, we estimate the total impact from these events to be £8.6m gross and £5.0m net. The direct aviation market had already seen compound rate reductions in recent years after being one of the first markets to properly harden in 2019.

As a result of this period of major losses (both in terms of frequency and severity), rates have now started to level out and even increase in the airline space. Whether this hardening will continue in a marketplace where the capacity far outweighs the demand is yet to be seen. In terms of major events, there was a major hurricane which hit Jamacia in late October.

Hurricane Melissa made landfall as a category 5 hurricane and caused severe damage and excess of a hundred deaths. Melissa then moved onwards to Cuba and then slowed down before hitting Bermuda.

Our estimated exposure to this devastating event is £14.3m both gross and net. Despite the speed with which the rating in the market is deteriorating, we need to remind ourselves we are coming off the highest levels of rates in a decade, and in most areas there is still adequacy of margin on the better business.

2026 AND BEYOND

It can be challenging for underwriters to stay outwardly positive as the market enters a more competitive phase, particularly when margins come under pressure faster than in previous softening cycles.

The market’s greater willingness to support broker portfolio facilities; blind following on portfolios to achieve accelerated growth will only create greater pressure on pricing. As a market, we have been here before in the past, but clearly memories are short.

The rating indices would indicate that rates at a whole account level for 2026 will be at a similar level to that of 2021, and whilst the 2021 year for the market was a positive return, it was against a backdrop of increasing rates and a marketplace with almost half its current capacity. Whilst I have real confidence in Syndicate 609 to navigate these difficult market conditions for the coming years, there is no doubt our underwriters will be facing some stormy times ahead.

Whilst I have real confidence in Syndicate 609 to navigate these difficult market conditions for the coming years, there is no doubt our underwriters will be facing some stormy times ahead.

On the topic of growth.... when I hear our peers in the market talk about sustained growth whilst maintaining disciplined underwriting, I cannot help but smile. Whilst it is not impossible to achieve both, it is highly improbable and difficult to achieve both in a saturated marketplace. At Atrium we use every tool and skill we have developed over the last four decades to ensure we achieve an adequate margin in order to provide a return to you, our capital providers. In a market where rates are falling at this trajectory, the odds are stacked against the majority of those attempting significant growth.

When we are at this point in the cycle, any growth we look to achieve will be in the specialist areas where competition is less, where we can capitalise on better distribution and make further use of our technological trading infrastructure we have spent the last twenty years evolving for the marketplace of today.

Finally, it just leaves me to thank everyone at Atrium for their hard work over the last year. We have been through a hectic year including going through a change of ownership from Stone Point Capital to the CRC Group, and the additional work everyone has undertaken to ensure we are in the best position for the years ahead.

Peter Laidlaw
Active Underwriter, Syndicate 609

16 February 2026

STATEMENT OF COMPREHENSIVE INCOME
TECHNICAL ACCOUNT – GENERAL BUSINESS

FOR THE 2021 YEAR OF ACCOUNT FOR THE FIVE YEARS ENDED 31 DECEMBER 2025

	NOTES	Calendar Year £'000	Cumulative £'000
Syndicate allocated capacity			624,854
Earned premiums, net of reinsurance			
Gross premiums written	4	5,043	755,131
Outward reinsurance premiums		(134,953)	(226,258)
Earned premiums, net of reinsurance		(129,910)	528,873
Reinsurance to close premium received, net of reinsurance			
At transaction rates of exchange		–	481,333
Revaluation to closing rates of exchange		(24,204)	(42,303)
Reinsurance to close premium received, net of reinsurance at closing rates of exchange	5	(24,204)	439,030
		(154,114)	967,903
Allocated investment return transferred from the non-technical account		28,517	97,651
Claims incurred, net of reinsurance			
Claims paid			
Gross amount		(346,179)	(848,637)
Reinsurers' share		224,243	301,504
		(121,936)	(547,133)
Amount retained to meet all known and unknown outstanding liabilities, net of reinsurance	6	243,819	(314,772)
		121,883	(861,905)
Net operating expenses	8	(1,737)	(251,901)
Balance on the technical account for general business	12	(5,451)	(48,252)

NON-TECHNICAL ACCOUNT – GENERAL BUSINESS

FOR THE 2021 YEAR OF ACCOUNT FOR THE FIVE YEARS ENDED 31 DECEMBER 2025

	NOTES	Calendar Year £'000	Cumulative £'000
Balance on the technical account for general business		(5,451)	(48,252)
Investment income	11	17,779	62,915
Realised gains on investments	11	3,007	9,831
Unrealised gains on investments	11	8,106	26,321
Investment expenses and charges	11	(375)	(1,416)
Allocated investment return transferred to general business technical account		(28,517)	(97,651)
Foreign exchange gains		4,134	2,131
Loss for the 2021 year of account at 60 months		(1,317)	(46,121)
Other comprehensive income		3,406	25,880
Total comprehensive income/(expense) for the 2021 year of account at 60 months	15	2,089	(20,241)

BALANCE SHEET

FOR THE 2021 YEAR OF ACCOUNT AT 31 DECEMBER 2025

	NOTES	£'000
Assets		
Investments	13	556,598
Deposits with ceding undertakings		2,481
Debtors	14	44,856
Reinsurance recoveries anticipated on gross amount retained to meet all known and unknown outstanding liabilities	6	267,123
Cash at bank and in hand		13,958
Prepayments and accrued income		352
Total assets		885,368
Liabilities		
Amounts due from members	15	(22,823)
Amount retained to meet all known and unknown outstanding liabilities - gross amount	6	581,895
Other creditors	16	325,668
Accruals and deferred income		628
Total liabilities		885,368

The 2021 year underwriting accounts were approved at a meeting of the Board of Directors of Atrium Underwriters Limited, and by the Active Underwriter, on 16 February 2026 and were signed on its behalf by:

John Fowle
Chief Executive Officer

16 February 2026

Peter Laidlaw
Active Underwriter

16 February 2026

STATEMENT OF CASH FLOWS

FOR THE 2021 YEAR OF ACCOUNT FOR THE FIVE YEARS ENDED 31 DECEMBER 2025

	NOTES	£'000
Cash flows from operating activities		
Profit for the year of account		(20,241)
Non-cash consideration for net RITC receivable		(415,476)
Net amount retained to meet all known and unknown outstanding liabilities		314,772
Increase in debtors		(18,080)
Decrease in creditors		85,534
Investment return		(97,651)
Net cash flows from operating activities		(151,142)
Cash flows from investing activities		
Net sale of debt securities and other fixed income securities		96,352
Investment income received		71,330
Net cash flows from investing activities		167,682
Cash flows from financing activities		
Members' agents' fees paid on behalf of members		(2,687)
Transfer to members in respect of underwriting participations		105
Net cash flows from financing activities		(2,582)
Net increase in cash and cash equivalents		13,958
Cash and cash equivalents at 1 January 2021		–
Cash and cash equivalents at end of financial year		13,958

STATEMENT OF COMPREHENSIVE INCOME
TECHNICAL ACCOUNT – GENERAL BUSINESS

FOR THE 2023 YEAR OF ACCOUNT FOR THE THREE YEARS ENDED 31 DECEMBER 2025

	NOTES	£'000
Syndicate allocated capacity		870,092
Earned premiums, net of reinsurance		
Gross premiums written	4	987,000
Outward reinsurance premiums		(171,227)
Earned premiums, net of reinsurance		815,773
Reinsurance to close premium received, net of reinsurance		
At transaction rates of exchange		181,299
Revaluation to closing rates of exchange		(8,222)
Reinsurance to close premium received, net of reinsurance at closing rates of exchange	5	173,077
		988,850
Allocated investment return transferred from the non-technical account		33,438
Claims incurred, net of reinsurance		
Claims paid		
Gross amount		(240,234)
Reinsurers' share		20,653
		(219,581)
Reinsurance to close premium payable	7	(277,826)
		(497,407)
Net operating expenses	8	(371,318)
Balance on the technical account for general business	12	153,563

NON-TECHNICAL ACCOUNT - GENERAL BUSINESS

FOR THE 2023 YEAR OF ACCOUNT FOR THE THREE YEARS ENDED 31 DECEMBER 2025

	NOTES	£'000
Balance on the technical account for general business		153,563
Investment income	11	19,920
Realised gains on investments	11	6,608
Unrealised gains on investments	11	7,295
Investment expenses and charges	11	(385)
Allocated investment return transferred to general business technical account		(33,438)
Foreign exchange gains		664
Profit for the 2023 closed year of account at 36 months		154,227
Other comprehensive expense		(24,206)
Total comprehensive income for the 2023 closed year of account	15	130,021

BALANCE SHEET

FOR THE 2023 YEAR OF ACCOUNT AT 31 DECEMBER 2025

	NOTES	£'000
Assets		
Investments	13	356,412
Debtors	14	95,325
Reinsurance recoveries anticipated on gross reinsurance to close premium payable to close the account	7	44,102
Cash at bank and in hand		9,056
Prepayments and accrued income		380
Total assets		505,275
Liabilities		
Amounts due to members	15	126,856
Reinsurance to close premium payable to close the account - gross amount	7	321,928
Other creditors	16	54,498
Accruals and deferred income		1,993
Total liabilities		505,275

The 2023 year underwriting accounts were approved at a meeting of the Board of Directors of Atrium Underwriters Limited, and by the Active Underwriter, on 16 February 2026 and were signed on its behalf by:

John Fowle
Chief Executive Officer

16 February 2026

Peter Laidlaw
Active Underwriter

16 February 2026

STATEMENT OF CASH FLOWS

FOR THE 2023 YEAR OF ACCOUNT FOR THE THREE YEARS ENDED 31 DECEMBER 2025

	NOTES	£'000
Cash flows from operating activities		
Profit for the year of account		130,021
Non-cash consideration for net RITC receivable		(163,942)
Net reinsurance to close premium payable		277,826
Increase in debtors		(80,644)
Decrease in creditors		(115,661)
Investment return		(33,438)
Net cash flows from operating activities		14,162
Cash flows from investing activities		
Net purchase of debt securities and other fixed income securities		(28,084)
Investment income received		26,143
Net cash flows from investing activities		(1,941)
Cash flows from financing activities		
Members' agents' fees paid on behalf of members		(3,344)
Transfer to members in respect of underwriting participations		179
Net cash flows from financing activities		(3,165)
Net increase in cash and cash equivalents		9,056
Cash and cash equivalents at 1 January 2023		–
Cash and cash equivalents at end of financial year		9,056

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 2021 YEAR OF ACCOUNT FOR THE FIVE YEARS ENDED 31 DECEMBER 2025 AND THE 2023 CLOSED YEAR OF ACCOUNT FOR THE THREE YEARS ENDED 31 DECEMBER 2025

1. BASIS OF PREPARATION

The syndicate is managed by Atrium Underwriters Limited (AUL) which is incorporated in the United Kingdom. The address of its registered office is Level 20, 8 Bishopsgate, London, EC2N 4BQ and the company registration number of the managing agent is 1958863.

The syndicate's principal activity during the year continued to be the transaction of general insurance and reinsurance business at Lloyd's.

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 Bye law (No. 8 of 2006), and applicable Accounting Standards in the United Kingdom and the Republic of Ireland, including Financial Reporting Standard 102 (FRS 102). FRS 102 requires the application of Financial Reporting Standard 103 (FRS 103) in relation to insurance contracts.

The syndicate underwriting year accounts have been prepared on a basis other than going concern.

These accounts cover two separate years of account on the basis that the 2021 year of account has been kept open due to the levels of uncertainty that the managing agent considers remain in the reserves held in respect of the exposure to leased aircraft in Russia. The 2023 year of account has been reinsured to close, in line with more standard practice, into the 2024 year of account of the syndicate. While the primary statements have been presented separately (on pages 71 to 74 for the 2021 open year and pages 75 to 78 for the 2023 closing year), the notes to the accounts that follow have been presented in a two column format. These do not represent comparative balances, rather the relevant supplementary information for the 2021 year of account as at, and for the five years ended 31 December 2025 and the 2023 year of account as at, and for the three years ended 31 December 2025.

Going Concern

The syndicate underwriting year accounts for the 2021 year of account have been prepared on a basis other than going concern.

Whilst the Directors of the managing agent have a reasonable expectation that the syndicate has adequate resources to continue in operational existence for the foreseeable future, these financial statements represent the participation of members in the 2021 and 2023 years of account, cumulative to 31 December 2025.

The 2021 year of account remains open due to the fact that the potential for variation to the booked reserves is considerably greater than the normal level of reserve sensitivity to downside risk and the actual outcome of the loss in respect of the Russia aviation claims could be in a particularly wide range with greater than usual variability. As a result, the 2021 year of account will continue to remain open until the level of reserve sensitivity to downside risk normalises.

The 2023 year of account closed on 31 December 2025. The accumulated profits of the 2023 year of account will be distributed following publication of these accounts, and the cash in respect of members' profits will be collected by Lloyd's Central Accounting on 10 April 2026 in line with Lloyd's distribution timetable. Therefore the 2023 year of account is not continuing to trade and, accordingly Directors have not adopted the going concern basis in the preparation of these accounts. This has no effect on the amounts reported in the accounts as the 2023 year of account will be closed by payment of a reinsurance to close premium, as outlined in note 7 below, which is consistent with the normal course of business for a Lloyd's syndicate.

2. USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, the directors of the managing agent have made judgements, estimates and assumptions that affect the application of the syndicate's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The measurement of the provision for claims outstanding involves judgments and assumptions about the future that have the most significant effect on the amounts recognised in the financial statements.

2. USE OF JUDGEMENTS AND ESTIMATES CONTINUED

The provision for claims outstanding comprises the estimated cost of settling all claims incurred but unpaid at the balance sheet date, whether reported or not. This is a judgemental and complex area due to the subjectivity inherent in estimating the impact of claims events that have occurred but for which the eventual outcome remains uncertain. In particular, judgment is applied when estimating the value of amounts that should be provided for claims that have been incurred at the reporting date but have not yet been reported to the syndicate.

The amount included in respect of IBNR is based on statistical techniques of estimation applied by the in-house actuaries and reviewed by external consulting actuaries. These techniques generally involve projecting from past experience the development of claims over time in view of the likely ultimate claims to be experienced and for more recent underwriting, having regard to variations in business accepted and the underlying terms and conditions. The provision for claims also includes amounts in respect of internal and external claims handling costs. 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 business accepted and assessments of underwriting conditions.

In arriving at the level of claims provisions, a margin is applied over and above the actuarial best estimate.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the syndicate financial statements are set out below.

The areas involving a higher degree or judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

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 certainty to permit the year of account to be closed by payment of a reinsurance to close premium to the successor year of account.

With respect to the 2021 year of account, the Directors do not consider there to be sufficient certainty over the valuation of the outstanding liabilities at 60 months due to the syndicate's exposure to the Russian invasion of Ukraine, as such the 2021 year of account will remain open. Further detail is provided in note 6.

Insurance Classification

The syndicate's contracts are classified at inception, for accounting purposes, as insurance contracts. A contract that is classified as an insurance contract remains an insurance contract until all rights and obligations are extinguished or expire. Insurance contracts are those contracts that transfer significant insurance risk, if and only if, an insured event could cause an insurer to pay significant additional benefits above premiums received and interest earned thereon, excluding scenarios that lack commercial substance. Such contracts may also transfer financial risk.

Gross Premiums Written

Gross premiums are allocated to years of account on the basis of the inception date of the policy. Gross 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. Gross premiums are shown gross of brokerage payable and exclude taxes and duties levied on them. Gross premiums written are treated as fully earned.

Reinsurance Premium Ceded

Initial reinsurance premiums paid to purchase policies which give excess of loss protection are charged to the year of account in which the protection commences. Premiums for other reinsurances are charged to the same year of account as the risks being protected.

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.

Amounts retained to meet all known and unknown outstanding liabilities

Where substantial uncertainties affect the assessment of outstanding liabilities a year of account might not be closed, as has been the case for the 2021 year of account presented in these financial statements. In such cases an amount to meet all known and unknown liabilities is retained at each year end until the year of account is finally closed.

The net amount to meet all known and unknown liabilities 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 run-off year of account and 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 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 amount of salvage and subrogation recoveries is separately identified and, where material, reported as an asset.

The reinsurers' share 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 to 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.

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 IBNR), net of estimated collectible reinsurance recoveries, relating to the closed year of account. The estimate of 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. It also includes the estimated cost of claims IBNR at the balance sheet date based on statistical methods.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 amount of salvage and subrogation recoveries is separately identified.

The reinsurers' share 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 estimates 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 estimates of gross claims and related reinsurance recoveries are fairly stated on the basis of the information currently available to them. However, it is implicit in the estimation procedure that the ultimate liabilities will be at variance from the reinsurance to close premium so determined.

Foreign Currencies

The syndicate's functional currency is US Dollars, being the primary economic environment in which it operates. The syndicate's presentational currency is Sterling.

Transactions, other than reinsurance to close, in foreign currencies are translated at the average rates of exchange for the period. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date. Differences arising on translation of foreign currency amounts relating to the insurance operations of the syndicate are included in the non-technical account.

In translating its results and financial position into the presentational currency, the syndicate translates all assets and liabilities at the closing rates of exchange and translates all income and expense items at average rates, with all resulting exchange gains and losses being recognised in other comprehensive income.

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. The returns on the Joint Asset Trust Funds and Illinois Deposit are allocated to the year of account as notified by Lloyd's. The returns on other assets arising in a calendar year are apportioned to years of account open during the calendar year in proportion to the average funds available for investment on each year of account.

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 their valuation at the previous balance sheet date, or purchase price, if acquired during the year, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

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

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Operating Expenses
Where expenses are incurred by or on behalf of the managing agent on the administration of the managed syndicate, these expenses are apportioned using varying methods depending on the type of expense. Expenses which are incurred jointly for the agency company and managed syndicate are apportioned between the agency company and the syndicate on bases depending on the amount of work performed, resources used and the volume of business transacted. Syndicate operating expenses are allocated to the year of account for which they are incurred.

Financial Instruments
The syndicate has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including deposits with credit institutions, debtors arising out of direct insurance and reinsurance operations, cash and cash equivalents and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at fair value.

Investments are stated at current value at the balance sheet date. For this purpose, listed investments are stated at fair 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. Any surplus or deficit on any revaluation is recognised in the non-technical account.

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

Basic financial liabilities, including creditors arising from insurance operations that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is then measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or expires.

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

Fair Value Measurement
The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the syndicate estimates the fair value by using a valuation technique.

At each reporting date the syndicate assesses whether there is objective evidence that financial assets not at fair value through profit or loss, are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of an asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

An impairment loss recognised reduces directly the carrying amount of the impaired asset. All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Deposits with Ceding Undertakings
Deposits with ceding undertakings relate to the payment of advance funds by the syndicate under the reinsurance agreement with LIC into segregated Part VII settlement bank accounts managed by the managing agent on behalf of LIC to settle Part VII claims. Amounts are denominated in multiple currencies, primarily Sterling (GBP), US Dollars (USD) and Euros (Euro). Deposits with ceding undertakings are measured at cost less allowance for impairment.

Cash and Cash Equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to only an insignificant risk of change in value.

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.

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 are included in the balance sheet under the heading 'other debtors'.

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

Pension Costs
The Atrium Group operates a defined contribution pension scheme. Pension contributions relating to syndicate staff are charged to the syndicate and included within net operating expenses.

Profit Commission
Profit commission is charged by the managing agent at a rate of 20% of 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.

4. ANALYSIS OF UNDERWRITING RESULT

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

2021 YEAR OF ACCOUNT	GROSS PREMIUMS WRITTEN (NOTE 1) £'000	GROSS CLAIMS INCURRED (NOTE 2) £'000	GROSS OPERATING EXPENSES £'000	REINSURANCE BALANCE (NOTE 3) £'000	TOTAL £'000
Direct insurance:					
Accident and Health	34,762	(14,028)	(17,169)	(44)	3,521
Motor (Third Party Liability)	3,439	(1,500)	(1,351)	(8)	580
Motor (Other Classes)	14,757	(7,847)	(8,755)	48	(1,797)
Marine Aviation and Transport	141,250	(513,935)	(54,321)	314,964	(112,042)
Fire and other damage to property	289,900	(127,156)	(104,283)	(25,276)	33,185
Third Party Liability	200,446	(183,538)	(73,739)	(6,062)	(62,893)
Credit and Suretyship	7,471	6,320	(3,365)	4,170	14,596
Legal Expenses	2,273	(190)	(3,170)	(45)	(1,132)
	694,298	(841,874)	(266,153)	287,747	(125,982)
Reinsurance	60,833	(73,909)	791	8,059	(4,226)
	755,131	(915,783)	(265,362)	295,806	(130,208)
RITC received	439,030	(514,749)	–	60,024	(15,695)
	1,194,161	(1,430,532)	(265,362)	355,830	(145,903)

2023 YEAR OF ACCOUNT	GROSS PREMIUMS WRITTEN (NOTE 1) £'000	GROSS CLAIMS INCURRED (NOTE 2) £'000	GROSS OPERATING EXPENSES £'000	REINSURANCE BALANCE (NOTE 3) £'000	TOTAL £'000
Direct insurance:					
Accident and Health	38,847	(11,988)	(19,566)	(2,044)	5,249
Motor (Third Party Liability)	4,921	(1,570)	(1,857)	(5)	1,489
Motor (Other Classes)	23,794	(4,747)	(13,514)	(26)	5,507
Marine Aviation and Transport	248,911	(81,274)	(85,296)	(56,443)	25,898
Fire and other damage to property	395,867	(170,937)	(159,773)	(28,017)	37,140
Third Party Liability	215,184	(99,536)	(94,715)	(14,897)	6,036
Credit and Suretyship	11,264	(4,314)	(6,120)	(2,156)	(1,326)
Legal Expenses	6,342	(2,694)	(4,414)	(19)	(785)
	945,130	(377,060)	(385,255)	(103,607)	79,208
Reinsurance	41,870	(825)	(6,545)	(4,977)	29,523
	987,000	(377,885)	(391,800)	(108,584)	108,731
RITC received	173,077	(184,277)	–	22,594	11,394
	1,160,077	(562,162)	(391,800)	(85,990)	120,125

1. Gross premiums written are treated as fully earned.
2. Gross claims incurred comprises gross claims paid and gross amount retained to meet all known and unknown outstanding liabilities.
3. The reinsurance balance comprises reinsurance premiums ceded less reinsurance recoveries on claims paid and reinsurance recoveries retained to meet all known and unknown outstanding liabilities.
4. All premiums are concluded in the UK.

5. REINSURANCE TO CLOSE PREMIUM RECEIVABLE

	2021 YEAR OF ACCOUNT £'000	2023 YEAR OF ACCOUNT £'000
Gross notified outstanding claims	256,413	72,108
Reinsurance recoveries anticipated	(33,561)	(1,938)
Net notified outstanding claims	222,852	70,170
Provision for gross claims incurred but not reported	306,614	134,959
Reinsurance recoveries anticipated	(48,133)	(23,830)
Provision for net claims incurred but not reported	258,481	111,129
Reinsurance to close premium receivable, net of reinsurance at transaction rates of exchange	481,333	181,299
Revaluation to closing rates of exchange	(42,303)	(8,222)
Reinsurance to close premium receivable, net of reinsurance at closing rates of exchange	439,030	173,077

6. AMOUNT RETAINED TO MEET ALL KNOWN AND UNKNOWN OUTSTANDING LIABILITIES

	2021 YEAR OF ACCOUNT £'000
Gross notified outstanding claims	147,893
Reinsurance recoveries anticipated	(19,725)
Net notified outstanding claims	128,168
Provision for gross claims incurred but not reported	434,002
Reinsurance recoveries anticipated	(247,398)
Provision for net claims incurred but not reported	186,604
Amount retained to meet all known and unknown outstanding liabilities, net of reinsurance	314,772

The syndicate has exposure to the fate of the western leased aircraft in Russia, which predominantly impacts the 2021 year of account. The classes impacted are Aviation War, Aviation Reinsurance and Marine XL. The net ultimate loss is split 2% to the 2020 YOA, 87% to the 2021 YOA and 11% to the 2022 YOA.

At 31 December 2024, a probabilistic approach was taken to deriving the reserving position for this loss, which considered the financial implications of various scenarios. This approach has continued to be used at 31 December 2025 and the scenarios and their likelihood continue to rely on expert judgement, supported by legal advice where appropriate. These scenarios reflect actual settlements to date as well as the June 2025 judgement in England and Wales in respect of Russian Aircraft Lessor Policy Claims. Updating the scenarios to reflect the latest information has led to an overall increase in the estimated ultimate loss assessment with expected ultimate gross claims of £513.0m and £146.2m net of reinsurance as at 31 December 2025 (as at 31 December 2024 - £393.4m gross, £113.8m net of reinsurance).

The situation is complex and continues to develop. The Directors, in conjunction with the relevant subject matter experts, continue to monitor the situation closely, taking legal advice and meeting with market participants on a regular basis to ensure that the most up to date information and appropriate assumptions are reflected within the scenarios applied in determining the syndicate reserves.

Due to the nature of the underlying circumstances, both in respect of settlement of claims and the associated reinsurance recoveries, the potential for variation to the booked reserves is considerably greater than the normal level of reserve sensitivity to risk and the actual outcome of the loss could be in a particularly wide range with greater than usual variability. As a result, the 2021 year of account will continue to remain open until the level of reserve sensitivity to risk normalises.

7. REINSURANCE TO CLOSE PREMIUM PAYABLE

	2023 YEAR OF ACCOUNT £'000
Gross notified outstanding claims	109,071
Reinsurance recoveries anticipated	(4,169)
Net notified outstanding claims	104,902
Provision for gross claims incurred but not reported	212,857
Reinsurance recoveries anticipated	(39,933)
Provision for net claims incurred but not reported	172,924
Reinsurance to close premium payable, net of reinsurance	277,826

The reinsurance to close is effected to the 2024 year of account of Syndicate 609 and is not applicable to the 2021 year of account.

8. NET OPERATING EXPENSES

	2021 YEAR OF ACCOUNT £'000	2023 YEAR OF ACCOUNT £'000
Acquisition costs:		
Brokerage & Commission	206,582	257,932
Other acquisition costs	20,193	25,762
	226,775	283,694
Administrative expenses	38,587	108,108
	265,362	391,802
Reinsurance commissions receivable	(13,461)	(20,484)
	251,901	371,318

Administrative expenses include:

	2021 YEAR OF ACCOUNT £'000	2023 YEAR OF ACCOUNT £'000
Auditor's remuneration		
Audit services	738	355
Other services	101	47
Managing agent's profit commission	—	34,122

Members' standard personal expenses (Lloyd's subscriptions, central fund contributions, managing agent's fees and profit commission) are included within administrative expenses and amount to £10,551,000 for the 2021 year of account and £47,305,000 for the 2023 year of account.

9. STAFF NUMBERS AND COSTS

All staff are employed by Atrium Group Services Limited (AGSL). The following amounts were recharged to the syndicate in respect of staff costs:

	2021 YEAR OF ACCOUNT £'000	2023 YEAR OF ACCOUNT £'000
Wages and salaries	23,450	22,492
Social security costs	3,031	2,951
Other pension costs	3,354	3,121
	29,835	28,564

The average number of employees employed by AGSL, but working for the syndicate during the five years for 2021 year of account and the three years for the 2023 year of account, was as follows:

	2021 YEAR OF ACCOUNT NUMBER	2023 YEAR OF ACCOUNT NUMBER
Management	4	4
Underwriting	85	88
Claims	15	16
Administration	88	93
	192	201

10. REMUNERATION OF THE DIRECTORS OF ATRIUM UNDERWRITERS LIMITED

The fifteen Directors of Atrium Underwriters Limited, who served during the five years ending 31 December 2025 for the 2021 year of account, and the fourteen Directors of Atrium Underwriters Limited who served during the three years ending 31 December 2025 for the 2023 year of account, received the following aggregate remuneration charged to the syndicate and included within net operating expenses:

	2021 YEAR OF ACCOUNT £'000	2023 YEAR OF ACCOUNT £'000
Remuneration	1,339	1,202

No other compensation was payable to key management personnel and charged to the syndicate.

The Active Underwriter received the following remuneration charged as a syndicate expense and included within net operating expenses:

	2021 YEAR OF ACCOUNT £'000	2023 YEAR OF ACCOUNT £'000
Remuneration	293	232

11. INVESTMENT RETURN

	2021 YEAR OF ACCOUNT £'000	2023 YEAR OF ACCOUNT £'000
Investment income:		
Income from investments	62,915	19,920
Net realised gains on investments:		
Gains on the realisation of investments	14,968	8,098
Losses on the realisation of investments	(5,137)	(1,490)
	9,831	6,608
Net unrealised gains on investments:		
Unrealised gains on investments	53,016	13,880
Unrealised losses on investments	(26,695)	(6,585)
	26,321	7,295
Investment expenses and charges:		
Investment managers expenses, including interest	(1,416)	(385)
Allocated investment return transferred to the technical account	97,651	33,438

12. BALANCE ON TECHNICAL ACCOUNT

	2021 YEAR OF ACCOUNT £'000
Balance excluding investment return and operating expenses	
Profit attributable to business allocated to the 2021 pure year of account	104,152
Profit attributable to business reinsured into the 2021 year of account	1,846
	105,998
Allocated investment return transferred from the non-technical account	97,651
Net operating expenses	(251,901)
	(48,252)

	2023 YEAR OF ACCOUNT £'000
Balance excluding investment return and operating expenses	
Profit attributable to business allocated to the 2023 pure year of account	499,112
Loss attributable to business reinsured into the 2023 year of account	(7,669)
	491,443
Allocated investment return transferred from the non-technical account	33,438
Net operating expenses	(371,318)
	153,563

13. INVESTMENTS

	2021 YEAR OF ACCOUNT		2023 YEAR OF ACCOUNT	
	FAIR VALUE £'000	COST £'000	FAIR VALUE £'000	COST £'000
Shares and other variable yield securities and units in unit trusts	77,477	77,477	40,508	40,508
Debt securities and other fixed income securities	479,113	472,242	315,900	311,370
Deposits with credit institutions	8	8	4	4
	556,598	549,727	356,412	351,882

	2021 YEAR OF ACCOUNT		2023 YEAR OF ACCOUNT	
	FAIR VALUE £'000	%	FAIR VALUE £'000	%
Government/Government Agency	147,450	30.8%	97,221	30.8%
AAA/Aaa	31,360	6.5%	20,677	6.5%
AA/Aa	100,461	21.0%	66,238	21.0%
A	135,814	28.3%	89,548	28.3%
BBB	50,232	10.5%	33,120	10.5%
<BBB	13,796	2.9%	9,096	2.9%
	479,113	100%	315,900	100%

14. DEBTORS

	2021 YEAR OF ACCOUNT £'000	2023 YEAR OF ACCOUNT £'000
Arising out of direct insurance operations:		
Due from intermediaries	28,461	12,269
Arising out of reinsurance operations:	15,952	2,263
Other	443	80,793
	44,856	95,325

Other debtors include inter year loans of £80,225,000 for the 2023 year of account.

15. AMOUNTS DUE (FROM)/TO MEMBERS

	2021 YEAR OF ACCOUNT £'000
Loss for the 2021 year of account	(20,241)
Members' agents' fee advances	(2,687)
Distributions to members to date	105
Amounts due from members at 31 December 2025	(22,823)

	2023 YEAR OF ACCOUNT £'000
Profit for the 2023 closed year of account	130,021
Members' agents' fee advances	(3,344)
Distributions to members to date	179
Amounts due to members at 31 December 2025	126,856

16. CREDITORS

	2021 YEAR OF ACCOUNT £'000	2023 YEAR OF ACCOUNT £'000
Arising out of direct insurance operations:		
Due to intermediaries	8,879	1,293
Arising out of reinsurance operations	15,245	9,312
Managing agent's profit commission	—	32,505
Other	301,544	11,388
	325,668	54,498

Other creditors include inter year loans of £301,809,000 for the 2021 year of account.

17. DISCLOSURES OF INTEREST

During 2025 Atrium Underwriting Group Limited (AUGL) was a wholly owned subsidiary of Alopuc Limited (a UK holding company) and Alopuc Limited was in turn a wholly owned subsidiary of Northshore Holdings Limited (Northshore), a Bermudan company. The ultimate beneficial owners of Northshore are affiliates of Stone Point Capital LLC (Stone Point) who hold approximately 88% economic interest. The balance of the shareholding in Northshore are held by Atrium management and staff (9.9%), Dowling Capital Partners (1.8%) and Capital City Partners LLC (0.3%).

During 2025 AUGL was the holding company of the following wholly owned subsidiaries; AUL, Atrium Insurance Agency Limited (AIAL), AGSL, Atrium Risk Management Services (Washington) Ltd (ARMS), Atrium Corporate Capital Limited (ACCL) and Atrium 5 Limited. AGSL is the holding company of Atrium Nominees Limited. AUL is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is the managing agent of the syndicate.

Effective 25 November 2025 steps were completed to effect a group reorganisation and demerger, following which ACCL became a directly held subsidiary of Northshore and the remainder of the Atrium Group subsidiaries under Alopuc Limited were transferred to a separate group owned by Northshore DM Limited (NDML), a Bermudan Company. Immediately post the demerger NDML had the same shareholders as Northshore.

Effective 31 December 2025 NDML was acquired by CRC Group UK Holdings Limited (a UK holding company) which is 100% owned by CRC Insurance Group, LLC (a US domiciled company).

17. DISCLOSURES OF INTEREST CONTINUED

The Atrium corporate underwriting capacity has been provided by ACCL, with its capacity noted in the table below for those years where ACCL was under common control of Alopuc:

	YEAR OF ACCOUNT			
	2021 CAPACITY £M	2023 CAPACITY £M	2024 CAPACITY £M	2025 CAPACITY £M
Syndicate 609	158.7	221.6	234.9	250.1

ACCL's participations on the managed syndicate as a % of syndicate capacity for those years where ACCL was under common control of Alopuc:

	YEAR OF ACCOUNT			
	2021 %	2023 %	2024 %	2025 %
Syndicate 609	25.4	25.4	25.4	25.4

AIAL is a registered Lloyd's UK coverholder and is authorised and regulated by the Financial Conduct Authority. The syndicate leads a binding authority granted to AIAL to underwrite space business. Under the terms of the binding authority, fees and profit commission are payable by the syndicate to AIAL. Fee income of US$302,000 and US$461,000 was paid by the syndicate to AIAL in relation to premium earned on the 2021 and 2023 years of account respectively. No profit commission is due in relation to the 2021 and 2023 years of account.

AGSL is a group service company. All UK employee contracts and, where possible, all material service provider contracts are held by AGSL. A service agreement is in place whereby AGSL provides management services to all Atrium group companies. Under the service agreement AGSL will charge the costs to each Atrium group company, including AUL, for the respective services provided.

ARMS is incorporated in Washington State, United States, and was established to support the syndicate strategy to maintain and grow its North American direct portfolio and distribution network. Until 31 December 2024 ARMS charged fees to the syndicate equal to its operating costs plus a small margin for tax reasons. With effect from 1 January 2025 the ARMS fee charging structure transitioned to a new model whereby fees for claims handling services and digital management services are charged on a similar basis as a third party provider of similar services. Fees of US$2,528,000 and US$2,362,000 were paid by the syndicate to ARMS in respect of the 2021 and 2023 years of account respectively.

The Directors' participations on the syndicate via Nomina No. 207 LLP (the staff LLP) are as follows (this includes any director of AUL that served during 2025 and was a partner in the staff LLP):

	YEAR OF ACCOUNT				
	2021 £	2023 £	2024 £	2025 £	2026 £
James Cox	313,317	473,168	580,834	508,412	504,959
John Fowle	—	—	207,246	181,285	205,702
Peter Laidlaw	232,067	432,146	424,653	372,298	362,527
Samit Shah	432,970	688,180	842,376	736,932	675,000
Kirsty Steward	77,680	103,262	127,973	112,250	111,327

AUL has made no loans to directors of the company during 2025 (2024: nil). There were no loans outstanding at the balance sheet date.

17. DISCLOSURES OF INTEREST CONTINUED

Managing agency fees of £4,338,000 and £6,041,000 were paid by the syndicate to AUL in relation to the 2021 and 2023 years of account respectively. Profit commission of £32,505,000 is payable by the syndicate to AUL in relation to the 2023 years of account. The managing agents agreement was amended in 2007 to enable managing agents to make payments on account of profit commission, prior to the closure of a year of account. Payments on account can be made when the syndicate transfers open year surpluses from the syndicate level premium trust funds to the members' personal reserve fund. No such payment was made in 2025. Included within creditors is £32,505,000 in respect of profit commission payable to AUL in relation to the 2023 year of account.

The Stone Point managed Trident V Funds (acting in concert) became majority owners of Northshore from 1 January 2021. Stone Point has investments in a wide range of companies and sectors, including the global insurance industry and as such as part of ordinary business and operations AUL and the syndicate might enter into transactions with other Stone Point affiliates from time to time. This could include transactions relating to inwards and outwards reinsurance, insurance intermediation, provision of insurance services, or other non-insurance related services. Any such related party transactions are entered into by the syndicate on a commercial basis and managed in accordance with the protocols set out in Atrium's Conflicts of Interest Policy.

As previously noted, NMDL was acquired by CRC Group UK Holdings Limited on 31 December 2025. Prior to the change in ownership the syndicate already has a number of binding authority contracts with the CRC Group which have been entered into on a commercial arm's length basis. Atrium has in place established protocols for the management of Conflicts of Interest and related party transactions across the group which will apply to any new or renewal transactions between the Atrium managed syndicates and CRC group entities going forwards following the change in ownership. The protocols are designed to ensure that any such transactions and potential conflicts of interest are managed in line with applicable Lloyd's, PRA and FCA rules. The framework includes a Conflicts of Interest Policy, maintenance of a schedule of related party transactions and an AUL Conflicts Committee (comprised of the three Independent Non-Executive Directors who are member of the Board).

There are no shareholder representatives from either Stone Point (during 2025) or the CRC Group (in 2026) on the Board of AUL.

As part of Lloyd's Brexit arrangements, AUL has entered into an outsourcing agreement and a secondment agreement with LIC and reinsurance contracts between the syndicate and LIC. This structure covers business underwritten by AUL on behalf of LIC since 1 January 2019 as well as legacy EEA business transferred to LIC under the Lloyd's Part VII Transfer, which had a Scheme Effective Date of 30 December 2020. The outsourcing agreement covers the activities performed by AUL on behalf of LIC in writing and servicing the relevant business. The secondment agreement (effective 1 January 2022) covers provision of seconded AUL underwriters to LIC under the Lloyd's European Operating Model. The reinsurance contracts cede 100% of the business written by, or transferred to, LIC back to the syndicate. Since 1 January 2022, Atrium has had a number of Atrium underwriters who are seconded to LIC's UK branch (LIC UK) via tripartite secondment agreements to perform Insurance Distribution Directive (IDD) activities as secondees of LIC UK.

SEVEN YEAR SUMMARY OF RESULTS

SYNDICATE 609 AT 31 DECEMBER 2025

		YEAR OF ACCOUNT						
	NOTES	2023 £M	2022 £M	2021 £M	2020 £M	2019 £M	2018 £M	2017 £M
Syndicate allocated capacity		870	651	625	524	450	449	419
Aggregate net premiums		816	813	529	591	533	460	442
Number of underwriting members		2,715	2,734	2,768	2,819	2,882	2,970	3,040
Results for an illustrative share of £10,000		£	£	£	£	£	£	£
Gross premiums		11,344	14,335	12,085	12,707	13,188	11,408	11,868
Gross premiums %	1	113.4%	143.4%	120.9%	127.1%	131.9%	114.1%	118.7%
Net premiums		9,376	12,489	8,464	11,277	11,844	10,246	10,544
Net premiums %	2	93.8%	124.9%	84.6%	112.8%	118.4%	102.5%	105.4%
Premium for the reinsurance to close an earlier year of account	3	1,989	—	7,026	8,301	7,714	7,109	7,506
Net Claims	4	2,524	3,047	8,756	4,493	4,959	5,084	5,929
Premium for the reinsurance to close the year of account		3,193	2,786	—	9,189	8,837	7,687	7,757
Amounts retained to meet all known and unknown liabilities		—	—	5,038	—	—	—	—
Underwriting Profit		5,648	6,656	1,696	5,896	5,762	4,584	4,364
Syndicate operating expenses		3,724	4,463	4,031	4,252	4,621	4,114	4,134
Balance on technical account		1,924	2,193	(2,335)	1,644	1,141	470	230
Balance on technical account %	5	17.0%	15.3%	(19.3%)	14.3%	9.8%	5.9%	2.6%
Investment return		384	423	1,563	(508)	97	492	450
Foreign exchange gains/(losses)	5	(271)	(212)	448	(4)	(307)	162	(140)
Profit/(loss) for closed year of account		2,037	2,404	(324)	1,132	931	1,124	540
Illustrative managing agent's profit commission		392	384	—	179	155	204	80
Illustrative personal expenses	6	151	155	—	153	161	154	154
Profit after illustrative profit commission and illustrative personal expenses	6	1,494	1,865	(324)	800	615	766	306

Notes

1. Gross premiums as a percentage of illustrative share.
2. Net premiums as a percentage of illustrative share.
3. The reinsurance to close premium that has been received by the 2023 year of account has been retranslated to the rates of exchange that were applicable as at 31 December 2025. Reinsurance to close premiums receivable in respect of the 2022 and prior years of account have not been restated.
4. Net claims include internal claims settlement expenses.
5. Balance on technical account as a percentage of gross premiums.
6. Illustrative personal expenses, including illustrative profit commission, are based on a calculation of amounts incurred by a member writing an illustrative share. For this purpose minimum fee charges are ignored.
7. 2021 year of account remains open at 31 December 2025.

		YEAR OF ACCOUNT						
RESULTS FOR AN ILLUSTRATIVE SHARE OF £10,000	NOTES	2023 £M	2022 £M	2021 £M	2020 £M	2019 £M	2018 £M	2017 £M
Aggregation of annual fee, profit commission and syndicate expenses	6	1,160	1,164	687	873	832	826	600

ATRIUM