Solvency and Financial Condition Report ("SFCR")

May 2026

Hadron UK Holdings, GP

Hadron UK Insurance Company Limited

Firm Reference Number 202146

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Summary

A – Business and Performance

Hadron UK Insurance Group ('Hadron Group' or 'the Group') comprises Hadron UK Holdings GP, Hadron UK Holdings LP, Hadron UK Holdings LLC and its direct subsidiaries Hadron Management Services UK Limited and Hadron UK Insurance Company Limited, formerly Folgate Insurance Company Limited (hereafter referred to as 'Hadron UK', 'HUKIC' or 'the Company').

The Solvency and Financial Condition Report ('SFCR') is prepared as a single SFCR covering both Hadron UK Holdings GP and Hadron UK Insurance Company Limited, as agreed by the Prudential Regulation Authority under Group Supervision 18.1(2) by direction dated 19 May 2026 (Modification Reference 00012262).

The SFCR provides a transparent and comprehensive view of Hadron UK Insurance Group's financial health, solvency position, Risk Management Framework and governance, in accordance with Solvency UK rules as at 31 December 2025.

For the year ended 31 December 2025, the Group made an after-tax loss of £2.2 million compared to £2.0 million loss in 2024. This was predominantly driven by strategic investments in people, systems and infrastructure to support the continued growth and operational development of the business. HUKIC written premium in 2025 was £181.9million compared to £28.4million in the prior year, reflecting new strategy initiated in the second half of 2024.

In June 2025, HUKIC received a Tier 1 capital injection of £4 million and additional Tier 1 capital injection of £6.5 million in September 2025. These injections were the primary reason for the increase in the solvency surplus of assets over liabilities for HUKIC from £21.7 million in 2024 to £32.0 million in 2025. The Group surplus as at 31 December 2025 was £33.4 million.

Hadron UK Insurance Company Limited has the same credit rating as the wider Hadron Organisation, which includes the US; being A- (Excellent) as rated by A.M. Best.

B – Systems of Governance

Hadron Group has systems of governance that take into account the business it writes (type, size and complexity) and the underlying risk profile in an appropriate manner to ensure sound and prudent management of HUKIC. The system of governance incorporates an appropriate and transparent organisational structure with clearly defined committees and responsibilities. The HUKIC Board maintains oversight of the operations of these committees and sets Terms of Reference for each which are reviewed annually. The systems and the governance arrangements in place continue to evolve.

C – Risk Profile

The level of risk assumed by HUKIC is commensurate with its risk-bearing capacity, meaning it has access to sufficient economic capital resources to enable it to meet its current and future capital needs, in line with the strategy and risk profile.

The capital requirements are quantified using the standard formula basis and are projected for future periods as part of the company's Own Risk and Solvency Assessment (ORSA), which is approved by the Board and submitted to the PRA.

D – Valuation for Solvency Purposes

The Company and the Group applied the requirements of the Bank of England's Solvency UK requirements which became effective on 31 December 2024. The Group is compliant with the valuation requirements set out in the Valuation, Technical Provisions and Technical Provisions – Further Requirements Parts of the PRA Rulebook. Section D sets out the valuation approach for each material balance sheet item. The rules for the accounting of certain balance sheet items differ under Solvency UK from those applied under the United Kingdom Generally Accepted Accounting Practice (UK GAAP) which is the basis on which the Company prepares its statutory accounts. These differences arise primarily in the accounting for loss and premium reserves that are included within technical provisions.

At 31 December 2025, the Group total gross technical provisions of £65.3 million (2024: £14.2 million) under Solvency UK valuation compared to the Group's UK GAAP value of £171.8 million (2024: £37.0 million). The Group net technical Solvency UK provisions as at 31 December 2025 of £1.3 million which is compared to the statutory accounts value of £22.1million.

E – Capital Management

The Group and Company capital level is in line with the capital management policy approved by the Board. HUKIC's overall capital management strategy is to optimise capital usage in line with the business strategy and risk appetite. Capital management decisions aim to strike a balance between efficient use of capital, value creation for the shareholder and shaping the risk profile such that policyholders and other stakeholders are protected.

For the financial year ended 31 December 2025, the Solvency Capital Requirement ('SCR') has been calculated using the standard formula. The Group SCR is £19.4 million and Minimum Capital Requirement ('MCR') is £4.8 million resulting in a SCR coverage ratio of 172% and a MCR coverage ratio of 688%.

Major Events During the Reporting Period

During the reporting period, the Company achieved significant growth, which is reflected in its Gross Written Premium (GWP) figures. This growth is the result of the strategic plan initiated in the second half of 2024, the benefits of which matured during 2025.

A major strategic partnership, established in 2024, reached maturity during the reporting period, resulting in the successful onboarding of nine Managing General Agents (MGAs). In addition, three further independent MGAs were onboarded towards the end of the reporting period, bringing the total number of new MGA relationships to twelve.

As set out in Section E.1 Subsequent event — Ancillary Own Funds Permission below, the PRA granted HUKIC an Ancillary Own Funds Permission, authorising the Company to include Ancillary Own Funds in its regulatory own funds determination for Solvency UK purposes.

During the year, the Company transitioned its investment management arrangements, disposing of its direct holdings in corporate and government fixed interest securities and reinvesting the proceeds into Mercer pooled funds. This change provides enhanced diversification, daily liquidity and operational efficiency, and is described further in Section A.3.

Directors' Responsibility Statement

We acknowledge our responsibility for preparing the Group SFCR in all material aspects in accordance with the PRA Rules.

We are satisfied that:

a) Throughout the financial year in question, the Group has complied in all material respects with the requirements of the PRA Rules and the Solvency UK Regulations applicable to the Group; and

b) It is reasonable to believe that the Group has continued to comply subsequently and will continue to comply in the future.

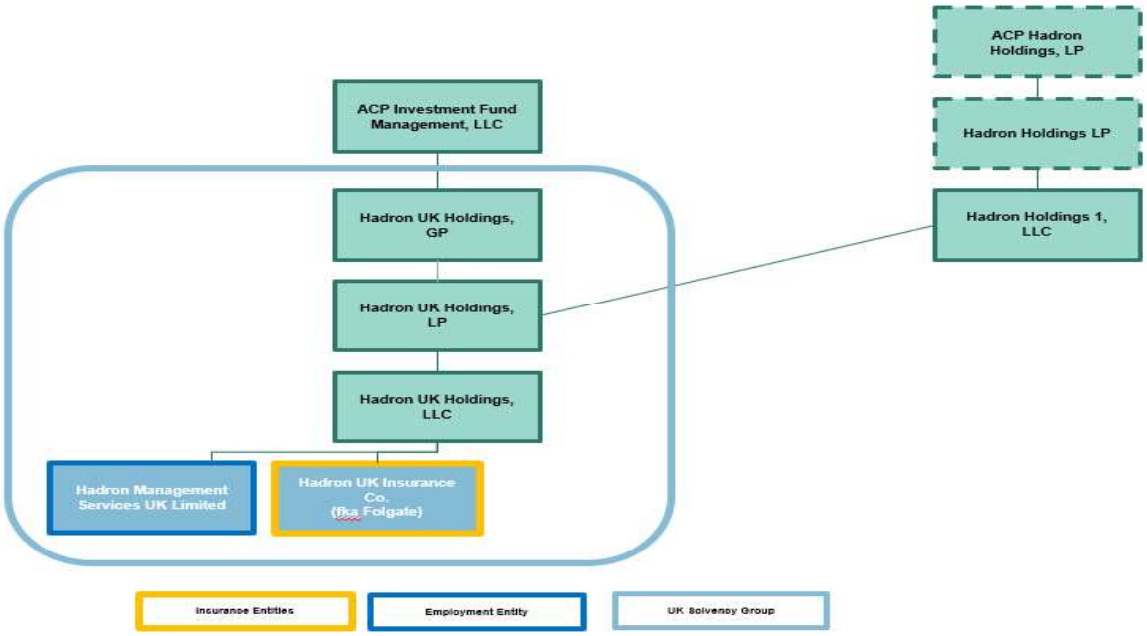
On behalf of the Board

Colin Johnson
Chief Executive Officer
27 May 2026

A Business and Performance

A.1 Group overview and Insurance Business

A simplified Hadron UK Group ('the Group') structure is presented in the diagram below:



Hadron UK operates as a UK insurance company within the commercial property and casualty market including Small Medium Enterprises ('SME's) and distributes its products by partnering with Managing General Agents ('MGAs').

Hadron UK has authorisation for the following lines for all customer types, however currently there is limited appetite to underwrite consumer (retail customers) lines.

- Accident
- Aircraft Liability
- Assistance
- Damage to Property
- Fire and natural forces
- General liability
- Goods in transit
- Legal Expenses
- Miscellaneous financial loss
- Sickness

The Group's risk appetite is aligned to continue to focus on growing its core insurance business, but also through diversification of its product lines and MGA partners as appropriate.

Our Values

The Hadron Values were thoughtfully developed through a company-wide initiative where every employee had a voice.

These collaboratively crafted values now serve as our shared foundation. The Hadron Values are intentionally displayed throughout our workspaces as daily reminders of our collective aspirations. Each year, we celebrate colleagues who exemplify these principles in their work, recognising those who bring our values to life in exceptional ways.

External Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
Southwark
SE1 2RT
UK

Regulators

Hadron UK Insurance Company Limited is an insurance company trading as 'Hadron UK' and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under reference number 202146.

In addition, Hadron UK Insurance Company Limited is also a Category A Permit Holder under the Insurance Business (Jersey) Law 1996, as certified by the Jersey Financial Services Commission (JFSC) on 1 April 2026.

Prudential Regulation Authority (PRA)
20 Moorgate
London
EC2R 6DA
UK

Financial Conduct Authority (FCA)
12 Endeavour Square
London
E20 1JN
UK

A.2 Underwriting Performance

The information in this section provides an overview of the 2025 financial year underwriting performance for Hadron UK on a UK GAAP basis.

Table 1: Key Financial Metrics (UK GAAP)		
£'000	**2025**	**2024**
Gross written premium	181,915	28,411
Gross earned premium	94,760	15,393
Gross incurred losses	55,404	11,772
Gross operating expenses	46,621	8,081
Gross technical result	**(7,264)**	**(4,460)**
Net written premium	19,871	2,550
Net earned premium	9,855	1,837
Net incurred losses	6,055	1,397
Net operating expenses	8,382	2,156
Net technical result	**(4,582)**	**(1,716)**

During the 2025 financial year a net underwriting loss of £4,582k was generated, compared to £1,716k loss in 2024. Total gross written premium for the year was £181,915k (2024: £28,411k) with the majority of the premium generated by the Property line of business representing 53% (2024: 61%). Liability is the other major line of business accounting for 42% (2024: 36%).

The insurance operations utilise a mix of proportional and non-proportional reinsurance contracts to mitigate underwriting risk from a diversified and well rated panel of reinsurers. Net written premiums were £19,871k for the year (2024: £2,550k).

Hadron UK had net incurred losses of £6,055k for the year resulting in a loss ratio of 61.4% (2024: £1,397k or 76.1%). Property accounted for £3,153k or 52% of the net incurred losses (2024: £720k or 51.5%) with the remainder attributable to Liability lines.

Net operating expense of £8,382k in 2025 (2024: £2,156k) represents administrative expenses and acquisition expenses. The technical net combined ratio of 50.5% in 2025 (80.2% in 2024) reflects pure underwriting results excluding allocation of any administrative costs.

The table below shows the composition of the net technical results by line of business for the Hadron UK Group.

Table 2: Underwriting result by class of business: 2025 financial year (UK GAAP)

£'000	Gross written premium	Net earned premium	Net claims incurred	Net operating expenses	Net technical result
Fire and other damage to property insurance	97,219	5,230	3,153	4,449	(2,372)
General liability insurance	76,100	4,552	2,874	3,872	(2,194)
Miscellaneous financial loss	8,393	72	33	61	(22)
Legal expenses insurance	203	1	(5)	-	6
Total	**181,916**	**9,855**	**6,055**	**8,381**	**(4,582)**

Table 3: Underwriting result by class of business: 2024 financial year (UK GAAP)

£'000	Gross written premium	Net earned premium	Net claims incurred	Net operating expenses	Net technical result
Fire and other damage to property insurance	17,384	905	720	1,186	(1,001)
General liability insurance	10,256	931	676	969	(714)
Miscellaneous financial loss	771	1	-	1	0
Legal expenses insurance	-	-	1	-	(1)
Total	**28,411**	**1,837**	**1,397**	**2,156**	**(1,716)**

A.3 Investment Performance

Table 4: Investment Results (UK GAAP basis)

£'000	2025	2024
Investment income (gross)	**283**	**414**
Interest on deposits retained from reinsurers	(479)	(7)
Other income and expenses	(35)	(77)
Net investment income	**(231)**	**330**
Realised gains/(losses)	83	(57)
Unrealised gains/(losses)	1,822	224
Total realised and unrealised gains/(losses)	**1,905**	**167**
Total investment results	**1,674**	**497**

The investment results shown in the above table are for Hadron UK based on the UK GAAP annual statutory accounts. During the year, the Company disposed of its direct holdings in corporate and government fixed interest securities and reinvested the proceeds into Mercer pooled funds, providing enhanced diversification, daily liquidity and operational efficiency. The underlying assets of those schemes comprise corporate bonds, gilts, and cash.

Investment income from interest on cash deposits total £283k (2024: £414k). Total investment results were higher than in the prior year, driven by stronger unrealised gains in 2025 following a reduction in yields, which increased the net asset value of fund investments. This was partly offset by higher interest on deposits retained.

The investment portfolio is invested in UK government securities, rated AA, and investment grade global government and corporate bonds with a short duration profile. The portfolio therefore retains a high overall credit quality, with the majority of underlying exposures rated investment grade or better.

Our conservative investment strategy focuses on matching assets with liabilities coupled with risk management activities that include detailed monitoring of investments on a regular basis.

The Board will continue to oversee investment activity and performance.

A.4 Performance of Other Activities

No further information to be reported.

A.5 Any other information

No further information to be reported.

B Systems and Governance

B.1 General Information on the system of governance

Corporate Governance

Hadron Group adheres to a robust corporate governance framework that ensures effective risk management, accountability, and compliance with relevant regulatory requirements. This governance structure is designed to support the business objectives while maintaining adequate financial resources and organising and controlling its activities responsibly.

A well-constructed governance structure is key to Hadron Group's success. This governance structure allows it to meet its legal and regulatory obligations, whilst delivering good customer outcomes; and setting the tone from the top for a risk first culture. There are various different sections to this approach, and they include:

- The Board
- Board Committees
- Management Committees
- The SMF managers
- The Independent Non-Executive Directors
- The Certification Staff

Board

The Board forms a key part of the governance structure, setting the overall strategy and strategic direction for the Company.

The Board consists of an equal mix of Executive and Non-Executive Directors and is attended by other senior managers and executives as required. The Boards Terms of Reference, ('TOR'), sets out the matters reserved for the Board.

The Hadron UK Insurance Limited Board of Directors has oversight of the various Board Committees documented below, each chaired by an independent non-executive director

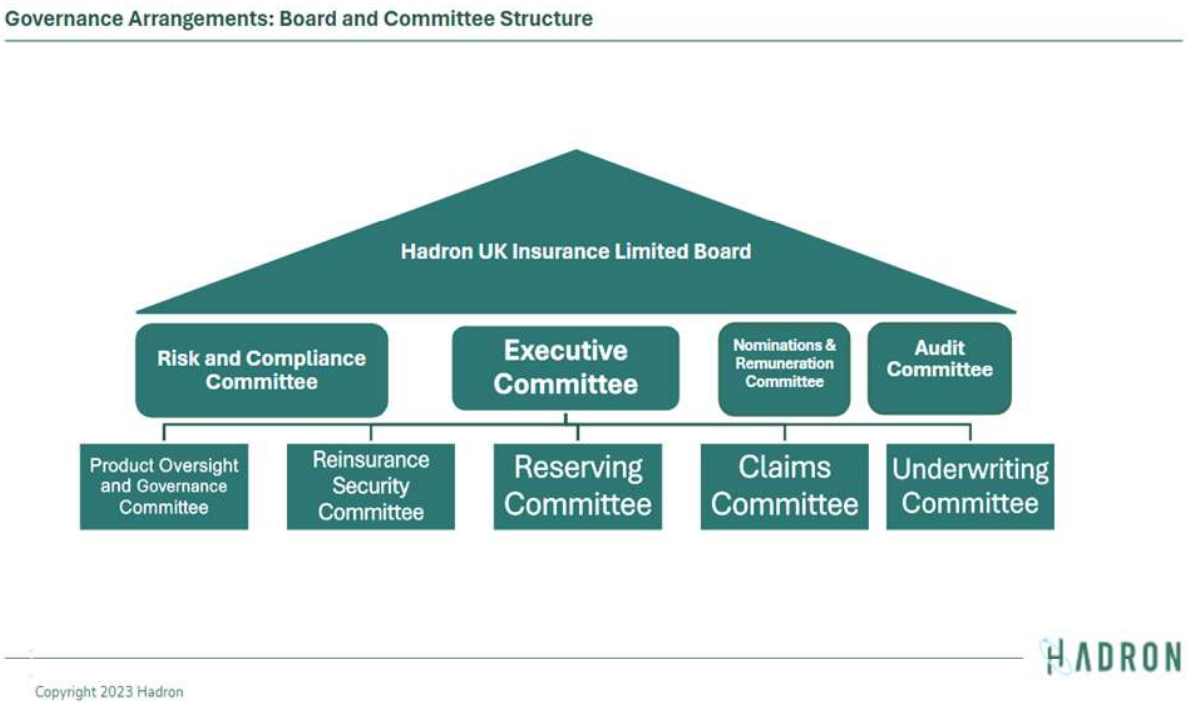
To ensure it remains effective, the Board meets every quarter, and ad-hoc as required.

Current Board of Directors

Name	Role	Comment
Sean Rocks	Chair of the Governing Body Chair of the Risk and Compliance Committee Chair of the Audit Committee	Mr. Rocks, an experienced Senior Executive within the Insurance Industry, provides his guidance and expertise as Chair of the Governing Body as well as chairing the Risk and Compliance Committee and Audit Committee.
Adrian Harris	Senior Independent Director	Mr. Harris is an experienced NED with a wealth of experience in the sector.
Colin Johnson	Chief Executive Officer ('CEO')	Mr. Johnson is the CEO and is one of the two Executive Directors.
Greg Guelfand	Chief Financial Officer ('CFO')	Mr. Guelfand is the CFO and one of the two Executive Directors.

Board Committees

The Board is supported by Board and Management Committees, each of which has its own Terms of Reference and the members and key function of each is summarised below.



- **Audit Committee**

The Audit Committee meets at least quarterly, and ad-hoc as required, and is responsible for monitoring Financial Reporting, ensuring integrity of the Board and the Company, controlling and maintaining oversight of internal and external auditors including appointment and removal. This Audit Committee reviews and monitors current investments and investment performance reviews whilst maintaining the Company's Investment Risk Policy.

- **Risk and Compliance Committee**

The Risk and Compliance Committee meets at least quarterly, and ad-hoc as required, and is responsible for oversight of the Risk Function and Risk Framework including overseeing the Company's Risk Appetite, Risk Strategy and Risk Systems and Controls. It provides oversight of Risk Reviews, Risk Policies and the Risk Register. It also has oversight of the Compliance activity within the Company and any regulatory interactions.

- **Nominations and Remuneration Committees**

A sub-committee of the Board and comprised exclusively of the independent Non-Executive Directors; the Nominations and Remuneration Committee is responsible for reviewing the terms and conditions of employment

along with compensation and remuneration including incentives of senior staff and approves new Senior Management Function holders and Director appointments, it meets annually, or as required.

- **Executive Committee**

The Executive Committee is responsible for the day-to-day management activities within the Company, including finance, operations, underwriting, compliance and risk; whilst developing and implementing the strategy, as well as considering resourcing and budgets. The Executive Committee meets monthly.

- **Claims Committee**

The Claims Committee oversees claims administration, reinsurance exposures, individual loss reserving adequacy, and claim trends (including inflation, large losses, and legacy run-off), while reviewing emerging risk areas such as climate, cyber, complaints, operational resilience, and regulatory change. It ensures the Reserving Philosophy is consistently applied, maintains the Claims Risk Policy, and reports its findings to the Board and Reserving Committee. The Claims Committee meets quarterly.

- **Reserving Committee**

The Reserving Committee provides challenge, oversight, and strategic direction over Company's reserving processes and technical provisions, ensuring reserves are adequate to meet claims obligations and comply with regulatory requirements (Solvency UK, IFRS 17) and actuarial standards. It oversees methodologies, assumptions, IBNR development, and capital implications, while informing underwriting, pricing, and strategic decisions through analysis of claims trends, inflation, and emerging risks across live, legacy, and run-off portfolios The Reserving Committee meets bi-annually.

- **Underwriting Committee**

The Underwriting Committee meets at least quarterly, and ad-hoc as required and is responsible for overseeing the appointment, monitoring and performance of the MGA, programs or Portfolios that will be underwritten by the Company. It also sets the Underwriting Risk Appetite for approval by the Risk and Compliance Committee.

- **Product Oversight and Governance Committee**

The Product Oversight and Governance Committee oversees the development and performance of the Company's products, meeting as required to review new products as well as review existing products on a risk based approach.

- **Reinsurance Security Committee**

Oversees and manages the credit risk and solvency implications associated with the company's reinsurance program at both the Group and individual Insurance Company level. The Reinsurance and Security Committee meets at least quarterly, and ad-hoc as required.

The Senior Management and Certification Regime

The Group is subject to the Senior Managers and Certification Regime (SMCR) which is a regulatory framework that came into force on 12 December 2018. The primary purpose of the regime is to strengthen accountability and governance and to ensure that the Senior Managers of an Insurance Company conduct themselves with honesty, integrity, and diligence. Hadron UK has a number of Senior Management Function holders who are individually authorised by the regulators to discharge Senior Management Functions.

These individuals are selected on the basis of their competence to undertake those functions, but also on the strength of how the individual complements the Group's strategy with regard to the markets in which it operates.

Each SMF manager has a prepared statement of responsibilities, which is a summary of the controlled functions; prescribed responsibilities; and overall responsibilities for which the SMF manager is responsible. The fitness and propriety of the SMF managers is subject to initial assessment on onboarding, and to ongoing monitoring, attestation and validation checks at least annually through the course of their engagement in accordance with the Group's Policies and Standards on vetting.

During 2025 and 2026, the following changes and additions were made to Hadron UK's portfolio of SMF managers:

- Colin Johnson was appointed as Chief Executive Officer (SMF1) (25 February 2025), and Interim Chief Underwriting Officer (SMF23) (since February 2026 following the departure of John Andrews).
- Jonathan Haasz was appointed Chief Risk Officer (SMF4). Approval was granted on 20 February 2025
- Kathryn Moore was appointed as Chief Actuary (SMF20) . Approval was granted on 5 March 2025.
- Lee Curtis was appointed as Chief Operations Officer (SMF24) (13 June 2025)
- Karim Uddin was appointed Compliance oversight (SMF16), and MLRO (SMF17) (07 April 2026)
- John Andrews ceased being CUO (SMF23) (06 February 2026)

Independent Non-Executive Directors ('INEDs')

Hadron UK is cognisant of the PRA's expectation for firms of its size to have at least two Independent Non-Executive Directors on its Board. This independence is important to challenge the Company strategy. To this end Hadron is committed to ensuring at least two INEDs are on the Board and is actively seeking to recruit a further INED by the end of the year. At present the Chair of the Board, who is an INED, has the deciding vote to ensure decisions are balance in favour of independence.

The Certification Staff

As a UK Solvency insurer, Hadron UK employs individuals who perform key functions that fall within the Senior Managers and Certification Regime as who must be certified. These individuals form the certification staff, and their fitness and propriety is subject to annual attestation by Hadron UK. These individuals perform a key role in the Governance of Hadron UK by leading functions, such as claims, and attending Management Committees and other forums where their expertise is required.

At present the Group Head of Claims, James Riddiford is a certified individual.

B.2 Fit and Proper Requirements

All Hadron UK staff go through a thorough interview process before being offered a role within Hadron UK. If successful, the prospective employee then undergoes basic employment checks, which includes references, criminal records check and a credit check.

On an annual basis, all existing employees are required to complete a good repute declaration confirming that their personal circumstances have not changed in a material way which would affect their fitness and propriety to carry out their role.

Hadron UK Senior Manager Function (SMF) Holders are required to have an annual fit and proper assessment and Regulatory References are sought for all SMF holders before their application is submitted to the Regulator, in addition to the checks performed for all employees.

A Skills Gap Analysis and a Training and Development Plan are retained for all staff who hold a Senior Manager Function; identifying areas relevant to their responsibilities and rating their competencies in these areas as considerable; moderate; or limited. This analysis contributes to the training & development actions required to bring the senior managers to the required standards.

In accordance with the Senior Management Arrangements, Systems and Controls (SYSC) rules set by the FCA all employees are required to undertake certain hours of CPD per year, depending on their role. To meet this objective, Hadron UK utilises a Training Management System. These comprise a number of E-learning modules on essential regulatory topics including conduct rules, financial crime, and data protection.

Hadron UK's Risk and Compliance team also produce content to present to the different teams. This allows employees of Hadron UK to ask questions and contributes to maintaining the correct culture that is a priority for Hadron UK.

Each learning path will look slightly different for each employee reflecting the tailored learning path to the department/individuals' job role and seniority; for example, senior managers receive a module on the Senior Managers and Certification Regime.

Hadron UK understands the importance of maintaining and updating knowledge to keep up to date with the wider market and therefore relevant stakeholders within Hadron UK undertake an annual exercise to review the available training content and create a new learning path for the following year to ensure the content is up to date and in line with Regulatory 'hot topics', whilst also repeating essential compliance training subjects annually.

For firms we delegate authority to, we seek a training & competency framework and policies as well as CVs for any key staff noted during our due diligence process to confirm the employees associated with them are adequately trained to perform the role they are doing. We also monitor any changes to the Senior Management and Directors of our MGA and also expected to be notified of any key personnel changes.

B.3 Risk management system including the own risk and solvency assessment

The Group's Risk Management Framework refers to a collection of policies, standards and procedures (either individually or as they sit within an aligning Framework) which assists Hadron UK to effectively, and equally as important, holistically, manage the risks it faces in pursuit of its strategic objectives. The Group identifies risk at the

level of the solo insurance carrier within the group. The Risk Management Framework sets out high level ideologies, detailed methodologies, and operational guidance to help employees better understand and effectively manage the risk that they face in their roles.

Hadron defines risk as a potential event that could impact the achievement of its objectives, where the outcome of the risk can either be positive, an opportunity, or negative, a threat.

To manage risk the Company has embedded an Enterprise Risk Management ('ERM') Framework and actively seeks to enhance this proportionally to the growth of Hadron UK. This framework ensures a consistent approach to identifying, assessing, managing and reporting on Risk.

The primary purpose of the ERM Framework is to:

- Ensure decisions made are in line with the Risk Appetite set by the Board
- Understand, and mitigate the risk of adverse financial impact of risk
- Ensure appropriate protection is in place for policyholders
- Ensure Hadron UK can meet its regulatory, and internal and external stakeholder obligations.

The ERM Framework centres around our risk culture and aims to adopt best practice in risk management, aligned to the strategic objectives and planning of the Company, keeping a line of sight on interdependence between risk management and controls, risk transfer and corporate governance.

The Senior Management Team then provide appropriate oversight and leadership within the Company to ensure the embedding of the risk culture, the effectiveness of the systems and controls to manage, mitigate and transfer risk and the Corporate Governance to ensure appropriate reporting.

Risk Management Documentation

There are various components to the Risk Management Framework.

These components are documented through a full suite of Policies and Procedures including:

- The Risk Management Policy
- Group Risk Appetite Statement
- Investment Risk and ALM Policy
- Outsourcing Policy
- Operational Resilience Framework and Policy
- Own Risk and Solvency Assessment (ORSA) Policy
- Technical Provisions Policy
- Capital Management Policy
- Claims Risk Policy
- Credit and Counterparty Risk Policy
- Underwriting and Reserving Policy
- Product Governance and Oversight Policy
- Business Continuity Plan

Risk Management Framework

The Risk Function is responsible for effecting the Company's Risk Management Framework and executes its duties objectively and independently. The Function is responsible for ensuring that all of the Company's significant risks are identified, assessed, managed, and duly reported. To ensure that risk underpins all management decisions, the Function is also actively involved in mapping out the Company's risk strategy to its objectives and embeds itself in the decision-making processes that have a significant influence on the firm's risk landscape.

As part of its obligations, the Risk Function has an established risk review and reporting process in place to ensure each level of the governance structure gets the right data, at the right time, to make informed decisions with respect to the overall achievement of the firm's strategic goals.

The Risk Framework includes quarterly 'Top Risks reviews with Risk Stakeholders, which includes reviewing the micro and macro environment to assess the risk landscape and analysing key risk indicators and identified risk responses to assess threat levels on an individual basis as well as 'deep dives' into higher rated risks to assess the risk, and controls, at a more detailed level.

The Framework also includes other risk monitoring procedures to ensure that the firm has adequate sight of its threat levels such as an annual evaluation of the adequacy and effectiveness of the internal control framework, the annual risk and control self-assessment process, and the own risk and solvency self-assessment process.

Our Risk Management Framework is designed to ensure effective identification, measuring, monitoring, and reporting of any risks to the achievement of the Group's business objectives.

Further to this, the Company also has a robust Risk Appetite Framework, setting out the Risk Appetite to;

- Our business model and sustainability
- Capital and Solvency
- Business resilience

The level of risk the Group is willing to accept, set out in the Risk Appetite Statements, is used in conjunction with the remaining information extracted from various assessments to set Risk Appetite objectives, tolerances, statements, Key Risk Indicator's, and risk response plans.

Board Visibility

To ensure that the Risk Management Framework is effective and well-integrated into the organisation structure and informed decision-making processes, risk management is either the focus of, or a standing agenda point of the Board, the Risk and Compliance Committee, and the Executive Committee. There is an established Board-level Audit Committee that is responsible for oversight of the effectiveness of systems of internal controls; all internal and external audit activities; monitoring of any significant pending legal actions; and review and challenge of Hadron UKs financial statements.

The Risk and Compliance function(s) also attend this committee to provide assurance and challenge to the operational effectiveness and performance of the first (business units) and third (internal and external auditors) lines of defence.

The ORSA Process

The Own Risk & Solvency Assessment (the ORSA) is an annual risk management process that seeks to document, consider, and equate an insurer's established systems and controls to its balance sheet strength. It therefore forms an important and integral part of a firm's Risk Management Framework.

The Board approved ORSA Policy sets out the associated governance landscape for the assessment. It outlines the key established processes, procedures and controls that support the establishment, maintenance, and embedment of an ORSA within the firm, including a description of the processes and procedures in place to conduct and approve the ORSA and consideration of the link between the consolidated risk profile, the approved risk appetite statements, and the solvency requirements.

The process itself sets out to utilise both quantitative (Standard Formula) and qualitative (empirical analysis) methods to identify the set of material risks to which the firm is exposed, assess the measures in place, and calculate the levels and caliber of capital needed to manage the firm's material risks of which the relevant results are produced through the ORSA. All operational detail underpinning the ORSA baselines are agreed by the Executive Committee prior to being referred to the Risk and Compliance Committee for recommendation of approval to the Board.

The tiered review approach ensures a realistic and holistic view of the risk environment so that it properly reflects the nature of the risks faced now and in the short to medium term, in line with the business planning period. In particular, the identified Material Risks have been subjected to rigorous assessment and a range of stress tests/scenario analysis to assess the impact on the solvency position were these events to occur.

Stress and Scenario Testing

Stress and Scenario tests employed are approved by the Risk and Compliance Committee and performed at least annually or more frequently as determined by the Risk and Compliance Committee.

The Stress and Scenario Tests are used to set, and review the Risk Appetite of the Company and enable it to to garner a better understanding of the risks faced by the Group and the insurance company under defined stress conditions. The results provide an important input into the ORSA and the validation of the appropriateness of the Group Regulatory Capital.

Regular stress testing and scenario analysis ensure resilience in the face of market downturns, regulatory changes, or catastrophic events:

- Scenario Development: Creating realistic stress scenarios;
- Impact Analysis: Assessing the financial and operational impacts; and
- Mitigation Strategies: Developing responses to identified risks.

The Company regularly conducts stress testing and scenario analysis to assess the resilience of our reinsurance arrangements under adverse conditions. This includes:

- Scenario analysis for reinsurer default and assessment of impact on the Company's capital position.
- Evaluation of the financial and operational impact of these scenarios.
- Development of mitigation strategies for identified risks.

The Board may also determine that an out-of-cycle ORSA should be completed in prescribed circumstances as set out in the ORSA Policy.

These instances require formal Board approval and include, but are not limited to:

- an intended acquisition or divesture;
- establishing a new line of business;
- a major amendment to the established risk appetite settings;
- a major amendment to the established reinsurance arrangements;
- a portfolio transfer or major changes to the mix of business or assets;
- a significant change in any related regulation (that would potentially impact our balance sheet strength);
- a new or re-assessed threat to solvency identified by Stress and Scenario testing or any other method; and;
- a request from the PRA to undertake an out of cycle ORSA.

The availability and quality of data used within the ORSA process will be continually assessed to seek to ensure that it retains the highest standards in terms of completeness and appropriateness.

The ORSA by its nature will always be forward looking, and the Group will always seek to include as a minimum, a future time horizon of at least three years.

B.4 Internal control system

The Group has in existence an Internal Control Framework (ICF) which acts as a record of all controls in operation across the business.

The framework is made up of a number of diverse mechanisms for mitigating and managing risks which may impact the business achieving its objectives. These mechanisms are segregated into three distinct functions:

- Control objectives - help to establish the scope necessary to address a threat;
- Controls - the technical, administrative, or physical safeguards that exist to prevent, detect, or lessen the ability of a threat to exploit a vulnerability; and
- Control activities - a formal method of execution based on a series of actions conducted in a certain order or manner to meet an identified objective.

Governance of this Framework is demonstrated through monitoring, frequent reassessment, and validation of each identified mitigation mechanism as a business-as-usual activity undertaken by the First Line on a regular basis, and through Compliance Monitoring and the quarterly Risk & Control review process carried out at the Second Line.

The First Line of Defence is responsible for drafting and recording any relevant control documentation. This process is completed on a regular basis and at least annually.

The Risk Function is responsible for maintaining a centralised record (the Control Library) of all internal controls; control documentation; and details of control assessments.

Control assessments can significantly extend the reach and visibility of risk and compliance functions by providing a more intimate view of how a control interacts with the risk environment, its precision in relation to the targeted threat, and its overall effectiveness in threat mitigation.

These assessments play a critical role in how the overall Risk Management Framework provides protection to the Firm's assets. Control assessments are conducted against how a control is designed and how effective a control operates.

This assessment approach encourages an identification process with respect to Framework gaps or the onset of control failures. Control assessments are completed as part of the quarterly risk assessments.

All assessments must be unbiased, up to date, complete (including adverse information) and delivered timely. The outputs of these assessments must be reported upwards in a timely fashion to enable management to make informed decisions.

Similarly, management should communicate the informed decisions made as part of the overall embedment of an effective control environment to increase efficiency and the cohesive understanding of the Group's goals and vision.

B.5 Internal Audit Function

The regulated firm within the Group is committed to ensuring that Internal Audit (IA) provides reasonable assurance to the Board that major business risks are being managed, and that the framework for risk management and internal control is operating effectively. Reflecting the scale of the business, the Board considers that this can most effectively be achieved by outsourcing the IA function to an appropriately skilled and resourced partner selected via a tender process set by the Audit Committee. The function constitutes the 'third line' of defence by providing independent review, challenge, assurance, and validation of the effectiveness of the internal controls.

The Internal Audit Function is currently outsourced to Grant Thornton, see section B7, who take a risk-based approach to audits .

The Internal Audit Plan and Audit Charter has been reviewed and approved by the Executive Leadership Team and the Audit Committee. Any audit findings and recommendations will be monitored by the Audit Committee and reported to the Board with an Executive Owner assigned responsibility to ensure timely completion of any remedial or enhancement items.

The Internal Audit Function provides assurance to the Audit Committee and the Board that the appropriate systems and controls are in place throughout the organisation and operate as expected.

The Internal Audit function is not responsible for establishing or maintaining internal controls, as this is the responsibility of the 'first line', however the effectiveness of the internal systems of control can be enhanced by the recommendations from Internal Audit reviews, which are set by way of thematic reviews conducted to a planned schedule and reported to the Audit Committees spread throughout the year.

B.6 Actuarial function

The Actuarial Function, including that of the Chief Actuary, is currently outsourced to Broadstone Regulatory and Risk Advisory Limited. The Actuarial Function plays a critical role in the management of some of the Company's key risks, including the adequacy of claims reserves, the Solvency UK technical provisions, and carrying out the

calculation of the Company's Solvency Capital Requirement (SCR) in accordance with the Standard Formula adopted by the Company.

The Chief Actuary reports directly to the Board and the Audit Committee.

The outsourced Actuarial Function of the Company will:

- Have access to all necessary resources and information systems,
- Co-ordinate with Finance for the calculation of the Technical Provisions, applying the appropriate methodologies and procedures to assess the sufficiency,
- Assess any uncertainties associated with estimates,
- Calculate the Technical Provisions (including IBNR)
    - Ensuring the appropriateness of methodologies, models and assumptions
    - Assessing the adequacy and quality of data used
    - Informing the Board on the reliability of the calculations
- Analyse the movement in technical provisions, including the comparison of the best estimate against experience
- Express an opinion on the underwriting policy and adequacy of reinsurance arrangements
- Contributing to the effective implementation of the risk management system, in particular to the modelling risk aspect of the ORSA and MCR/SCR calculations.

B.7 Outsourcing

As part of Hadron UK's business model certain functions are outsourced to third parties. The Group does not contract out of any of its regulatory obligations, the oversight and monitoring of the performance of these outsourced functions, as well as the responsibility for them remains with Hadron and the Board.

Where an outsourced activity is deemed a material outsourcing arrangement, additional due diligence is undertaken before that activity is outsourced, and further, the PRA are notified of the outsourcing before it occurs.

Hadron UK defines a material outsourcing arrangement, or 'MOA' as either:

a) a service without which there is serious doubt that the Company would comply with the FCA's Threshold Conditions, compliance with the FCA Principles for Business, of continuing compliance with the PRA's Fundamental Rules; or
b) critical or important operational functions or activities to which PRA Supervision Statement 2/21applies.

At the time of preparing this Solvency and Financial Conditions Report, the following services are outsourced:

- Internal Audit; which is outsourced to Grant Thornton
- Actuarial support and Chief Actuary which is outsourced to Broadstone Regulatory and Risk Advisory Limited
- Investment Management which is provided by Mercer (appointed 29 January 2025)
- Insurance Distribution and Claims Management provided by Accelerant Agencies Limited
- Delegated underwriting and claims handling provided by three independent MGAs
- Claims Management of the historic Folgate Claims (run-off) by Reserv Inc

- Intra-group arrangements, such as the provision of certain non-regulatory related services – IT and IT security

B.8 Any other information

No further information to be reported.

C Risk Profile

Hadron underwrites commercial insurance that can be broadly characterised as Property, General Liability, Professional Malpractice, Professional Indemnity, and Warranty.

The Company's strategy sets out the ambitions for Hadron UK, which is to enhance the access, growth and affordability of insurance by efficiently and transparently connecting insurance distribution to insurance risk capital, leveraging advanced technology and data to build greater insight and trust across the insurance value chain.

Hadron UK's writes a diverse portfolio of SME and larger commercial business.

Hadron UK maintains a Risk Register which details the assessment of the recorded risk and the accompanying controls. Not every risk is recorded, only those which could have some financial impact on the Company above a de-minimis level or has a likelihood of occurring greater than 1 in 250 years.

The Risk Register is reviewed quarterly by the Risk and Compliance Committee and prior to that Risk Stakeholder Workshops are conducted with each risk owner before being reviewed with the executive owner.

Risks are broadly recorded against one of the following categories and encompasses the following exposures:

- Insurance Risk
- Market Risk
- Credit Risk
- Liquidity Risk (Solvency)
- Operational Risk

Additionally strategic, group and emerging risks are not directly covered by Solvency UK standard formula calculation because they are inherently difficult to quantify or by nature such that capital is not the most suitable way of mitigating them. For these risks qualitative risk assessments and risk mitigations are performed.

Table 5: Group SCR by Risk Category
As at 31 December 2025

£'000	SCR 2025	SCR 2024
Market risk	2,606	232
Counterparty default risk	4,875	2,103
Non-life underwriting risk	10,872	6,369
Operational risk	4,473	462
Total (before diversification)	22,826	9,166
Diversification benefit	(3,444)	(996)
Solvency Capital Requirement (SCR)	**19,382**	**8,170**

Table 6: Company SCR by Risk Category As at 31 December 2025		
£'000	SCR 2025	SCR 2024
Market risk	2,606	232
Counterparty default risk	4,801	2,093
Non-life underwriting risk	10,872	6,369
Operational risk	4,456	462
Total (before diversification)	22,735	9,156
Diversification benefit	(3,424)	(993)
Solvency Capital Requirement (SCR)	**19,311**	**8,163**

Risk Appetites

Risk Appetites are set by the Board and define the level of risk the Group is willing to take in pursuit of its strategic objectives. The Risk Appetite Statements consider the significant risks faced by the Group in its ordinary course of business. These Statements are then documented with Hadron's Risk Policies as well as our ORSA and reviewed regularly by the Risk and Compliance Committee, and then the Board.

The stress testing detailed above provides the Group with an increased understanding of the potential impact of significant changes to the firm's risk profile when underlying components are exposed to shocks.

Additionally, the ORSA capital requirement documented above allows for several stresses calibrated to cover extreme risks that are very unlikely, including:

- Reinsurers Downgrade Stress: 1 notch downgrade of all reinsurers (i.e. from A- to BBB+).
- Market Risk Stress: 1% increase in bond yields.
- Climate Change Stress: A European Inland Flood based on Lloyd's realistic disaster scenario.
- Combined Scenario: Simultaneous occurrence of multiple moderate stresses.
- Reverse Stress Test: Simultaneous occurrence of multiple stresses to identify a scenario that would cause business model failure.

C.1 Underwriting Risk (Insurance Risk)

As an insurance company the primary risk Hadron UK faces relates to its underwriting (insurance) activities, and associated claims.

Hadron Group defines Insurance Risk as 'the risk of losses owing to the insurance premiums received being less than the resulting claims payments and expenses in any given year' together with the risk of the reserves held being insufficient to cover future claims payments. Insurance/underwriting risk therefore also includes Pricing Risk and Reserving Risk. Given Hadron UK's current distribution model, concentration in a single MGU partner is the primary structural underwriting risk and is being actively managed through diversification of the MGA/MGU portfolio; see Section C.6 for detail.

Some of the mitigations to Insurance Risk are set out below, and most importantly are enshrined in our Underwriting Philosophy.

The Core Principles of Hadron Group's Underwriting Philosophy

At the heart of our Underwriting Philosophy are several core principles that guide our operations and decision-making processes:

- Comprehensive Risk Assessments: The Company employs a detailed understanding of risk drivers, counterparty risk management, and systematic portfolio monitoring. All MGA partners are required to submit monthly premium and claims bordereaux in Hadron's standardised format. These are ingested into Hadron's data platform, validated against programme parameters, and used to produce performance dashboards reviewed by the Programme Management and Underwriting teams. This infrastructure provides near-real-time visibility of portfolio composition and loss experience across all active programmes, enabling timely identification of performance exceptions and out-of-appetite underwriting.
- Careful Partner Selection: The Company aligns with MGAs and MGUs that demonstrate strong management, niche expertise and experience in their respective target sectors, and an unwavering commitment to underwriting excellence and profitability.
- Good Customer Outcomes: Monitoring and regularly reviewing the outcomes that our customers are experiencing in practice and taking action to redress any failures or risks that would impact good customer outcomes, ensuring that all TPAs deliver an effective service that supports these outcomes.
- Data-Centric Approach: The Company's underwriting strategies are built on rigorous data collection, analysis, and utilisation. This ensures transparency and facilitates continuous performance improvement, helping us anticipate market trends and emerging risks.
- Regulatory Compliance: The Company maintains a steadfast commitment to meeting and exceeding regulatory standards, contributing to market stability and integrity.
- Enterprise Risk Management ('ERM') Integration: Our underwriting decisions are integrated within our ERM framework, ensuring alignment with its broader risk appetite and strategic objectives.

Portfolio Diversification Strategy

The Company implements a deliberate portfolio diversification strategy that extends beyond the SME sector to also include larger commercial enterprises. This strategic approach:

- Balances risk profiles across various business segments and sizes
- Optimises capital efficiency
- Provides portfolio stability through a mix of risk types and sizes

Hadron's Strategy for Delivering on the Underwriting Philosophy

Hadron Group's Policies and Procedures demand the highest standards of risk management, regulatory compliance, and operational excellence within the portfolio of MGUs and MGAs with delegated authority.

Hadron UK requires strict adherence to the stated Underwriting Philosophy.

Hadron UK ensures compliance with the underwriting strategy by its delegated MGUs and MGAs by, amongst other things:

- Carrying out in-depth due diligence on all aspects of the MGAs underwriting ability including analysis of past results, the quality of individuals within the MGA's underwriting and operational teams and their use of data
- Regular monthly or quarterly account meetings with MGAs to review metrics, risks written and their adherence to mutual underwriting appetites, pricing reviews and impact of claims inflation, policies and philosophies;
- Exercising oversight over underwriting operations of delegates and third-party administrators; and
- Undertaking regular audits of MGAs to ensure the delegate is meeting the agreed service standards.

The following procedures, controls and approach to the practice are central to the delivery of the underwriting strategy and ensuring a single approach to underwriting amongst the pool of delegates utilising Hadron UK's authority to bind contracts of insurance.

All new MGA partners and programme renewals are subject to Hadron's structured onboarding process (PULSE), which encompasses formal triage, cross-functional due diligence, pricing review, and Underwriting Committee approval before binding authority is granted. The PULSE framework ensures that only partners meeting Hadron's minimum standards for underwriting capability, data quality, regulatory standing, and profitability are admitted to the programme portfolio.

Risk Selection Approach

Our approach to Underwriting risk in target segments includes:

- Rigorous assessment of industry-specific risk factors;
- Prudent policy limit management;
- Exposure monitoring across geographic and business lines; and
- Regular performance reviews against targeted metrics

By strategically focusing on these areas Hadron Group will progressively enhance its portfolio diversification whilst maintaining appropriate risk controls.

Underwriting Guidelines and Strategy Statements

Hadron Group has developed detailed Underwriting Guidelines which provide clarity on:

- Risk Selection Criteria including guidelines for assessing insurability;
- Pricing Framework involving: market-aligned pricing to maintain profitability; and
- Product development and oversight of all current and new product offerings.
- Portfolio composition across key business segments
- Efficient use of capital

Delegated Authority Audit

Audit rights are included within Binding Authority Agreements issued by Hadron UK and the use of these rights assists Hadron Group to identify and manage the potential risks arising from its delegated authority.

In conjunction with all of the above diligence, monitoring and management, a separate independent audit will be performed ensuring coverage of each live MGA and Claims Third Party Administrator on a risk-based approach cycle basis. The Delegated Authority Audit scope will include:

- Underwriting;
- Contract documentation;
- Claims;
- Accounting;
- Reporting;
- Compliance (including Customer outcomes); and
- IT / Information Security

Audits are performed through a mix of both internal staff and external professional service firms to deliver the appropriate balance and oversight required. Regular reporting of findings is made to relevant Management Committees together with outstanding issue trackers to manage the timeline for resolutions. Hadron UK strives to audit all delegates to ensure compliance with the binder agreements and regulatory requirements. This in turn will provide Hadron UK with a clear understanding of how delegates are operating and whether refinements to the delegate's approach are required.

Risk Management and Regulatory Compliance

The Hadron Group places strong emphasis on robust risk management practices and regulatory compliance. We prioritise:

- Proactive risk prevention and efficient claims handling.
- Full adherence to UK regulations and industry standards.

Reinsurance Strategy

Hadron Group partners with highly rated reinsurance companies and independent reinsurance brokers to effect successful reinsurance placements on each program and as a whole.

The Company utilises reinsurance placements to manage capital requirements, protect the Company from catastrophic events, and mitigate program volatility. While the structure of these programs may vary the strategy and quality of the Company's partners will remain consistent.

The Company's portfolio is reinsured by a diverse set of high-quality reinsurers, predominately rated A- or better, or fully collateralised. These arrangements provide pro-rata coverage and are strategically supported by a comprehensive suite of inuring coverages through Facultative Excess of Loss, Per Risk treaties and tailored placement solutions designed to address specific Property, Casualty and Catastrophe exposures.

This layered protection framework optimises our risk transfer while maintaining alignment with our reinsurance partners.

Diversification is a key principle in the Group's reinsurance strategy. Hadron UK carefully manages concentration risk by setting and adhering to limits on its exposure to any single reinsurer in line with our Credit and Counterparty Risk Policy.

Collateral Management and Credit Risk Mitigation

Our approach to Collateral Management is set in our Credit and Counter Party Risk Policy that forms an integral part of our risk mitigation strategy. We implement collateral requirements based on reinsurers' credit ratings and financial strength, ensuring that Hadron Group has additional security in place to protect against potential defaults. Hadron Group's collateral management processes are dynamic, allowing for adjustments as market conditions or reinsurer circumstances change.

To further manage credit risk, Hadron Group employs a funds withheld approach where appropriate, ensuring focus and attention from each inuring cover placed. Hadron's credit exposure is also captured within its own capital requirements.

Pricing Risk

Pricing risk is defined as the risk that the premiums collected do not adequately cover the cost of incurred claims and expenses.

Detailed due diligence is performed for each MGA under consideration. This Due diligence process includes a risk assessment of the MGA's underwriting approach as described above. This includes reviewing their pricing strategy, rating structure and back-office functions. The Program Management Team includes experienced underwriters familiar with the classes and types of business being written.

As further highlighted above all programs are reviewed by the Underwriting Committee (whether brand new to Hadron or renewing), and all new products by the Product Governance Committee and this includes a review of pricing profitability, and fair value. Actuarial performance data is also presented to this Committee for consideration along with projected Net Loss Ratios and Combined Ratios. Our underwriting strategy set out above is designed to ensure the long-term sustainability and profitability of our portfolio, while adhering to regulatory requirements and aligning with our stated risk appetite of 48% Net Loss Ratio and a 98% combined ratio. It is underpinned by a disciplined approach to risk selection, pricing, and diversification.

Through regular stringent reporting and analysis policies imposed at Hadron UK we are able to continually monitor the aforementioned in order to gauge compliance within the Underwriting and Pricing Guidelines afforded to each MGA partner. Results of these findings are compared back across the original contractual documentation to ensure the Coverholder is underwriting within the terms of both their agreement and the initial appetites of both parties as set out at inception. Results of this analysis are shared with the MGA partners, Hadron UK management and Reinsurers. In the event an MGA Coverholder is found to be Underwriting outside of appetite or in breach of the original contract, Hadron will take action based on the terms and conditions of the contract.

Reserving Risk

Reserving Risk is where provisions made for settling claims prove to be inadequate.

Reserving Risk at an individual claims level is managed by a monthly Claims and Reserving Committee that reviews all claims with particular emphasis on losses above a set threshold (Large losses).

The historic level of IBNR reserves and Solvency UK Technical Provisions are compared with updated assessments to highlight insufficiencies and the impact of any required strengthening of reserves are fed back to the Audit Committee, with input from the Chief Actuary on a quarterly basis.

C.2 Market Risk

Market Risk means the risk of loss or of an adverse change in the financial situation of HUKIC, resulting – directly or indirectly – from fluctuations in the level and volatility of market prices of assets, liabilities and financial instruments. Market risk includes equity risk, interest rate risk, spread risk and currency risk.

HUKIC investment strategy is based on the principle of matching assets and liabilities. This strategy also ensures the Group fulfils its obligations to invest all its assets in accordance with the 'prudent person principle'. We aim to match investment assets by currency and duration to the liabilities and the underlying cash flows of the Company.

HUKIC has a limited risk appetite for market risk, deviations from the strict asset liability management driven allocations within the limits and regulations stipulated by the risk strategy and investment management agreement are permitted.

HUKIC has defined a conservative investment strategy with the majority of investment assets held in specifically designed Mercer funds that invest in high quality and liquid fixed interest securities such as corporate and government bonds. The investment matching strategy considers the duration of insurance liabilities. The company and the group have a very limited exposure to exchange rate risk as the majority of assets and liabilities are denominated in Pound Sterling (GBP).

The group total investments and cash held as of 31 December 2025 stood at £115.4 million, of which cash and equivalents represented 14%. Of the remaining, 86% was held in UK government securities, investment grade global government and corporate bonds and cash deposits with a short duration profile in Mercer pooled funds. As of 31 December 2025 the UK Group had no investments in equities, participation, property and derivatives.

The risk mitigation techniques for market risk are aimed at reducing the occurrence probability and size of losses. Asset liability management principles are applied consistently to provide sustainable protection.

The investment portfolio is invested in line with the asset allocation strategy and does not fall outside +/- 2%. The overall capital requirement for market risk was 11.4% and within set requirement not to exceed 15% of total undiversified capital requirements.

C.3 Credit Risk including Counterparty Default Risk

Credit Risk means the risk of loss or of adverse change in the financial situation of Hadron group resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors to which the group is

exposed, in the form of counterparty default risk or credit downgrade risk. The group is exposed to credit risk through its financial investments, reinsurance assets and debts owed by agents.

Credit risk arises from the reinsurance programs (proportional and non-proportional reinsurance), investments and receivables.

The main exposure to credit risk at the balance sheet date is to the UK Government Gilts funds, which together represent approximately 17% of the investment portfolio.

Hadron group is prepared to take credit risks resulting from the implementation of its business strategy. The group aims to bear risk against counterparties with sound financial position. Concentrations, notably in reinsurance and investments are monitored with reference to the type of counterparty and credit rating.

At the end of the financial year, 83% of Reinsurance recoverable had a category rating of excellent or better, which corresponds to A.M. Best ratings of (A or higher).

We monitor and manage credit risks on investments using the counterparty limits defined in the investment management agreement and risk strategy by selecting issuers or funds with sound financial position. We use external issuer ratings; all of Company's collective investments, including cash, at the end of the financial year had a Standard and Poor's rating of A- or above.

Receivables from insurance business comprises mainly premiums from policyholders not yet settled by intermediaries. We manage this default risk by carefully selecting and performing checks on our intermediaries, applying rules for payments and ongoing monitoring of the financial strength of our important business partners.

To mitigate credit risk arising from reinsurance counterparties, most of the programs are placed with reinsurers rated A- or higher. Moreover, HUKIC has agreed a "funds withheld" and trust collateral arrangements with respect to some of the reinsurance business placed in 2025 year to further mitigate credit risks.

C.4 Liquidity Risk

Liquidity risk means the risk that insurance entity is unable to realise investments and other assets to settle their financial obligations when they fall due.

It can arise in correlation with underwriting risks (especially when large claims payments must be made) and is managed through our liquidity management processes. The liquidity risk is not included within the standard formula SCR calculation.

The Group and Company have a high volume of liquid investments across the wide number of government and corporate issuers, in addition to cash deposits with banks. As at the end of the year, the group had a high concentration to the Mercer Cash Fund (money market, 52.2%), UK Government Bonds (19.8%), and Corporate Bonds (16.9%) of the investment portfolio including cash. The Mercer funds held by the Company carry the following overall external ratings: MGI UK Cash Fund – AA; Mercer Short Dated UK Gilt Fund – AA; and Mercer Short Duration Bond Fund – A-.

The Group and the Company place a substantial portion of its investments in liquid and highly marketable instruments in order to be able to meet additional payment obligations at all times. Moreover, the Company has agreements in the reinsurance contracts that would allow for additional liquidity in the event of large loss settlements.

C.5 Operational Risk

Operational risk is the risk from Hadron UK's internal practices, policies and systems that leads to a loss to Hadron or our Policyholders. The Company manages its operational risk through defined risk appetites, risk management practices, controls and control testing. The application of sound governance, risk management and control frameworks enable Hadron UK to bring its operational risk within an acceptable level that is proportionate to the size and complexity of the firm, while monitoring any potential events or incidents that could increase the risk level. The following are some of Hadron's key Operational Risks not discussed elsewhere in this SFCR.

C.5.1 Operational Resilience and Business Continuity

Operational resilience risk represents the risk of not being able to respond, or recover in a timely manner, to clients, policyholders, regulations or other stakeholders from a disaster, business interruption or other similar event. This could be natural or manmade disasters, such as pandemic, flood, terrorism or cyber-attack. Hadron UK has implemented an Operational Resilience Framework to consider its Important Business Services and set impact tolerances against those, together with plans and procedures to remain within those tolerances and has performed severe but plausible scenario tests on those plans to ensure the tolerance level will not be exceeded.

C.5.2 Outsourcing Risk/ Third Parties

As set out in B7 Outsourcing to Third Parties plays a key role in Hadron UK's business model with certain Material activities such as Insurance Distribution and Actuarial Support outsourced to Third Party Service Providers. Outsourcing Risk is the risk of financial or operational loss as a result of a failure of one of those service providers either in the delivery of the outsourced service, or financially. Hadron UK complies with the PRA Supervision Statement 2/21 on outsourcing arrangement and has an Outsourcing Policy.

Outsourcing Agreements are in place which define the services and the service level of the activities to be performed on Hadron UK's behalf. A thorough due diligence exercise, including reviewing the service providers operational resilience, financial soundness and Business Continuity Plans, is undertaken and a gap analysis and risks assessment presented to the Board.

There is also a process for second line audit and performance reviews. Hadron UK is in the process of developing a Third-Party Risk Management module within its recently sourced, Governance, Risk and Compliance ('GRC') tool to automate the due diligence and review process and to enable automated risk scoring, including identifying any 'red flags' for further exploration. This GRC tool enforces the Outsourcing Policy, and due diligence process before any third party can be on-boarded if they will be providing software or services to, or processing any data on behalf of Hadron UK.

A list of outsourced services was provided in B7.

C.5.3 Cyber and Information Security Risk

Cyber and Information Security Risk is the risk to the integrity of data or information and communication systems within Hadron Group from hostile third party or bad state actors, or negligent employees. Maintaining the integrity of Hadron's information and security systems is a top-risk to Hadron enterprise wide.

Hadron Group has an organisational structure that establishes, approves, implements, and monitors adherence to an Information Security Program through clear lines of authority and responsibilities.

Hadron Group has written a policy to ensure the security, integrity, and confidentiality of the firm's Insurance data and to protect against unauthorised access, alteration or destruction, or disclosure. In the policy it is detailed how each area is controlled within Hadron, and this has been adopted by Hadron Group.

All references to Hadron Group below therefore include HUKIC as the documented controls are directly applicable to it.

Ultimate Responsibility for IT systems and Security will sit with the HUKIC Board; however, oversight will be from the Risk and Compliance Committee with support from Internal Audit or Risk Management as required.

As part of additional efforts in 2025 to strengthen controls, the Hadron Group attained SOC 2 Type I and Type II recognition, confirming the design of its controls and their operating effectiveness over the observation period.

C.6 Other material risk

Hadron UK's current distribution model is based on a Master Binding Authority Agreement with Accelerant Agencies Limited ('AAL'), an arrangement we consider material, and managed in accordance with outsourcing procedures detailed above. As the first MGA partner, AAL represents a dependency risk with all business flowing from a single source.

Hadron Group is actively seeking to mitigate this by sourcing and partnering with additional MGAs from outside of the AAL relationship. Those partners will bring significant diversification to the products written, the geographical spread of business, the exposures incurred and much more. They all have to go through significant due diligence and must meet absolute minimum standards to qualify for Hadron partnership. Whilst this process is ongoing and Hadron Group build out the overall portfolio, the risk due to reliance on one single entity remains, albeit diminishing as we are continuing to engage with new MGA partners.

The Risk to Policyholders by the loss of AAL as a partner is mitigated by the existing reinsurance arrangements that are in place and would remain in place, and the surplus capital held above the SCR requirement. If Hadron were to stop writing new business from AAL, its surplus capital has already been calculated based on its existing policy-base but also takes into account potential future risk and liabilities which would cease to exist until new partners were found.

C.7 Any other information

No further information to be reported.

D Valuation for Solvency Purposes

Differences between figures in accordance with Solvency UK and UK GAAP for the Group.

Table 7: Solvency UK and UK GAAP for the Group as at 31 December 2025				
£'000	Solvency UK	UK GAAP	Solvency UK	UK GAAP
Assets	**2025**		**2024**	
Goodwill	-	33	-	33
Deferred acquisition costs	-	41,708	-	7,594
Intangible assets	-	50	-	50
Deferred tax assets	-	893	-	183
Investment securities	98,922	98,922	9,864	9,864
Reinsurance recoverables	64,040	150,309	12,481	30,259
Insurance and intermediaries receivables	627	51,138	2,391	14,450
Cash and cash equivalents	16,470	16,470	19,541	19,542
Any other assets, not elsewhere shown	2,831	2,996	114	218
Total assets	**182,891**	**362,519**	**44,391**	**82,193**
Liabilities				
Technical provisions - non-life	65,335	171,779	14,217	36,958
Best estimate	64,313	-	13,810	-
Risk margin	1,022	-	407	-
Deposits from reinsurers	39,341	39,341	1,776	1,776
Deferred tax liabilities	-	-	124	-
Insurance & intermediaries payables	-	42,320	-	9,139
Reinsurance payables	25,475	60,055	1,524	8,465
Any other liabilities, not elsewhere shown	19,386	18,813	4,243	4,270
Total liabilities	**149,537**	**332,308**	**21,884**	**60,608**
Excess of assets over liabilities	**33,354**	**30,211**	**22,507**	**21,585**

There are fundamental differences between the structure of a solvency balance sheet and a balance sheet prepared in accordance with UK GAAP. There are also differences in individual balance sheet line items regarding their recognition and measurement. As a result, direct comparison between line items in the table above is not possible in all cases. The recognition and valuation of assets, technical provisions and other liabilities assume a going concern basis.

D.1 Assets

We describe below the principles, methods and main assumptions on which valuation for solvency purposes is based for each asset class. We also explain the main valuation differences between Solvency UK and UK GAAP. Valuations are based on the Group and Hadron UK year end valuation of 31 December 2025.

Further information on the valuation of assets for UK GAAP financial statements can be found within the Company's financial statements.

Table 8: Assets - Solvency UK vs UK GAAP

Hadron UK Holdings GP (Group)

£'000	Solvency UK 2025	Variance 2025	UK GAAP 2025
Goodwill	-	(33)	33
Deferred acquisition costs	-	(41,708)	41,708
Intangible assets	-	(50)	50
Deferred tax assets	-	(893)	893
Investments (other than index-linked)	98,922	-	98,922
Reinsurance recoverable	64,040	(86,268)	150,309
Insurance and intermediaries' receivables	627	(50,512)	51,138
Cash and cash equivalents	16,470	-	16,470
Any other assets	2,831	(164)	2,996
Total Assets	**182,891**	**(179,628)**	**362,519**

Hadron UK Insurance Company Limited (Company)

£'000	Solvency UK 2025	Difference 2025	UK GAAP 2025
Deferred acquisition costs	-	(41,708)	41,708
Deferred tax assets	-	(893)	893
Investments (other than index-linked)	98,922	-	98,922
Reinsurance recoverable	64,040	(86,268)	150,308
Insurance and intermediaries receivables	-	(50,512)	50,512
Cash and cash equivalents	16,397	-	16,397
Any other assets	2,469	-	2,469
Total Assets	**181,829**	**(179,381)**	**361,209**

Investment securities

During the year, the Company disposed of its direct holdings in corporate and government fixed interest securities and reinvested the proceeds into Mercer pooled funds (collective investments), providing enhanced diversification, daily liquidity and operational efficiency. At 31 December 2025, the investment portfolio is allocated to UK government securities and investment grade global government and corporate bonds with a short duration profile. Collective investment schemes are categorised as Level 2 in the fair value hierarchy; their fair values are derived from observable inputs, being the net asset values published by Mercer, rather than quoted prices in an active market.

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank (bank balances) and deposits as at the balance sheet date and are deemed to be readily available. We value these items at nominal value on both Solvency UK and UK GAAP basis.

Reinsurance recoverable

These balances corresponds to the reinsurer share of technical provisions on a Solvency UK and UK GAAP basis and the treatment described in section D.2 Technical provisions.

Deferred Acquisition Costs

The Group holds a deferred acquisition cost asset in relation to costs incurred while writing policies. These costs are recognised over the lifetime of the policy and relate to future periods. Deferred acquisition costs are not recognised for SII valuation purposes.

Insurance and intermediary Receivables

These balances relate to balances due from policyholders via intermediaries in the form of the Company's MGA partners from direct insurance operations. We recognise insurance and intermediary receivables at their principal amount, less provision for impairment where necessary. These are valued for Solvency UK purposes on the same basis as the annual Financial Statements, which follow UK GAAP.

Insurance and intermediary receivables not due as at the balance sheet date are included in the solvency balance sheet in the technical provisions. The corresponding UK GAAP amounts are included within the insurance and intermediary receivables. Therefore, the amounts in the Solvency UK balance sheet are lower.

Any other assets not shown elsewhere

The remaining assets are valued on the same basis between Solvency UK and the UK GAAP balance sheet apart from prepayments which are not recognised for SII valuation purposes and create the difference between the two valuation methods.

D.2 Technical provisions

Components of Technical Provisions

Technical provisions represent the current cost of insurance liabilities at the balance sheet date. They are calculated in accordance with the Technical Provisions Policy and as agreed by the Board . They are calculated on a discounted cash flow basis and include the following high-level components to be calculated separately:

- Best estimate of claims provisions being claims expected to be incurred at the balance sheet date.
- Best estimate of premium provisions being claims expected to be incurred after the balance sheet date on contracts incepted prior to that date.
- Risk margin representing the amount a third party would require in addition to the best estimate to assume liability, calculated on a cost of capital basis.

No significant simplifications of the calculation of technical provisions are used, and sources of uncertainty, magnitude and likelihood are explained under the different components.

Set out in the table below is a summary of the Solvency UK and UK GAAP valuations of technical provisions split between the best estimate and risk margin. The reconciling items between UK GAAP and solvency included in the below table.

Gross Technical Provisions
The Group

£'000	Solvency UK 2025	Solvency UK 2024	UK GAAP 2025	UK GAAP 2024
Claims Provisions	60,399	16,307	63,385	17,326
Premium Provisions	3,914	(2,497)	-	-
Risk Margin	1,022	407	-	-
Unearned Premium Reserve	-	-	108,394	19,632
Total Gross Technical Provisions	**65,335**	**14,217**	**171,779**	**36,958**

The Reconciling items between UK GAAP and Solvency UK are as follows:

Movements from UK GAAP gross reserves to Solvency UK Gross Technical Provisions at 31 December 2025		
£'000	2025 Gross	2024 Gross
Gross Claims Provisions		
UK GAAP Claims Reserve	63,385	17,327
Remove margins, adjustments and expenses (UK GAAP)	(2,049)	-
Add expenses (SII)	972	328
Discounting (SII)	(1,909)	(1,348)
SII Claims Provisions	**60,399**	**16,307**
Gross Premium Provisions		
UK GAAP Premium Reserve	108,394	19,632
Removed premiums in excess of claims (SII)	(166,492)	(9,529)
Add expenses (SII)	1,142	196
Discounting (SII)	(4,930)	(737)
Deduct Premium payables	65,800	(12,059)
SII Gross Premium Provision	**3,914**	**(2,497)**
Risk Margin	1,022	407
Solvency UK Gross Technical Provisions	**65,335**	**14,217**

Gross claims cash flows and reinsurance recoveries

Our best estimate calculations have been completed on a deterministic basis as per the requirements of the PRA Rulebook.

Claims reserve

The GAAP claim provision includes a prudent margin above the expected best estimate basis. An additional amount is held to cover the expected cost of handling these claims.

The Solvency UK claim provision is the discounted best estimate of future claim payments for events which occurred prior to the valuation date together with the associated cost of handling these claims. The future claim cashflows are estimated by applying payment patterns to the GAAP claim provisions. These payment patterns have been calculated based on historic claim payment patterns by line of business.

The expected costs of handling these claims are calculated as percentage of these future claim cashflows. The expense percentage is calculated allowing for the budget expenses.

Events Not In Data ('ENID') is used to mitigate uncertainty driven by using past data.

Sources of uncertainty in the claim provision includes the reliance on historic experience being a good fit to the future, the reliance on expected loss ratios for new business with limited historic data and the underlying volatility in the claim experience.

Premium reserve

The GAAP premium provision is the unearned premium reserve (UPR).

The Solvency UK premium provision consists of the expected claim payments associated with claims which will occur after the valuation date plus the cost of handling these claims less any premium income due. The future claim cashflows are calculated from the GAAP premium provision by line of business. These are multiplied by the expected loss ratio for the current year and payment patterns are applied. These payment patterns are based on historic claim payment patterns.

As for the claim provision, the expected costs of handling these claims are calculated as a percentage of the future claim cashflows.

Future premium income is used to reduce the Solvency UK premium provision.

Sources of uncertainty in the premium provision for relates to the accuracy of the loss ratio assumptions and payment patterns to represent the future experience.

Discounting

Claims, premium and expense cash flows have been discounted using the PRA yield curve.

Given the relatively short-term nature of the payment cycle of claims, the impact of discounting on the Solvency UK provisions is limited.

Risk Margin

To calculate the risk margin, we have calculated the SCR using the Standard Formula. We have then projected future SCRs using the expected run-off of the existing business. We have discounted and summed the projected SCR's and multiplied this by the PRA prescribed cost of capital assumption.

Data adjustments and recommendations

Overall, we consider that the Technical Provisions are prepared on a suitable basis, in line with the approach laid down in the legislation and sources of interpretation we have referred to. It is expected that our approach will continue to develop from evolution of industry practice including guidance by the Regulator and our ongoing internal reviews.

D.3 Other liabilities

Set out in the table below are other liabilities under Solvency UK and UK GAAP.

Other Liabilities The Group £'000	Solvency UK 2025	Solvency UK 2024	UK GAAP 2025	UK GAAP 2024
Creditors arising out of direct insurance operations	64,816	3,299	141,716	19,379
Other creditors including taxation and social welfare	19,231	4,243	18,813	4,270
Deferred tax liability	155	124	-	-
Total	**84,202**	**7,666**	**160,529**	**23,649**

Other Liabilities Company £'000	Solvency UK 2025	Solvency UK 2024	UK GAAP 2025	UK GAAP 2024
Creditors arising out of direct insurance operations	64,816	3,299	141,716	21,155
Other creditors including taxation and social welfare	19,501	4,483	19,082	4,483
Deferred tax liability	217	44	-	-
Total	**84,534**	**7,826**	**160,798**	**25,638**

Creditors arising out of direct insurance operations

In the solvency balance sheet, creditors arising out of direct insurance operations are recognised at nominal value and are not discounted for materiality reasons.

Creditors arising out of direct insurance operations that are not due as at the balance sheet date are included in the solvency balance sheet in the technical provisions. The corresponding UK GAAP amounts are included in the creditors arising out of insurance operations. Therefore, the amounts in the solvency balance sheet are lower than under UK GAAP.

Other creditors including taxation and social welfare

This item primarily includes insurance premium taxes owed to tax authorities and payables to third parties. In the solvency balance sheet, creditors arising out of direct insurance operations are recognised at nominal value and are not discounted for materiality reasons. There is no valuation difference between UK GAAP and Solvency UK.

Deferred tax liability

A deferred tax liability is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The method for calculation of deferred tax liability is consistent between the financial statements and the Solvency UK basis of preparation.

As per the accounting basis, Solvency UK recognises the deferred tax liability arising from the difference between the values ascribed to assets and liabilities recognised and valued in accordance with the PRA Supervisory Statement SS2/14, Solvency UK: recognition of deferred tax and the values ascribed to assets and liabilities as recognised and valued for tax purposes. Deferred tax assets are offset against deferred tax liabilities where right to offset exists.

Any additional deferred tax liability arising from the differences between assets and liabilities which would result in tax timing differences under UK GAAP and Solvency UK balance sheets follow the provisions the PRA Supervisory Statement SS2/14.

A deferred tax liability on a Solvency UK basis has been recognised by the Company of £217k (2024: £44k).

D.4 Alternative methods for valuation

No alternative valuation methods are used by The Group

D.5 Any other information

No further information to be reported.

E Capital Management

E.1 Own funds

The Group and the Company actively manages its capital to ensure that capital level is always appropriate. The available own funds thus always cover the capital required by the supervisory authorities.

The company's overall capital management strategy is to optimise the usage of capital in line with its business strategy, risk appetite and management philosophy, subject to fulfilling all applicable regulatory capital requirements. Capital management decisions must achieve a balance between efficient use of capital and policyholder protection.

The following table shows the composition of capital as at 31 December 2025. The company only has Tier 1 capital.

Own Funds
Composition of capital as at 31 December 2025

£'000	Company 2025	Company 2024	Group 2025	Group 2024
Tier 1 Capital				
Ordinary share capital (gross of own shares)	32,506	22,006	34,672	24,172
Reconciliation reserve	(545)	(354)	(1,318)	(1,664)
Total basic own funds (Tier 1 unrestricted)	**31,961**	**21,652**	**33,354**	**22,508**
Eligible own funds to meet the SCR	31,961	21,652	33,354	22,508
Eligible own funds to meet the MCR	**31,961**	**21,652**	**33,354**	**22,508**

The amount of admissible capital or own funds held differs between GAAP and Solvency UK due to the application of Solvency UK valuation principles, primarily over the valuation of the Technical Provisions. In all cases, the amount of actual current total available funds exceeds the capital requirement and is within the Company's Risk Appetite. The Board considers that the Group's current point in time capital and solvency position is appropriate.

Subsequent event — Ancillary Own Funds Permission

On 20 April 2026, the PRA granted HUKIC, a regulated subsidiary of the Group, an Ancillary Own Funds Permission ("AOFP") under s.138BA(2)(b) of the Financial Services and Markets Act 2000. The permission authorises the Company to include ancillary own funds items in its regulatory own funds determination for Solvency UK purposes.

The approved ancillary own funds comprise a Tier 2 capital instrument with an approved value of £20,000,000. The permission is effective for a period of three years from 20 April 2026.

The Tier 2 ancillary own funds eligible to count towards the Group's Solvency Capital Requirement ("SCR") coverage are subject to the 50% SCR cap under the PRA's Own Funds rules. Based on the Group's SCR of £19.4m as at 31 December 2025, the maximum eligible Tier 2 ancillary own funds is approximately £9.7m, with the remaining £10.3m representing additional AOF to support future business growth.

The table below illustrates the pro-forma impact of the AOF on the Group's own funds and SCR coverage ratio as at 31 December 2025, had the permission been in place at the balance sheet date:

Subsequent event — Ancillary Own Funds Permission Composition of capital as at 31 December 2025				
	Company		Group	
£'000	As reported	Pro-forma	As reported	Pro-forma
Eligible own funds	31,961	41,617	33,354	43,045
SCR	19,311	19,311	19,382	19,382
SCR coverage ratio	**165.5%**	**215.5%**	**172.1%**	**222.1%**

Note: Pro-forma figures reflect the inclusion of eligible Tier 2 AOF capped at 50% of SCR. HUKIC Solo: SCR £19,311k, own funds £31,961k eligible cap £9,656k (pro-forma coverage 215.5%). Group: SCR £19,382k, own funds £33,354k, eligible cap £9,691k (pro-forma coverage 222.1%).

The AOFP was granted after the balance sheet date and accordingly has no impact on the Group's financial position as at 31 December 2025 as reported in this report. Details of the AOFP have been published on the Financial Services Register.

E.2 Solvency Capital Requirements and Minimum Capital Requirement

The solvency assessment compares the Solvency Capital Requirement with the available regulatory capital to indicate a solvency margin. As of 31 December 2025, the Solvency UK margin was 166% at the solo level and 172% at a group level.

Solvency Capital Requirement and Minimum Capital Requirement As at 31 December 2025				
	Company 2025	Company 2024	Group 2025	Group 2024
Solvency ratio (Eligible OF / SCR)	165.5%	265.2%	172.1%	275.5%
MCR coverage ratio (Eligible OF / MCR)	662.0%	618.6%	688.4%	643.1%

There is no additional diversification benefit at the Group level.

SCR Components - Risk Category				
£'000	Company 2025	Company 2024	Group 2025	Group 2024
Market risk	2,606	232	2,606	232
Counterparty default risk	4,801	2,093	4,875	2,103
Life underwriting risk	-	-	-	-
Health underwriting risk	-	-	-	-
Non-life underwriting risk	10,872	6,369	10,872	6,369
Diversification	(3,424)	(993)	(3,444)	(996)
Basic SCR (BSCR)	14,854	7,701	14,909	7,708
Operational risk	4,456	462	4,473	462

Overall MCR Calculation				
£'000	Company 2025	Company 2024	Group 2025	Group 2024
Linear MCR	2,188	3,500	2,188	3,500
SCR	19,311	8,163	19,382	8,170
MCR Cap (45% of SCR)	8,690	3,677	8,722	3,677
MCR Floor (25% of SCR)	4,828	2,043	4,845	2,043
Combined MCR	4,828	2,042	4,845	2,042
Absolute Floor MCR	3,500	3,500	3,500	3,500
Minimum Capital Requirement	**4,828**	**3,500**	**4,845**	**3,500**

Subsequent event — Ancillary Own Funds Permission

As described in section E.1, on 20 April 2026 the PRA granted the Company an Ancillary Own Funds Permission in respect of a Tier 2 contingent capital instrument with an approved value of £20,000,000. The pro-forma impact of this permission on both the Company and Group SCR coverage ratios is set out in section E.1. Had the permission been in place as at 31 December 2025, the Company solo SCR coverage ratio would have been approximately 215.5% (as reported: 165.5%) and the Group SCR coverage ratio approximately 222.1% (as reported: 172.1%), in each case reflecting the inclusion of eligible Tier 2 ancillary own funds of approximately £9.7m subject to the 50% SCR cap under the PRA's Own Funds rules.

The SCR coverage ratio as reported remains strong and above the Group's internal risk appetite. The Ancillary Own Funds Permission further strengthens the Group's capital position and provides additional buffer above the SCR going forward.

The MCR coverage ratio is unaffected by the Ancillary Own Funds Permission as ancillary own funds are not eligible to count towards MCR coverage under the PRA's Own Funds rules.

E.3 Differences between the standard formula and any internal model used

Neither the Group, nor Hadron UK, use, and has no short or medium-term intention of using an internal model and therefore no difference exists.

E.4 Non-compliance with the Minimum Capital Requirements and non-compliance with the Solvency Capital Requirement

During the reporting period both the Firm and Group remained compliant with its MCR and SCR.

E.5 Any other information

No further information to be reported.

Appendix 1
Hadron UK Holdings GP QRT templates

Hadron UK Holdings GP

Solvency and Financial Condition Report

Disclosures

31 December

2025

(Monetary amounts in GBP thousands)

General information

Entity name	Hadron UK Holdings GP
Entity identification code and type of code	SC/398809
Country of the group supervisor	GB
Language of reporting	en
Reporting reference date	31 December 2025
Currency used for reporting	GBP
Accounting standards	Local GAAP
Method of Calculation of the group SCR	Standard formula
Method of group solvency calculation	Method 1 is used exclusively
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

IR.02.01.02 - Balance sheet
IR.05.02.01 - Premiums, claims and expenses by country: Non-life obligations
IR.05.04.02 - Non-life income and expenditure : reporting period
IR.23.01.04 - Own Funds
IR.25.04.22 - Solvency Capital Requirement
IR.32.01.22 - Undertakings in the scope of the group

IR.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked co	98,922
R0080	*Property (other than for own use)*	
R0090	*Holdings in related undertakings, including participations*	
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	0
R0140	*Government Bonds*	
R0150	*Corporate Bonds*	
R0160	*Structured notes*	
R0170	*Collateralised securities*	
R0180	*Collective Investments Undertakings*	98,922
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	
R0210	*Other investments*	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	64,040
R0280	*Non-life and health similar to non-life*	64,040
R0315	*Life and health similar to life, excluding index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	627
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	16,470
R0420	Any other assets, not elsewhere shown	2,831
R0500	**Total assets**	182,891

		Solvency II value
	Liabilities	C0010
R0505	Technical provisions - total	65,335
R0510	*Technical provisions - non-life*	65,335
R0515	*Technical provisions - life*	0
R0542	Best estimate - total	64,313
R0544	*Best estimate - non-life*	64,313
R0546	*Best estimate - life*	
R0552	Risk margin - total	1,022
R0554	*Risk margin - non-life*	1,022
R0556	*Risk margin - life*	
R0565	Transitional (TMTP) - life	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	39,341
R0780	Deferred tax liabilities	155
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	25,475
R0840	Payables (trade, not insurance)	
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in Basic Own Funds*	
R0870	*Subordinated liabilities in Basic Own Funds*	0
R0880	Any other liabilities, not elsewhere shown	19,232
R0900	**Total liabilities**	149,537
R1000	**Excess of assets over liabilities**	33,354

Premiums, claims and expenses by country: Non-life obligations

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written)					Total Top 5 and home country
R0010								
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	181,915						181,915
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	162,045						162,045
R0200	Net	19,871						19,871
	Premiums earned							
R0210	Gross - Direct Business	94,760						94,760
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	84,905						84,905
R0300	Net	9,855						9,855
	Claims incurred							
R0310	Gross - Direct Business	55,404						55,404
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	49,348						49,348
R0400	Net	6,055						6,055
R0550	**Net expenses incurred**	7,637						7,637

IR.05.04.02

Non-life income and expenditure : reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance	Non-life insurance and accepted proportional reinsurance obligations					
				Fire and other damage to property insurance - non-personal lines	General liability insurance				Legal expenses insurance	Miscellaneous financial loss
					Employers Liability	Public & products Liability	Professional Indemnity	Other general liability		
		C0010	C0015	C0180	C0190	C0200	C0210	C0220	C0240	C0260
	Income									
	Premiums written									
R0110	Gross written premiums		181,915	97,219	14,892	21,658	39,437	113	203	8,393
R0111	Gross written premiums - insurance (direct)		181,915	97,219	14,892	21,658	39,437	113	203	8,393
R0113	Gross written premiums - accepted reinsurance		0							
R0160	Net written premiums		19,871	9,482	1,443	2,102	5,999	11	20	814
	Premiums earned and provision for unearned									
R0210	Gross earned premiums		94,760	53,093	8,966	13,431	18,503	31	13	723
R0220	Net earned premiums		9,855	5,230	910	1,354	2,285	3	1	71
	Expenditure									
	Claims incurred									
R0610	Gross (undiscounted) claims incurred		55,404	31,883	4,174	9,071	10,001	19	3	253
R0611	Gross (undiscounted) direct business		55,404	31,883	4,174	9,071	10,001	19	3	253
R0612	Gross (undiscounted) reinsurance accepted		0							
R0690	Net (undiscounted) claims incurred		6,055	3,153	422	969	1,482	2	-5	33
R0730	Net (discounted) claims incurred	6,055	6,055							
	Analysis of expenses incurred									
R0910	Technical expenses incurred net of reinsurance ceded	7,637								
R0985	Acquisition costs, commissions, claims management costs	-1,079	-1,079	-702	-132	-202	-33	-1	1	-11
	Other expenditure									
R1140	Other expenses									
R1310	**Total expenditure**	12,614								

IR.23.01.04

Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	34,672	34,672		0	
R0020	*Non-available called but not paid in ordinary share capital at group level*	0				
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	*Non-available subordinated mutual member accounts at group level*	0				
R0070	Surplus funds	0	0			
R0080	*Non-available surplus funds at group level*	0				
R0090	Preference shares	0		0	0	0
R0100	*Non-available preference shares at group level*	0				
R0110	Share premium account related to preference shares	0		0	0	0
R0120	*Non-available share premium account related to preference shares at group level*	0				
R0130	Reconciliation reserve	-1,318	-1,318			
R0140	Subordinated liabilities	0		0	0	0
R0150	*Non-available subordinated liabilities at group level*	0				
R0160	An amount equal to the value of net deferred tax assets	0				0
R0170	*The amount equal to the value of net deferred tax assets not available at the group level*	0				
R0180	Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	*Non available own funds related to other own funds items approved by supervisory authority*	0				
R0200	Minority interests (if not reported as part of a specific own fund item)	0				
R0210	*Non-available minority interests at group level*	0				
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**					
R0250	Deductions for participations where there is non-availability of information	0				
R0260	Deduction for participations included by using D&A when a combination of methods is used	0				
R0270	**Total of non-available own fund items**	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	33,354	33,354	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees	0				
R0350	Letters of credit and guarantees other	0				
R0360	Supplementary members calls	0				
R0370	Supplementary members calls - other	0				
R0380	Non available ancillary own funds at group level	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	0				
R0420	Institutions for occupational retirement provision	0				
R0430	Non regulated entities carrying out financial activities	0				
R0440	**Total own funds of other financial sectors**	0	0	0	0	0
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	0				
R0460	Own funds aggregated when using the D&A and combination of method net of IGT	0				
R0520	Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from	33,354	33,354	0	0	0
R0530	Total available own funds to meet the minimum consolidated group SCR	33,354	33,354	0	0	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from	33,354	33,354	0	0	0
R0570	Total eligible own funds to meet the minimum consolidated group SCR (group)	33,354	33,354	0	0	
R0590	Consolidated group SCR	19,382				
R0610	**Minimum consolidated Group SCR**	4,845				
R0630	**Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings**					
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	688.37%				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the**	33,354	33,354	0	0	0
R0670	**SCR for entities included with D&A method**	0				
R0680	**Group SCR**	19,382				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	172.09%				

		C0060
	Reconcilliation reserve	
R0700	Excess of assets over liabilities	33,354
R0710	Own shares (held directly and indirectly)	
R0720	Forseeable dividends, distributions and charges	
R0725	Deductions for particpations in financial and credit institutions	
R0730	Other basic own fund items	34,672
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0750	Other non available own funds	
R0760	**Reconciliation reserve**	-1,318

IR.25.04.22

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
	Market risk	
R0070	Interest rate risk	1,264
R0080	Equity risk	1,131
R0090	Property risk	0
R0100	Spread risk	1,276
R0110	Concentration risk	295
R0120	Currency risk	16
R0125	Other market risk	
R0130	Diversification within market risk	-1,377
R0140	**Total Market risk**	2,606
	Counterparty default risk	
R0150	Type 1 exposures	4,517
R0160	Type 2 exposures	465
R0165	Other counterparty risk	
R0170	Diversification within counterparty default risk	-106
R0180	**Total Counterparty default risk**	4,875
	Life underwriting risk	
R0190	Mortality risk	
R0200	Longevity risk	
R0210	Disability-Morbidity risk	
R0220	Life-expense risk	
R0230	Revision risk	
R0240	Lapse risk	
R0250	Life catastrophe risk	
R0255	Other life underwriting risk	
R0260	Diversification within life underwriting risk	
R0270	**Total Life underwriting risk**	0
	Health underwriting risk	
R0280	Health SLT risk	
R0290	Health non SLT risk	
R0300	Health catastrophe risk	
R0305	Other health underwriting risk	
R0310	Diversification within health underwriting risk	
R0320	**Total Health underwriting risk**	0
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	6,802
R0340	Non-life catastrophe risk	6,898
R0350	Lapse risk	934
R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	-3,763
R0370	**Total Non-life underwriting risk**	10,872
R0400	**Intangible asset risk**	
	Operational and other risks	
R0422	Operational risk	4,473
R0424	Other risks	
R0430	**Total Operational and other risks**	4,473
R0432	**Total before all diversification**	28,072
R0434	Total before diversification between risk modules	22,825
R0436	Diversification between risk modules	-3,444
R0438	**Total after diversification**	19,382
R0440	Loss absorbing capacity of technical provisions	
R0450	Loss absorbing capacity of deferred tax	
R0455	Other adjustments	
R0460	**Solvency capital requirement including undisclosed capital add-on**	19,382
R0472	Disclosed capital add-on - excluding residual model limitation	
R0474	Disclosed capital add-on - residual model limitation	
R0480	**Solvency capital requirement including capital add-on**	19,382
R0490	Biting interest rate scenario	
R0495	Biting life lapse scenario	
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	*Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies*	
R0520	*Institutions for occupational retirement provisions*	
R0530	*Capital requirement for non- regulated entities carrying out financial activities*	
R0540	Capital requirement for non-controlled participation requirements	
R0550	Capital requirement for residual undertakings	
	Overall SCR	
R0555	Solvency capital requirement (consolidation method)	19,382
R0560	SCR for undertakings included via D and A	
R0565	SCR for sub-groups included via D and A	
R0570	**Solvency capital requirement**	19,382

IR.32.01.22

Undertakings in the scope of the group

							Criteria of influence					Inclusion in the scope of Group supervision	Group solvency calculation
Country	Identification code and type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Level of influence	Proportional share used for group solvency calculation	Yes/No	Method used and under method 1, treatment of the undertaking
C001	C0020	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0220	C0230	C0240	C0260
GB	LEI/213800KLCFTTGHFID336	Hadron UK Insurance Company Limited	Non-life insurance undertaking	Company limited by shares	Non-mutual	Prudential Regulation Authority	100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation
GB	SC/398810GB12345	Hadron Management Services UK Limited	Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Company limited by shares	Non-mutual		100.00%	100.00%	100.00%	Dominant	100.00%	Included in the scope	Method 1: Full consolidation

Appendix 2

Hadron UK Insurance Company Limited QRT templates

Hadron UK Insurance Company Limited

Solvency and Financial Condition Report

Disclosures

31 December

2025

(Monetary amounts in GBP thousands)

General information

Entity name	Hadron UK Insurance Company Limited
Entity identification code and type of code	LEI/213800KLCFTTGHFID336
Type of undertaking	Non-life undertakings
Country of incorporation	GB
Language of reporting	en
Reporting reference date	31 December 2025
Currency used for reporting	GBP
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

-

IR.02.01.02 - Balance sheet

IR.05.02.01 - Premiums, claims and expenses by country: Non-life obligations

IR.05.04.02 - Non-life income and expenditure : reporting period

IR.17.01.02 - Non-Life Technical Provisions

IR.19.01.21 - Non-Life insurance claims

IR.23.01.01 - Own Funds

IR.25.04.21 - Solvency Capital Requirement

IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

IR.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	98,922
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	98,922
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	64,040
R0280	*Non-life and health similar to non-life*	64,040
R0315	*Life and health similar to life, excluding index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	16,397
R0420	Any other assets, not elsewhere shown	2,469
R0500	**Total assets**	181,829

		Solvency II value
	Liabilities	C0010
R0505	Technical provisions - total	65,335
R0510	*Technical provisions - non-life*	65,335
R0515	*Technical provisions - life*	0
R0542	Best estimate - total	64,313
R0544	*Best estimate - non-life*	64,313
R0546	*Best estimate - life*	
R0552	Risk margin - total	1,022
R0554	*Risk margin - non-life*	1,022
R0556	*Risk margin - life*	
R0565	Transitional (TMTP) - life	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	39,341
R0780	Deferred tax liabilities	217
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	25,475
R0840	Payables (trade, not insurance)	
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in Basic Own Funds*	
R0870	*Subordinated liabilities in Basic Own Funds*	0
R0880	Any other liabilities, not elsewhere shown	19,501
R0900	**Total liabilities**	149,868
R1000	**Excess of assets over liabilities**	31,961

IR.05.02.01

Premiums, claims and expenses by country: Non-life obligations

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written)					Total Top 5 and home country
R0010								
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	181,915						181,915
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share	162,045						162,045
R0200	Net	19,871						19,871
	Premiums earned							
R0210	Gross - Direct Business	94,760						94,760
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share	84,905						84,905
R0300	Net	9,855						9,855
	Claims incurred							
R0310	Gross - Direct Business	55,404						55,404
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share	49,348						49,348
R0400	Net	6,055						6,055
R0550	**Net expenses incurred**	-1,079						-1,079

IR.05.04.02

Non-life income and expenditure : reporting period

		All business (including annuities stemming from accepted non-life insurance and reinsurance contracts)	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted	Non-life insurance and accepted proportional reinsurance obligations					
				Fire and other damage to property insurance - non-personal lines	General liability insurance				Legal expenses insurance	Miscellaneous financial loss
					Employers Liability	Public & products Liability	Professional Indemnity	Other general liability		
		C0010	C0015	C0180	C0190	C0200	C0210	C0220	C0240	C0260
	Income									
	Premiums written									
R0110	Gross written premiums		181,915	97,219	14,892	21,658	39,437	113	203	8,393
R0111	Gross written premiums - insurance (direct)		181,915	97,219	14,892	21,658	39,437	113	203	8,393
R0113	Gross written premiums - accepted reinsurance		0	0	0	0	0	0	0	0
R0160	Net written premiums		19,871	9,482	1,443	2,102	5,999	11	20	814
	Premiums earned and provision for unearned									
R0210	Gross earned premiums		94,760	53,093	8,966	13,431	18,503	31	13	723
R0220	Net earned premiums		9,855	5,230	910	1,354	2,285	3	1	71
	Expenditure									
	Claims incurred									
R0610	Gross (undiscounted) claims incurred		55,404	31,883	4,174	9,071	10,001	19	3	253
R0611	Gross (undiscounted) direct business		55,404	31,883	4,174	9,071	10,001	19	3	253
R0612	Gross (undiscounted) reinsurance accepted		0	0	0	0	0	0	0	0
R0690	Net (undiscounted) claims incurred		6,055	3,153	422	969	1,482	2	-5	33
R0730	Net (discounted) claims incurred	6,055	6,055							
	Analysis of expenses incurred									
R0910	Technical expenses incurred net of reinsurance ceded	8,382								
R0985	Acquisition costs, commissions, claims management costs	-1,079	-1,079	-702	-132	-202	-33	-1	1	-11
	Other expenditure									
R1140	Other expenses	35								
R1310	**Total expenditure**	14,232								

IR.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance				
		Fire and other damage to property insurance	General liability insurance	Legal expenses insurance	Miscellaneous financial loss	Total Non-Life obligation
		C0080	C0090	C0110	C0130	C0180
	Best estimate					
	Premium provisions					
R0060	Gross	4,430	1,035	24	-1,575	3,914
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	9,014	4,136	38	-590	12,599
R0150	**Net Best Estimate of Premium Provisions**	-4,584	-3,101	-14	-985	-8,685
	Claims provisions					
R0160	Gross	32,502	27,680	8	209	60,399
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	28,453	22,797	7	185	51,442
R0250	**Net Best Estimate of Claims Provisions**	4,049	4,883	1	24	8,957
R0260	**Total best estimate - gross**	36,932	28,714	32	-1,366	64,313
R0270	**Total best estimate - net**	-534	1,782	-13	-961	273
R0280	**Risk margin**	462	557	0	3	1,022
R0320	**Technical provisions - total**	37,394	29,272	33	-1,363	65,335
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	37,466	26,933	46	-405	64,040
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	-72	2,339	-13	-959	1,295

IR.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year: Underwriting year

Gross Claims Paid (non-cumulative)
(absolute amount)

	Year	C0010 0	C0020 1	C0030 2	C0040 3	C0050 4	C0060 5	C0070 6	C0080 7	C0090 8	C0100 9	C0110 10 & +	C0170 In Current year	C0180 Sum of years (cumulative)
		Development year												
R0100	Prior											0	0	0
R0160	-9	224	711	445	122	143	109	181	106	7	8		8	2,055
R0170	-8	261	1,239	692	360	393	156	169	72	14			14	3,356
R0180	-7	285	1,579	855	262	458	420	191	448				448	4,497
R0190	-6	261	1,294	1,528	1,069	312	3,533	221					221	8,219
R0200	-5	322	1,543	1,248	836	1,158	2,368						2,368	7,475
R0210	-4	418	2,168	1,389	1,676	675							675	6,326
R0220	-3	262	1,796	415	406								406	2,880
R0230	-2	266	1,467	589									589	2,322
R0240	-1	609	2,127										2,127	2,736
R0250	0	1,685											1,685	1,685
R0260												Total	8,541	41,550

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	C0200 0	C0210 1	C0220 2	C0230 3	C0240 4	C0250 5	C0260 6	C0270 7	C0280 8	C0290 9	C0300 10 & +	C0360 Year end (discounted data)
		Development year											
R0100	Prior											0	0
R0160	-9	864	1,137	580	566	444	253	138	102	203	83		79
R0170	-8	1,126	2,021	1,466	1,181	822	501	351	252	29			28
R0180	-7	1,500	2,091	2,434	1,783	1,642	1,791	2,644	718				693
R0190	-6	1,226	2,472	1,817	833	926	1,809	609					588
R0200	-5	1,370	2,216	1,500	1,037	1,403	842						810
R0210	-4	2,061	2,624	1,648	3,946	1,442							1,397
R0220	-3	3,029	3,541	1,732	1,027								983
R0230	-2	2,730	2,933	3,654									3,532
R0240	-1	1,989	12,645										12,235
R0250	0	41,259											40,055
R0260												Total	60,399

Gross premium

		C0570 Gross earned premium at reporting reference date	C0580 Estimate of future gross earned premium
R0160	N-9	2,594	0
R0170	N-8	4,123	0
R0180	N-7	4,687	0
R0190	N-6	11,636	0
R0200	N-5	15,159	0
R0210	N-4	12,282	0
R0220	N-3	11,036	0
R0230	N-2	12,895	0
R0240	N-1	26,266	0
R0250	N	74,979	107,277

IR.23.01.01

Own Funds

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	32,506	32,506		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	-545	-545			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0290	**Total basic own funds**	31,961	31,961	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees	0				
R0350	Letters of credit and guarantees other	0				
R0360	Supplementary members calls	0				
R0370	Supplementary members calls - other	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	31,961	31,961	0	0	0
R0510	Total available own funds to meet the MCR	31,961	31,961	0	0	
R0540	Total eligible own funds to meet the SCR	31,961	31,961	0	0	0
R0550	Total eligible own funds to meet the MCR	31,961	31,961	0	0	

R0580	**SCR**	19,311
R0600	**MCR**	4,828
R0620	**Ratio of Eligible own funds to SCR**	165.51%
R0640	**Ratio of Eligible own funds to MCR**	662.03%

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	31,961
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0725	Deductions for participations in financial and credit institutions	
R0730	Other basic own fund items	32,506
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	-545

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
	Market risk	
R0070	Interest rate risk	1,264
R0080	Equity risk	1,131
R0090	Property risk	0
R0100	Spread risk	1,276
R0110	Concentration risk	295
R0120	Currency risk	16
R0125	Other market risk	
R0130	Diversification within market risk	-1,377
R0140	**Total Market risk**	2,606
	Counterparty default risk	
R0150	Type 1 exposures	4,517
R0160	Type 2 exposures	370
R0165	Other counterparty risk	
R0170	Diversification within counterparty default risk	-86
R0180	**Total Counterparty default risk**	4,801
	Life underwriting risk	
R0190	Mortality risk	
R0200	Longevity risk	
R0210	Disability-Morbidity risk	
R0220	Life-expense risk	
R0230	Revision risk	
R0240	Lapse risk	
R0250	Life catastrophe risk	
R0255	Other life underwriting risk	
R0260	Diversification within life underwriting risk	
R0270	**Total Life underwriting risk**	0
	Health underwriting risk	
R0280	Health SLT risk	
R0290	Health non SLT risk	
R0300	Health catastrophe risk	
R0305	Other health underwriting risk	
R0310	Diversification within health underwriting risk	
R0320	**Total Health underwriting risk**	0
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	6,802
R0340	Non-life catastrophe risk	6,898
R0350	Lapse risk	934
R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	-3,763
R0370	**Non-life underwriting risk**	10,872
R0400	**Intangible asset risk**	
	Operational and other risks	
R0422	Operational risk	4,456
R0424	Other risks	
R0430	**Total Operational and other risks**	4,456
R0432	**Total before all diversification**	27,961
R0434	Total before diversification between risk modules	22,735
R0436	Diversification between risk modules	-3,424
R0438	**Total after diversification**	19,311
R0440	Loss absorbing capacity of technical provisions	
R0450	Loss absorbing capacity of deferred tax	
R0455	Other adjustments	
R0460	**Solvency capital requirement including undisclosed capital add-on**	19,311
R0472	Disclosed capital add-on - excluding residual model limitation	
R0474	Disclosed capital add-on - residual model limitation	
R0480	**Solvency capital requirement including capital add-on**	19,311
R0490	Biting interest rate scenario	
R0495	Biting life lapse scenario	

IR.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	2,188

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	2
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	0	9,698
R0090	General liability insurance and proportional reinsurance	1,782	8,967
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	20
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	825
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits		
R0220	Obligations with profit participation - future discretionary benefits		
R0230	Index-linked and unit-linked insurance obligations		
R0240	Other life (re)insurance and health (re)insurance obligations		
R0250	Total capital at risk for all life (re)insurance obligations		

	Overall MCR calculation	C0070
R0300	Linear MCR	2,188
R0310	SCR	19,311
R0320	MCR cap	8,690
R0330	MCR floor	4,828
R0340	Combined MCR	4,828
R0350	Absolute floor of the MCR	3,500
R0400	**Minimum Capital Requirement**	4,828