Euler Hermes Services UK Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

1 Canada Square
London E14 5DX

Company Number: 3376459

Euler Hermes Services UK Limited

Year Ended 31 December 2025

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Euler Hermes Services UK Limited

DIRECTORS AND OTHER INFORMATION

DIRECTORS:

S Bramall	
P Evola	
C Ironside	(Appointed on 01.08.2025)
S Scott	
L Smith	(Appointed on 10.03.2026)
M Williams	
M Bochot	(Resigned on 10.03.2026)
C Eremia	(Appointed on 01.07.2025, resigned on 10.03.2026)
R Jimenez	(Resigned on 30.06.2025)
S Murrow	(Resigned on 30.06.2025)
S Rageot	(Resigned on 30.06.2025)
B Semelin	(Appointed on 01.07.2025, resigned on 10.03.2026)

COMPANY SECRETARY: J Winter

INDEPENDENT AUDITORS:
PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

REGISTERED OFFICE AND BUSINESS ADDRESS:
1 Canada Square
London E14 5DX

Euler Hermes Services UK Limited

STRATEGIC REPORT
Year Ended 31 December 2025

Principal activities

The main activity of Euler Hermes Services UK Limited (the "Company") is to operate as a service company for Euler Hermes UK, a branch of Euler Hermes S.A. (N.V.) (the "Group"). The Company charges its costs plus a contractual margin. The activities of the Company also include the provision of risk services and debt collection services mainly to Euler Hermes UK credit insurance policyholders.

Review of the business

Total turnover for 2025 was £68,302,000 (2024: £68,778,000) representing a decrease of 0.7%.

Management services revenues decreased by 3.9% year on year to £44,684,000 (2024: £46,492,000) reflecting a decrease in the level of costs incurred on behalf of, and recharged to, Euler Hermes UK during the year. The main impacts came from a decrease in staff related costs and other expenses, particularly travel cost within the lodging and transportation categories. Total operating expenses increased by 0.3% to £61,152,000 (2024: £60,949,000). The main reason for the increase is due to higher recharges from the Group and an unfavourable foreign exchange movement.

Revenues from collections services increased by 5.3% in 2025 to £7,614,000 (2024: £7,233,000). The increase is mainly due to increase in the cash collected, which is caused by an increase in debt placements.

Revenues from risk services increased by 6.3%, to £16,004,000 (2024: £15,053,000). This increase was mainly due to the rise in third party limit and monitoring fees during the year.

On page 19, the result for the Company shows a profit before tax of £8,009,000 for the year (2024: profit before tax of £6,499,000).

The Company has net liabilities of £1,879,000 (2024: £6,199,000). The impact of the net liabilities on going concern is discussed in the Directors' report.

The net actuarial loss of the defined benefit pension scheme for 2025 amounted to £1,449,000 (2024: gain of £939,000) which has been taken to equity contributing to a profit and loss deficit of £2,379,000 at the year-end (2024: deficit of £6,699,000).

Cash at bank and in hand decreased to £13,543,000 (2024: £20,600,000). The Company remains within the cash pooling mechanism of the Group.

Euler Hermes Services UK Limited

STRATEGIC REPORT (continued)
Year Ended 31 December 2025

Principal Risks

The principal risks of the Company relate to the defined benefit pension scheme as explained below as part of business risk. Financial and cash flow risk, foreign exchange risk, credit and liquidity risk are also principal risks the Company is exposed to.

Business risk

The Company operates a defined benefit pension scheme, which was closed to further accrual of benefits in 2012. The key risk of the performance of the scheme assets is now mitigated by the Buy In agreement signed in December 2023 with Just Insurance Limited. The Company also utilises the services of an external manager, Gallagher Benefit Services (previously Buck Consultants Limited). The scheme was supported during 2025, and will continue to be supported, by an ongoing written guarantee from Euler Hermes S.A. (N.V.).

Financial and cash flow risk

As part of the Euler Hermes S.A. (N.V.) Group, Euler Hermes Services UK Limited operates a capital and risk management framework which covers the identification, monitoring and active management of the main financial and operational risks faced by the Company. Due to the nature of its activities, the Company is exposed to limited financial risks. Daily cash management and liquidity are provided by Euler Hermes S.A. (N.V.) and do not attract exposure to financial markets.

Euler Hermes Services UK Limited is part of a Group cash pooling process, which gives a global view of available cash for all business units. Cash is invested by the Group treasury function in order to earn interest and yields. Based on requirements, the Company can request cash to be transferred.

Foreign exchange risk

Limited exposure to currency fluctuations may arise on the provision of contracts in foreign currencies. The Company does not use any derivatives to cover these risks but procedures are in place to ensure appropriate matching of assets and liabilities in currencies at any time within Euler Hermes S.A. (N.V.).

Credit and liquidity risk

Clients expose the Company to credit risk in relation to the collection of debtors' balances arising from unexpected defaults on commissions. The Company regularly reviews its credit control procedures, monitors statement and dunning processes in order to identify potential defaults and can mitigate this risk by netting any unpaid commissions from clients against future debts recovered on their behalf.

Euler Hermes Services UK Limited

STRATEGIC REPORT (continued)
Year Ended 31 December 2025

Credit and liquidity risk (continued)

Aged debt reports are monitored on a weekly basis and dunning actions will continue where issues arise. As the largest area of exposure is related to transactions with other Group entities, notably Euler Hermes UK insurance branch, this is not anticipated as a significant risk.

The directors are satisfied that the Company's risk management processes are sufficient to mitigate these risks.

Price risk

The Company is not exposed to extreme volatility in pricing of its risk and collection services.

Non-financial performance indicators

The Company monitors non-financial key performance indicators and undertakes specific analyses in order to measure these. For staff purposes, an annual Engagement Survey is conducted. In 2025, this achieved a response rate of 94.0% (2024: 92.0%) across the four (4) UK and Ireland business units of Euler Hermes SA. (N.V). The Employee Engagement Index, calculated by reference to key questions in the survey, achieved 78.0% (2024: 81.0%). Survey results are communicated to all staff and the Human Resources team coordinates resulting actions.

From a customer and broker perspective, a net promoter survey is performed. However, the broker survey was not carried out in 2025, resulting in a nil broker score in the year compared to a score of +49 in 2024. The customer survey produced a result of +36 in 2025 compared to +39 in 2024. In both cases Allianz Trade achieved the leading score compared to its main competitors. The specific elements of the survey, together with comments from responders, are analysed and discussed to determine any necessary actions.

As at 31 December 2025, six of the eight directors of the Company were male and two were female (2024: six male, two female).

As at 31 December 2025, nine of the 12 senior managers of the Company were male and three were female (2024: eleven male, two female).

As at 31 December 2025, 170 of the 310 employees of the Company were male and 140 were female (2024: total employees of 316, of which, 173 male and 143 female).

The Company has robust anti-fraud guidelines in place. There were no bribery or corruption related cases during the year.

Key financial performance indicators

The Company is assigned specific financial key performance indicators (KPIs) on which its performance can be measured on a consolidated level for the four (4) UK and Ireland business units of Euler Hermes S.A. (N.V.). These include total business volume as well as profit and cost ratio measures. The Company's own KPIs are not separately identifiable within the consolidated KPIs.

Euler Hermes Services UK Limited

STRATEGIC REPORT (continued)
Year Ended 31 December 2025

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s172 Statement by the directors

This section serves as a statement by the directors in respect of their statutory duties in accordance with the Companies Act 2006. Under section 172(1) of the UK Companies Act 2006 ('s172') the directors should act in good faith and in a way most likely to promote the success of the Company and the best interests of its members and in doing so have regard for:

- the likely consequences of any decisions in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with customers and partners;
- the impact of the Company's operations on the community and the environment;
- the desirability for the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

Our strategy

Annually, the directors of the Company take part in a strategic planning dialogue coordinated by the Group to outline the strategic direction on the commercial, financial and operational direction of the business. The directors provide progress updates on the achievements against these strategies to all staff during the year at Town-Hall meetings.

The Company has a management team that meets regularly during the year and includes both the directors and other key functions such as Human Resources. Steering Committees, chaired by a director of the Company, drive all major projects defining objectives, providing support and guidance and monitoring progress.

Our employees

Employee well-being and effective communication are a priority for the Company, with staff-related topics feature prominently during key meetings, communications and presentations.

The Company conducts an annual engagement survey of all its employees. Details of the 2025 survey are in the Strategic report on page 4.

The Company's defined contribution pension plan has the Pension Quality Mark ("PQM") Plus accreditation.

Directors participate in the Employee Representatives forum that meets on a quarterly basis and includes staff from all business functions. Staff representatives are updated on key topics, consulted on future initiatives, where appropriate, and have the opportunity to raise questions on, and discuss, any business-related topics that they wish to raise.

Our employees (Continued)

The PQM recognises high quality pension schemes which have good contribution levels, good governance, and which encourage employees to save for their future. The Company was shortlisted for the PQM distinction award in 2019, which recognises schemes with attractive, clear, or interesting communications for scheme members and potential members.

The Company has further sought to enhance its value to employees through introducing a Flexible Benefits platform since 2019. This enables employees to select benefits that most suit their personal situation. An Employee Assistance Program is available to all staff encompassing a number of areas where staff can receive help. The Company augmented the number of staff who act as 'first aiders' with a new group of 'mental health first aiders' to recognise the increasing prominence in society of mental health issues. A number of staff act as 'Diversity Ambassadors' to promote diversity topics within the Company and in conjunction with other Group Companies and the wider business community.

Allianz companies in the UK, including the Company, were awarded a top 50 best workplaces ranking in 2025 by Great Place to Work.

Our customers and partners

As the world leader in trade credit insurance solutions, Euler Hermes seeks to use its outstanding business intelligence and technology to help build and safeguard our customers' futures. Each year the aim of the Company is to both attract new customers, including those new to trade credit insurance, and retain existing customers. In 2025, the customer retention rate, by volume of policies, was 84.5% (2024: 85.6%). A team trained to deal with a variety of topics operates our Customer Line and, in 2025, took 44,712 calls (2024: 47,344).

Much of the business that the Company undertakes is through a well-established network of brokers. Directors, and the commercial team of the Company, are in regular contact with brokers to develop and improve relationships and to ensure customers receive the highest levels of service. At an annual broker event, the directors make presentations on the results and strategy of the Company.

The Company undertakes a net promoter score survey annually for both brokers and customers. Results of the 2025 survey are in the Strategic report on page 4.

Our impact on the community and the environment

Part of the Company's strategy is to be a responsible employer, defined as "visibly and actively supporting causes in line with our purpose''. The Corporate Social Responsibility ("CSR") committee, including employee representatives, selects the Company's nominated charity for the year, engages employee support and organises fundraising events to raise money for the nominated charity. Where employees fundraise for a charity, the Company matches the funds raised up to a maximum of £500 per employee. In addition, the Company actively encourages employees to volunteer for charity by allowing employees to take two paid days per year to participate in charitable or community projects. The CSR policy aims to foster a positive approach to charitable giving and support for local communities by supporting employees who wish to raise money or give their time.

Euler Hermes Services UK Limited

STRATEGIC REPORT (continued)
Year Ended 31 December 2025

Streamlined energy and carbon reporting

We fulfil the statutory requirements for Streamlined Energy and Carbon Reporting which includes disclosure of the Company's carbon emissions. Under the Companies Act 2006 / SECR Regulations, 'Large' companies' are required to report their annual emissions in their Directors' report.

Euler Hermes Services UK Limited Streamlined Energy and Carbon Reporting statement covers the reporting period 1 January 2025 - 31 December 2025 and has been prepared in line with the requirements of the Streamlined Energy and Carbon Reporting regulations and the relevant areas of the Greenhouse Gas ('GHG') Protocol Corporate Accounting and Reporting Standard.

A 'Dual Reporting' methodology has been used to indicate emissions using UK electricity grid average emission factors (known as the 'Location Based' method), and also emissions using supplier specific generation emission factors (the 'Market Based' method).

'Location based' Method	2025	2024
The total energy consumption for 2025 was 675,287.25 kWh (2024: 708,182.45 kWh) equating to 138.316 tCO_2e (2024: 159.411 tCO_2e)		
Emissions from combustion of fuel for transport purposes (Scope 1)	23.467 tCO_2e	30.375 tCO_2e
Emissions from combustion of gas (Scope 1)	13.958 tCO_2e	13.858 tCO_2e
Emissions from purchased electricity (Scope 2)	74.282 tCO_2e	91.752 tCO_2e
Emissions from vehicle electricity (Scope 2)	4.786 tCO_2e	2.499 tCO_2e
Emissions from Transmission and Distribution (Scope 3)	8.277 tCO_2e	8.330 tCO_2e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	13.546 tCO_2e	12.597 tCO_2e

Carbon intensity: Emissions of tCO_2e / Full-Time Equivalents (No. of Employees) during 2025 was 0.460 tCO_2e (2024: 0.513 tCO_2e).

The company strategy has been to purchase renewable energy backed by Renewable Electricity Guarantees of Origin (REGO) certificates. Through this strategy, within the above 2025 total energy consumption, the company has sourced a total of 348,399.00 kWh (2024: 277,861.00 kWh) of REGO backed (zero emission) electricity equating to 83.02% (2024: 62.70%) of total electricity use.

Euler Hermes Services UK Limited

STRATEGIC REPORT (continued)
Year Ended 31 December 2025

Streamlined energy and carbon reporting (continued)

'Market Based' Method	2025	2024
The total energy consumption for 2025 was 675,287.25 kWh (2024: 708,182.45 kWh) equating to 89.385 tCO_2e (2024: 129.419 tCO_2e)		
Emissions from combustion of fuel for transport purposes (Scope 1)	23.467 tCO_2e	30.375 tCO_2e
Emissions from combustion of gas (Scope 1)	13.958 tCO_2e	13.858 tCO_2e
Emissions from purchased electricity (Scope 2)	29.988 tCO_2e	64.195 tCO_2e
Emissions from vehicle electricity (Scope 2)	4.786 tCO_2e	2.499 tCO_2e
Emissions from Transmission and Distribution (Scope 3)	3.640 tCO_2e	5.895 tCO_2e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	13.546 $tC0_2e$	12.597 tCO_2e

Carbon intensity: Emissions of tCO2e/full-time equivalent (no. of employees) during 2025 was 0.297 tCO2e (2024: 0.416 tCO2e).

Energy efficiency action taken - No energy efficiency actions taken during the reporting period.

Type	2025	2024
Total energy consumption (kWh)	675,287.25 kWh	708,182.45 kWh
Associated Carbon Emissions (tCO_2e)	138.316 tCO_2e	159.411 tCO_2e
Emissions of tCO_2e per full-time equivalent (no. of employees)	0.460 tCO_2e	0.513 tCO_2e

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Our business conduct

Our aim is to behave responsibly and ensure that the Company, and its employees, operates with the highest standards of business conduct and integrity.

As part of the Allianz SE group, the Company applies the Allianz group code of conduct in respect of business ethics ("Code of Conduct"). All employees are required to agree and adhere to the principles of the Code of Conduct. If employees have any concerns relating to issues covered by it, they are encouraged to speak to their manager in the first instance; if they feel they cannot raise their concern in this way, or wish to raise it anonymously, the Company provides an independent and confidential Speak Up channel. There were no incidents of this in 2025.

The Company has a zero tolerance approach to financial crime, bribery and corruption. The Company has policies, frameworks and controls in place to ensure that money is received from, or paid to, a third party, including clients, partners and suppliers, only if the Company has identified them as suitable to do business with in accordance with strict procurement procedures and due diligence processes.

As part of their induction process, all new employees undertake training on a range of compliance topics, including, but not limited to, bribery and corruption, fraud, anti-trust and conflicts of interest. Training is reinforced periodically to ensure and maintain a culture of integrity and trust.

Annually, all employees are required to certify any potential conflicts of interest to ensure that the Company conducts business in an environment of complete transparency and integrity. The Company is fully committed to promoting free and fair competition to the benefit of our customers and employees. As a result, the Company's employees that are identified as exposed to antitrust risks are annually required to sign an antitrust statement.

On behalf of the board

S Scott
Director

Dated:12th June 2026

Euler Hermes Services UK Limited

Company Number: 3376459

DIRECTORS' REPORT
Year Ended 31 December 2025

The directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2025.

Results and dividends

The results for the year are set out in the profit and loss account. Refer to the Strategic report on page 2 for the review of the business.

The directors do not recommend the payment of a dividend (2024: £0).

Future developments

In the coming year, the financial and operational performance of the Company, is likely to be impacted by several factors, including the evolution of the trade credit insurance portfolio.

After the recent implementation of the new policy management system, the trade credit insurance product offering has been harmonised affording benefits for customers and aiding internal processes. Within this core product, the approach to the risk service fees has also been reviewed and the majority of customers will in future be offered a 'bundle' of services for a fixed fee with a further transactional pricing structure if the threshold of the 'bundle' is exceeded. This is not expected to significantly change the amount of fees invoiced but represents a more streamlined approach for the Company and its customers. A new product named Grade Check has been launched in 2025 and this is expected to boost risk revenue.

The Company remains committed to supporting staff wellbeing. This includes a 'hybrid' working model within which staff are required to be in the office for at least two days per week and are allowed to work remotely on the remainder. In addition, the Company operates a number of support mechanisms including an Employee Assistance Program and specific events which focus on wellbeing topics.

Strategically the Company is focused on enhancing the efficiency of processes. This includes generating ideas from staff on processes that can be improved, maximising the capabilities of the new IT infrastructure and encouraging innovation and change.

The Company further advanced in 2025 progress against sustainability targets which is in line with the wider objectives of the Allianz group. Initiatives to support this include the renewal of company cars to electric or hybrid models, reducing the negative impacts of air travel and ensuring electricity supplies are from renewable sources.

Euler Hermes Services UK Limited

Company Number: 3376459

DIRECTORS' REPORT (continued)
Year Ended 31 December 2025

Brand name change

Euler Hermes has been fully a part of the Allianz group since 2018. On 28 March, 2022, the Company took a natural, and significant step, and re-branded to the name of Allianz Trade. As a result of this, the Company has benefited more from the reputation and strength of the Allianz group. The legal name of the Company remains unchanged.

Directors

The directors of the Company who were in office during the year and/or up to the date of signing the financial statements were:

M Bochot	- Resigned on 10.03.2026
S Bramall	
C Eremia	- Appointed on 01.07.2025, resigned on 10.03.2026
P Evola	
C Ironside	- Appointed on 01.08.2025
R Jimenez	- Resigned on 30.06.2025
S Murrow	- Resigned on 30.06.2025
S Rageot	- Resigned on 30.06.2025
S Scott	
B Semelin	- Appointed on 01.07.2025, resigned on 10.03.2026
L Smith	- Appointed on 10.03.2026
M Williams	

Directors, company secretary and their interests

The directors and company secretary held no interest in the called-up share capital of the Company at any point during the financial year.

The Company is limited by shares.

Company secretary

The following person served as company secretary during the year: Jekaterina Winter.

Indemnity insurance

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of approval of this report.

Political donations

The Company made no political donations or incurred any political expenditure during the year (2024: £0).

Share capital

There have been no changes in the Company's share capital during the year ended 31 December 2025.

Post balance sheet events

There were no significant post balance sheet events, which require disclosure in the financial statement.

Strategic report

The strategic report on pages 2 - 9 outlines details of the Company's principal activity, financial performance and the principal risks it faces and how these are mitigated.

Employees

The Company operates an Equal Opportunities policy aimed at ensuring that every applicant and employee receive, at all times and in all aspects of their employment, equal consideration and treatment irrespective of their sex, race, colour, creed, national or ethnic origin, marital status, age, responsibility for children or dependants, sexual orientation, gender reassignment, religious or political beliefs, trade union activities or disability. The Company has a policy related to the health, safety and welfare of employees and other persons, which is regularly reviewed.

The Company is fully committed to ongoing investment in the training and development of its employees. Allianz Degreed offers a wide range of courses and is designed to encourage the development of skills such as leadership, creative thinking and problem solving. Staff receive regular business updates on the progress of the Company.

The Company's employees can participate in Allianz SE's Share Incentive Plan (SIP) and or the Employee Share Purchase Plan (ESPP). In the SIP, for every three shares of Allianz SE (AZ) that employees purchase, AZ offers one additional share in return. Under the ESPP, for every three pounds of shares purchased, AZ contributes an extra pound. Employees must hold the shares acquired through both the SIP and ESPP for three years before selling them. In 2023, 2024 and 2025, AZ awarded all employees one free share in recognition of their contributions to the Company's performance. These free shares also require a three-year holding period before they can be sold.

Disabled staff

The Company gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. The Company is committed to supporting disabled individuals by fairly considering their job applications based on their skills and abilities, providing necessary training and support for employees who become disabled during their employment, and ensuring equal opportunities for their training, career development, and promotion.

Streamlined energy and carbon reporting

Please refer to page 7 and 8 in the strategic report for the streamlined energy and carbon reporting.

Financial statements and going concern

The directors have prepared the financial statements on the going concern basis because they fully intend the Company to continue to trade in its current manner for the foreseeable future. The Company is expected to continue to generate positive cash flow from its operating activities and is able to realise its assets and discharge its liabilities in the normal course of business. Therefore, the directors will continue to use the going concern basis of accounting when preparing the financial statements. Please refer to note 1. B. on page 24 for further details.

Euler Hermes S.A. (N.V.) has resolved to provide financial support to the Company. In addition, the defined benefit pension scheme is supported by an ongoing written guarantee from Euler Hermes S.A. (N.V.). As there are the above mitigations in place, the directors believe that the Company will meet its financial obligations as they fall due and will continue to operate as a going concern.

Statement of disclosure of information to auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP (PwC) were appointed as auditors of the Company from 20 November 2018. In accordance with section 487 of the Companies Act 2006, PwC have indicated their willingness to continue in office, and their reappointment was approved by the Board by way of a written resolution.

On behalf of the board

S Scott
Director

1 Canada Square
London E14 5DX
Dated: 12th June 2026

Euler Hermes Services UK Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES
Year Ended 31 December 2025

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

M Williams	**S Scott**
Director	Director

Dated: 12th June 2026

Euler Hermes Services UK Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EULER HERMES SERVICES UK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Euler Hermes Services UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise:

- the Balance sheet as at 31 December 2025;
- the Profit and loss account for the year then ended;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Euler Hermes Services UK Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EULER HERMES SERVICES UK LIMITED (continued)

Year Ended 31 December 2025

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and relevant tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries which may impact the financial performance and position of the company, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with senior management and directors responsible for risk and compliance and the Company's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable law and regulation;
- Designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness (where identified in accordance with our risk assessment) and testing material accounting estimates (where there may be an increased risk of management bias).

Euler Hermes Services UK Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EULER HERMES SERVICES UK LIMITED (continued)
Year Ended 31 December 2025

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

WLewis

William Lewis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 June 2026

Euler Hermes Services UK Limited

PROFIT AND LOSS ACCOUNT
Year Ended 31 December 2025

	Note	2025 £'000	2024 £'000
Turnover	2	68,302	68,778
Operating expenses	3	(61,152)	(60,949)
Operating profit	3	7,150	7,829
Finance income		1,215	722
Finance costs		(1,140)	(2,649)
Total income recognised in profit and loss account – defined benefit pension related	6	784	597
Profit before taxation	10	8,009	6,499
Tax on profit	10	(2,602)	(1,628)
Profit for the financial year		5,407	4,871

All results relate to continuing operations.

The accounting policies and notes on pages 23 to 52 to the financial statements form an integral part of these financial statements.

Euler Hermes Services UK Limited

STATEMENT OF COMPREHENSIVE INCOME
Year Ended 31 December 2025

	Note	2025 £'000	2024 £'000
Profit for the financial year		5,407	4,871
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension scheme	6	(1,449)	939
Deferred tax on remeasurements of defined benefit pension scheme		362	(235)
Total Other comprehensive (loss)/income for the year, net of income tax		(1,087)	704
Total comprehensive income for the year		4,320	5,575

All results relate to continuing operations.

The accounting policies and notes on pages 23 to 52 to the financial statements form an integral part of these financial statements.

Euler Hermes Services UK Limited

BALANCE SHEET
As at 31 December 2025

	Note	2025 £'000	2024 £'000
FIXED ASSETS			
Intangible assets	9	837	1,015
Goodwill	9	2,052	2,052
Tangible assets	8	1,938	2,330
CURRENT ASSETS			
Trade and other receivables	11	34,453	35,410
Cash at bank and in hand		13,543	20,600
		47,996	56,010
Pension Asset – amounts falling due after more than one year	6	13,368	14,482
CREDITORS - amounts falling due within one year	14	(64,045)	(77,724)
NET CURRENT LIABILITIES		(16,049)	(21,714)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,146	(1,835)
CREDITORS – amounts falling due after more than one year	15	(4,025)	(4,364)
NET LIABILITIES		(1,879)	(6,199)
CAPITAL AND RESERVES			
Called up share capital	16	500	500
Profit and loss account	17	(2,379)	(6,699)
TOTAL EQUITY		(1,879)	(6,199)

The accounting policies and notes on pages 23 to 52 to the financial statements form an integral part of these financial statements.

The financial statements on pages 19 to 52 were approved by the Board of Directors on 12th June 2026 and signed on its behalf by:

M Williams
Director
Dated: 12th June 2026

S Scott
Director

Euler Hermes Services UK Limited

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2024	500	(12,274)	(11,774)
Total comprehensive Income for the period			
Profit for the period	0	4,871	4,871
Other comprehensive income	0	704	704
Total comprehensive Income for the period	0	5,575	5,575
Balance at 31 December 2024	**500**	**(6,699)**	**(6,199)**

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2025	500	(6,699)	(6,199)
Total comprehensive Income/(loss) for the period			
Profit for the period	0	5,407	5,407
Other comprehensive loss	0	(1,087)	(1,087)
Total comprehensive Income for the period	0	4,320	4,320
Balance at 31 December 2025	**500**	**(2,379)**	**(1,879)**

The accounting policies and notes on pages 23 to 52 to the financial statements form an integral part of these financial statements.

1. Accounting policies

Euler Hermes Services UK Limited is a private company incorporated, domiciled and registered in England in the UK. The registered company number is 3376459 and the registered address is 1 Canada Square, London, E14 5DX.

A. Basis of preparation

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 as applicable to Companies using Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The financial statements have been prepared under the historical cost convention, as modified by revaluation of the plan assets which are measured at fair value and the pension scheme funded obligations which are measured at the present value of the obligation, and in accordance with the Companies Act 2006

The Company's ultimate parent undertaking, Allianz SE, includes the Company in its consolidated financial statements. The consolidated financial statements of Allianz SE are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Königinstraße 28, 80802 München, Germany.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 40 A-D of IAS 1 'Presentation of financial statements'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
  - Paragraph 79(a)(iv) of IAS 1;
  - Paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
  - Paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (statement of cash flows information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025
1. Accounting policies (continued)

A. Basis of preparation (continued)

There are no new standards which the Company early adopted. There are also no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2025 that have a material impact on the company's financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented.

B. Summary of material accounting policies

Going Concern

The Company's working capital requirements are mainly funded through the serving of Euler Hermes UK, it is expected that this position will be sustained into the foreseeable future and the directors consider that there is sufficient liquidity to support operations. The Company can meet its day-to-day working capital requirements and if, in any instance it has additional requirements, it can access the cash pooling arrangement of the Group.

The directors performed a going concern assessment and have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis of accounting in preparing the financial statements.

As such, the financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £16,049,000 (2024: £21,714,000) and net liabilities of £1,879,000 (2024: £6,199,000), which the directors believe to be appropriate for the following two reasons:

(i) The Company is dependent for its working capital on funds provided to it by Euler Hermes S.A. (N.V.), the Company's parent since 31 December 2011.

(ii) Euler Hermes S.A. (N.V.) has indicated through a signed letter of support, that for at least 12 months from the date of approval of these financial statements, Euler Hermes S.A. (N.V.) will continue to make available liquidity support as and when needed by the Company. In particular, repayment will not be requested unless the company has adequate resources. Therefore, the directors believe that the Company will meet its financial obligations as they fall due and will continue to operate as a going concern.

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025
1. Accounting policies (continued)

B. Summary of significant accounting policies (continued)

Foreign currency

The financial statements are expressed in pound sterling (£) which represent the Company's functional currency.

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less depreciation. The charge for depreciation is calculated to write down the cost of the tangible fixed assets to their estimated residual values at the end of their useful lives. This is charged to the profit and loss account on a straight-line basis over their expected useful lives. The asset's useful lives are estimated as:

Computer hardware -	3 years
Office equipment -	4 years
Furniture, Fixtures and fittings -	10 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation (except for goodwill) and accumulated impairment loss. Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful life of the intangible asset.

Internally generated and other software

Amortisation for other software, capitalised cost and internally generated software commences once it has been developed and enters into use.

The estimated useful life is as follows:

Internally generated software -	5 to 10 years
Other software -	3 to 7 years

Amortisation methods, useful lives and residual values are reviewed at each balance sheet date. Intangible assets that are not yet available for use are not subject to amortisation.

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025
1. Accounting policies (continued)

B. Summary of significant accounting policies (continued)

Costs relating to the development phase are capitalised provided that the entity can demonstrate the following: the technical feasibility of the project, its intention to complete and use the intangible asset, its capacity to use it, how the intangible asset will generate future economic benefits, the availability of resources to complete the development and its capacity to reliably measure the costs associated with the intangible asset.
Other development expenditures that do not meet these criteria are recognised in the profit and loss account as an expense

Both the amount to capitalize and the amount to expense are determined at the Group level, ensuring consistency and alignment with Allianz's accounting policies.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any. The recognised goodwill arose from the acquisition of Euler Hermes Collections SP Zoo, Euler Hermes Collections UK Limited and Euler Hermes Risk Services UK Limited. The Companies Act SI 2008 No. 410 paragraph 22, requires goodwill to be amortised over its useful economic life whereas under IFRS 3 Business Combinations, goodwill is not amortised but rather impaired. Consequently, the Company does not amortise goodwill. Had the goodwill been amortised from the date of its recognition, the accumulated amortisation and carrying value would have been £2,009,400 (2024: £2,002,300) and £42,600 (2024: £49,700) respectively. Further, an amount of £7,100 (2024: £7,100) would have been recognised in the profit and loss account for the current financial year. The above amortization is based on useful life of 10 years.

Impairment

Intangible assets that are not yet available to use and goodwill are subject to an impairment test on an annual basis or whenever there are indicators of impairment. Intangible assets with an infinite useful life are only subject to an impairment test when there are indicators of impairment. An impairment loss is recognised in the profit and loss account, for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use.

An impairment of goodwill is recognised when the higher of the Cash Generating Unit's (CGU) value in use (present value of future cash flows) and fair value less any selling costs is less than its carrying amount (share of net assets and goodwill). The impairment loss, if any, is allocated first to reduce the carrying amount of any goodwill allocated to a CGU and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025
1. Accounting policies (continued)

B. Summary of significant accounting policies (continued)

Defined benefit plans

The Company operates a defined benefit pension scheme ("the Scheme"), which from 31 December 2012 was closed to all future accrual. The fund is valued every three years by an independent actuary. In accordance with Section 224 of the Pensions Act 2004, an actuarial valuation of the Scheme is required to be performed at least every three years. The latest actuarial valuation of the Scheme was performed at 30 June 2023. The directors are satisfied that this is in accordance with Section 224 of the Pensions Act 2004.

The actuarial valuation performed on 30 June 2023, resulted in a surplus therefore a recovery plan was not needed. Accordingly, the Trustees and the Company have subsequently agreed to cease the regular contributions to the scheme towards the administrative cost on 31 August 2024. After 1 September 2024, this position is reviewed on quarterly basis and the Trustees have the option to recommence monthly contributions when the scheme's liquid assets fall below £2m.

The regular service cost of providing retirement benefits to employees during the year under the Scheme, together with the cost of any benefits relating to past service, are charged to administrative expenses. As the Scheme is closed to further accrual of benefits, both the current, and past, service cost for the year is £nil.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the financial year, taking account of any changes in the net defined benefit liability or asset during the period as a result of contribution and benefit payments. The net interest is recognised in the profit and loss account. Re-measurements, comprising actuarial gains and losses and the return on the net assets (excluding amounts included in net interest), are recognised immediately in other comprehensive income in the period in which they occur.

The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

The calculation of the defined benefit obligations is performed by the actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions, in future contributions and takes into account the adverse effect of any minimum funding requirements.

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025
1. Accounting policies (continued)

B. Summary of significant accounting policies (continued)

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the period during which employees render services.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Deferred income

Deferred income represents the service revenues and covers the unexpired portion of the policy term (or risk period) as of the balance sheet date. This is accounted for as a reduction to turnover.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and when it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Cash and bank overdraft
The cash reported represents cash at bank and in hand. Any bank overdrafts are recognised in current liabilities.

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025
1. Accounting policies (continued)

B. Summary of significant accounting policies (continued)

Trade and other receivables

Trade and other receivables are recognised initially at their transaction value and subsequently measured at amortised cost less any provision for bad debt. They are classified as current assets if collection is expected within one year or less. If not, they are presented as non-current assets. Trade and other receivables are de-recognised when the Company's right to cash flow has expired or when the Company has substantially transferred all the risks and rewards of ownership.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Impairment of trade receivables are recognised based on the greater of bad debt provision or expected credit loss.

Trade and other creditors

These are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Trade and other creditors are classified as current liabilities if payments are due within one year or less or as non-current liabilities where payment is due after one year. Trade and other creditors are derecognised when the related contractual obligation is discharged or if it either expires or is cancelled by mutual agreement with the supplier to waive the contractual liability.

Operating expenses

This represents the expenses initially incurred by the Company which are then either fully recharged, partially recharged or not recharged at all to the UK insurance branch of Euler Hermes S.A. (N.V.). They include staff costs, IT costs, management fees, intercompany charges, and facilities costs.

Revenue recognition

Under IFRS 15, the Company's revenue arises from three main revenue streams, each of which includes a distinct performance obligation, as outlined below:

Performance obligation 1 – Provision of a credit limit.
Performance obligation 2 – Provision of debt collection services.
Performance obligation 3 – Provision of staff and support services.

Performance obligation 1

The transaction price has been allocated to this obligation based either on a set fee per transaction or as a part of a fixed fee limits package. This obligation is satisfied upon assessment, and acceptance, of the credit limit request, which then enables the customer to trade with another party and be covered under their insurance contract. The revenue is recognised fully on a straight-line basis over the period of the insurance contract as multiple credit limit requests may be received.

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025
1. Accounting policies (continued)

B. Summary of significant accounting policies (continued)

Performance obligation 2

The transaction price has been allocated to this obligation based on either a set percentage commission rate applied to the value of the debt or, in the case of legal fees, a fixed charge. This obligation is fully satisfied upon the collection of the debt and return of the funds to the client (in the case of commissions) or in the provision of legal services (in the case of legal fees). As such, the revenue is allocated at the point the service is completed.

Performance obligation 3

The transaction price has been allocated to this obligation based on the costs incurred plus a mark-up of 5%. This obligation is fully satisfied upon the provision of insurance related services through staff contracted to the Company. As such, the revenue is allocated via a recharge process in the period the service is provided.

The total 2025 revenue recognised under IFRS 15 is £68,302,000 (2024: £68,778,000).

Financial instruments

Financial liabilities

Financial liabilities at amortised cost are initially recognised at fair value less any transaction costs incurred. For subsequent measurement, they are recognised at amortised cost. The difference between the initial measurement of financial liabilities and their redemption value is disclosed in the profit and loss account over the contractual term using the effective interest rate method.

Financial liabilities at amortised cost are classified as current or non-current liabilities subject to whether these are due within one year or beyond one year after the balance sheet date. The Company derecognises financial liabilities when either it discharges its obligations, they are cancelled, they are replaced by new liability with significantly amended terms or they expire. Financial assets and financial liabilities must be recognised in the financial statements when the Company becomes a party to the contractual provisions of the instruments.

Financial assets

The only financial assets recognised in the financial statements are cash and trade receivables, which are non-derivative financial assets with fixed or determinable payments.

The Company classifies its financial assets at amortised cost only if both of the following criteria are met (and are not designated as FVTPL):

• The asset is held within a business model whose objective is to collect the contractual cash flows.
• The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

Subsequent to initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss under 'net impairment losses on financial and contract assets.

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025
1. Accounting policies (continued)

B. Summary of significant accounting policies (continued)

Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies a simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss was reviewed and assessed and using the probability of default, loss given default and default maturity for receivables. The result was deemed insignificant and consequently this has not been included in the profit and loss account.

Leases

The Company has fully adopted IFRS 16 since 1 January 2019.

Since 1 January 2019, it recognises leases as right-of-use assets with a corresponding liability at the date at which the leased asset is available for use.

Motor vehicles are deemed as low value assets and, hence, the associated costs are expensed directly through the profit and loss account. Short term leases, if any, are also expensed directly through the profit and loss.

Assets and liabilities arising from a lease are initially measured on a net present value basis. Lease liabilities include the net present value of the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The discount rate applied was 0% (2024: 0%).

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any leases incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025
1. Accounting policies (continued)

C. Critical accounting estimates and judgement in applying the entity's accounting policies:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a. Useful economic lives of property, plant, equipment, and intangible assets finite life

The annual depreciation charge for intangible assets with finite life and property, plant and equipment if any, are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 8 and 9 for the carrying amount of the property plant and equipment and intangible assets respectively.

As indicated above the estimated useful lives of items of property, plant and equipment and intangible asset finite life range between 5 to 10 years.

The useful lives and carrying values of the Company's intangible assets with finite life have not been amended as at 31 December 2025.

b. Defined benefit pension scheme

The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 6 for the disclosures of the defined benefit pension scheme.

c. Goodwill impairment

An impairment of goodwill is recognised when the higher of the Cash Generating Unit's (CGU) value in use (present value of future cash flows) and fair value less any selling costs is less than its carrying amount (share of net assets and goodwill). See note 9 for the assumptions and disclosures of the impairment test of goodwill.

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended 31 December 2025

2. Turnover

	Collection Services		Risk Services		Management Services		Combined	
	2025	2024	2025	2024	2025	2024	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	7,614	7,233	16,004	15,053	44,684	46,492	68,302	68,778

Turnover by Geographical location

	Third Party		Intercompany		Combined	
	2025	2024	2025	2024	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
UK	16,571	15,614	39,276	41,446	55,847	57,060
France	0	0	9,480	8,749	9,480	8,749
Germany	0	0	346	335	346	335
Others	0	0	2,629	2,634	2,629	2,634
Total	16,571	15,614	51,731	53,164	68,302	68,778

The third party turnover amounts to £16,571k of which £2,909k and £13,662k relates to collection services and risk services respectively (2024: £15,614k of which £2,773k and £12,841k relates to collection services and risk services respectively). The geographical location split of turnover is disclosed appropriately in line with the Companies Act 2006.

Transfer pricing and recharge

Certain services, including management services, are recharged on monthly basis by the Company to the UK insurance branch of Euler Hermes S.A. (N.V.) under the terms of a transfer pricing agreement. The recharge includes support staff cost incurred by the Company in providing the services to Euler Hermes UK insurance branch whose staff are all employed by the Company. A transfer pricing agreement was signed by the Company which provides for a cost plus method of pricing. The agreed cost plus margin between the two entities is 5% (2024: 5%).

2. Turnover (continued)

Accrued income is a contract asset, which includes an unconditional right to consideration, and assets related to the fulfilment of customer contracts. The Company's trade receivables and accrued income exclusively relates to revenue from contracts with customers. Deferred income includes contract liabilities, which solely relates to revenue from contracts with its customers.

The amounts below show how much revenue recognised in the current financial year relates to prior year deferred income and how much relates to accrued income where the performance obligations were satisfied in the current year.

	2025 £'000	2024 £'000
Deferred income	103	297
Accrued income	200	11

Euler Hermes Services UK Limited

3. Operating expenses

	2025 £'000	2024 £'000
The operating profit is stated after charging/(crediting) the following:		
Auditors' remuneration: fees for the audit of the Company	147	147
Rent expense including utilities	575	302
Property plant and equipment - Depreciation	391	390
Amortisation of internally generated software	351	530
Staff cost	41,481	41,620
Foreign exchange loss/(gain)	921	(326)
Risk services and collections cost	9,381	8,705
IT charges from Euler Hermes group	2,528	2,544
Management charges from Euler Hermes group	3,666	2,446
Other expenses	1,310	4,084
Restructuring cost	23	49
Rental expense – land and buildings	121	196
Low value lease expense – other	257	262
	61,152	60,949

The Company, through Euler Hermes S.A. (N.V.) leases a number of motor vehicles for use as company cars. The Company also has a contract for the lease of office space from Allianz Services UK Limited (ASL). The lease contracts with ASL is not a lease in accordance with IFRS 16, therefore, this has been recognised as part of administrative expense.

4. Staff costs and numbers

The Company employs the majority of staff working for Euler Hermes entities in the UK. The following amounts in respect of staff costs were incurred by the Company, part of which has been recharged to the UK insurance branch of Euler Hermes S.A. (N.V.):

Staff costs	2025 £'000	2024 £'000
Wages and salaries	32,672	32,458
Social security costs	4,350	4,177
Contributions to defined contribution plans	3,551	3,557
Expenses related to defined benefit plans	(2)	379
Other staff related costs	910	1,049
	41,481	41,620

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025

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4. Staff costs and numbers (continued)

The average monthly number of persons employed by the Company and made available to Euler Hermes entities in the UK, based on contracted employees was 297 of which 13, 28 and 256 relates to collection, risk and management services respectively (2024: 315 of which 14, 29 and 272 relates to collection, risk and management services respectively).

5. Directors' remuneration and transactions

	2025	2024
	£'000	£'000
Directors' remuneration		
Emoluments	1,515	1,856
Defined contribution scheme	117	155
Total emoluments:	1,632	2,011
The amounts paid in respect of the highest paid director are as follows:		
Emoluments	262	498
Defined contribution scheme	28	21
Total emoluments	290	519

The remuneration of M Bochot, S Rageot, C Eremia and B Semelin is not included in the above as they are not paid directly by the Company, they are paid by Euler Hermes S.A. (N.V.) as key management personnel for all the business units within the Northern Europe region of Euler Hermes S.A. (N.V.) and are not remunerated separately for their services to the Company. Details of their compensation are available in note 30 of the consolidated financial statements of Euler Hermes S.A. (N.V.).

There were no transactions involving directors during the year.

6. Pension asset - amounts falling due after more than one year

Nature of benefits provided by the Scheme:

The Company operates a defined benefit scheme, which is a final salary plan and provides benefits linked to salary at retirement or earlier date of leaving service. The Scheme closed to future accrual on 31 December 2012.

6. Pension asset - amounts falling due after more than one year (continued)

Regulatory framework in which the scheme operates:

The Company adhere to the UK's pension legislations and regulations, which includes the Pensions Act 2004.

Other entity's responsibilities for governance of the Scheme:

The Trustees have the primary responsibility for governance of the Scheme including investments Decisions. Benefit payments are from Trustee-administered funds and Scheme assets are held in Trust, which are governed by the UK regulation.

Risk to which the Scheme exposes the Company:

Following the completion of the purchase of a second bulk annuity policy on 8 December 2023, there has been a significant reduction in the number and magnitude of risks that the Scheme is exposed to, and in the resulting expected balance sheet volatility, although some risks remain.

Asset volatility –The value placed on the bulk annuity contract held by the Scheme at the year-end is calculated using the same membership data, benefits (excluding known policy exclusions such as GMP Equalisation), method and assumptions as is used to value the defined benefit obligation. This means that, while the value of this asset may vary significantly due to a range of factors, such movement would be offset by an equal and opposite movement in the value of the defined benefit obligation, giving only a small net impact on the year-end balance sheet position. The Scheme currently invests most of its non-insurance assets in investment funds, the value of which can fluctuate. Consequently, there is a risk of falls in the value of these assets, and a potential reduction of the balance sheet surplus.

Counterparty risk - In the event that the insurer with whom the bulk annuity was purchased were to become insolvent or otherwise unable to make the contractual payments due, the Scheme would face financial loss as it would remain under obligation to make benefit payments to members.

Scheme amendments, curtailments or settlements:

We have not been advised of any such events over the accounting period.

The amounts recognised in the balance sheet at 31 December 2025 and 31 December 2024 are:

	2025 £'000	2024 £'000
Fair value of plan assets	142,692	143,898
Present value of funded obligations	(129,324)	(129,416)
Surplus	13,368	14,482
Net asset in the balance sheet	13,368	14,482

6. Pension asset - amounts falling due after more than one year (continued)

The amounts recognised in the profit and loss account are as follows:

	2025 £'000	2024 £'000
Net interest on the net defined benefit asset	784	597
Total income recognised in the profit and loss account (refer to the profit and loss account on page 19)	784	597

Analysis of net interest on defined benefit asset	2025 £'000	2024 £'000
Interest expense	(6,957)	(6,681)
Interest income	7,741	7,278
Net interest on the net defined benefit asset	784	597

Movement in net defined benefit asset over the year	2025 £'000	2024 £'000
Net defined benefit asset at start of year	14,482	13,301
Employer contributions	0	318
Income recognised in income statement	784	597
Remeasurement (loss)/gain recognised at end of year	(1,449)	939
Admin expenses paid by the Scheme	(449)	(673)
Net defined benefit asset at end of the year	13,368	14,482

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025

6. Pension asset - amounts falling due after more than one year (continued)

Remeasurement effects recognised in other comprehensive (Loss)/income (OCI)	2025 £'000	2024 £'000
Loss on scheme assets excluding interest income	(2,589)	(20,159)
Experience (loss)/gain on obligation	(372)	2,367
Actuarial gain from change in financial assumptions	2,491	16,235
Actuarial (loss)/gains from change in demographic assumptions	(979)	2,496
Total (loss)/gain recognised in OCI	(1,449)	939

Sensitivity Analysis based on assumptions (see page 43)

Discount rate increased by 0.5%	£121,881,000 (2024: £121,658,000)
RPI inflation assumption increased by 0.25%	£131,573,000 (2024: £131,501,000)
Life expectancy increased by 1 year	£132,559,000 (2024: £132,623,000)

This sensitivity shows the defined benefit obligation as at 31 December 2025.

Method and assumptions used to prepare sensitivity analysis, including changes from last year:

The above analyses assume that assumption changes occur in isolation except in the case of inflation where any change is assumed to have a corresponding impact on inflation-linked pension increases. In practice this is unlikely to occur and some assumptions may be correlated. The same method (projected unit method) has been applied when calculating these sensitivities as when calculating the defined benefit obligation.

Asset-liability matching strategy:

The Trustees ensure that investment positions are managed within a framework that has been developed to achieve long-term investment returns that are in line with the obligations under the pension scheme. Within this framework, the Trustees' have broadly matched assets to the pension obligations through the purchase of buy-in policies.

Any mismatch between assets and the pension liability is covered by the financial support available to the Company as contained in the letter of support issued by the Group entity.

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025

6. Pension asset - amounts falling due after more than one year (continued)

Effect of the scheme on the Company's future cash flows:

The Scheme's actuarial valuation at 30 June 2023 revealed a surplus on the funding basis. As such, a recovery plan was not required. The Trustees and the Company agreed that the current regular contributions to the scheme to cover administrative cost and the Trustees indemnity insurance arrangement be £nil from 1 September 2024. This position will be reviewed at the end of each quarter, with the Trustees having the option of requiring the Company to restart regular contributions up to the level that was payable before 31 August 2024.

	2025
Employer's estimate of contributions to be paid over the following year	£0
Duration of the liabilities	13 years

In 2012, following a consultation period with members, the Company closed its defined benefit pension scheme to further accrual of benefits. Members were instead entitled to pension benefits on a defined contribution basis going forward. Benefits in respect of service up to the date of closure were treated as leaving service benefits, which are largely inflation linked rather than salary linked.

Changes in the present value of the defined benefit obligation are as follows:

	2025 £'000	2024 £'000
Opening defined benefit obligation at 1 January	(129,416)	(149,776)
Interest cost	(6,957)	(6,681)
Actuarial gain	1,140	21,098
Benefits paid	5,909	5,943
Closing defined benefit obligations	(129,324)	(129,416)

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025

6. Pension asset - amounts falling due after more than one year (continued)

Changes in the fair value of plan assets are as follows:

	2025	2024
	£'000	£'000
Opening fair value of plan assets at 1 January	143,898	163,077
Interest income	7,741	7,278
Contributions by employer	0	318
Return on scheme assets excluding interest income	(2,589)	(20,159)
Benefits paid	(5,909)	(5,943)
Administration expenses	(449)	(673)
Closing fair value of plan assets	142,692	143,898
Actual return on plan assets	5,152	(12,881)

A summary of the Scheme's invested assets at 31 December 2024 and 2025 respectively is set out below:

	Quoted	Unquoted	Total
	£'000	£'000	£'000
Property income	0	5,893	5,893
Private Corporate Debt	0	11,062	11,062
Infrastructure Debt	0	8,305	8,305
Cash and net current assets	5,758	(15,636)	(9,878)
Annuities	0	128,516	128,516
Balance 31 December 2024	5,758	138,140	143,898

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025

6. Pension asset - amounts falling due after more than one year (continued)

	Quoted	Unquoted	Total
	£'000	£'000	£'000
Private Corporate Debt	0	8,875	8,875
Infrastructure Debt	0	8,062	8,062
Cash and net current assets*	2,441	(4,984)	(2,543)
Annuities	0	128,298	128,298
Balance 31 December 2025	2,441	140,251	142,692

In December 2012, the Trustees completed a pensioner buy-in exercise in which additional insured annuities were purchased from Legal and General Society Limited in order to provide income to meet the remaining benefits payable to the scheme's pensioner population at 30 October 2012. On 8 December 2023, the Scheme entered into a buy-in contract with Just retirement Limited, to insure all remaining uninsured member benefits.

These annuities amount to a qualifying insurance policy in terms of IAS 19 and hence are disclosed as part of the plan assets. With the exception of cash and annuities, the rest of the assets are invested in levels 2 and 3 pooled investment vehicles, which are well diversified across asset classes in different industry sectors.

*The cash and net current asset value is the estimated value at 31 December 2025, adjusted to allow for the loan associated with the buy-in contract signed in early December 2023. It also consists of the present value of the expected loan amount of £4,500,000 due to be paid back to the Company before 7 January 2027. The loan advance was made on 25 January 2024 and interest would be paid in full at the end of the loan term. This has been treated as negative net current asset. The last outstanding deferred premium £0 (2024: £12,060,000) was paid in full during the year.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes, where evidence of the relevant actuarial confirmation required by law cannot be found. This case may have implications for other pension plans which were contracted-out and made plan amendments between 1997 and 2016. This ruling was appealed and on 24 July 2024, the Court of Appeal handed down its judgment upholding the judgement of the High Court. The impact on this ruling on the defined benefit pensions liabilities quoted in these financial statements was deemed to be very low (according to the legal opinion obtained by ReedSmith). As a result, no adjustments have been made in these financial statements.

Following the recent Department of Works and Pension (DWP) ruling, the Pension Schemes Act 2026 has now received Royal Assent and the Virgin Media remedy came into force on 29 April 2026.

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025

6. Pension asset - amounts falling due after more than one year (continued)

Principal actuarial assumptions at the balance sheet date are as follows (expressed as weighted averages):

	2025	2024
Discount rate at 31 December	5.55%	5.50%
RPI inflation	2.90%	3.10%
CPI inflation	2.40%	2.60%
Pension increases		
RPI min 0, max 5% p.a./ LPI RPI max 5% p.a	2.85%	3.00%
RPI min 0, max 2.5% p.a/ LPI RPI max 2.5% p.a	2.10%	2.15%
CPI max 3% p.a./ LPI CPI max3% p.a	2.15%	2.25%
Mortality smoothing parameter	7.0	7.0
Proportion married	80%M/75%F	80%M/75%F
Age difference (Male-Female)	3 years	3 years

Cash commutation - 70% of members take the maximum cash available (2024: 70%)

Mortality assumptions:

Pre-retirement mortality – 2025
TxNL16 CMI_2024 improvements rebased from 2016 with a 1.50% pa (males) and a 1.25% pa (females) long-term rate.

Pre-retirement mortality - 2024
TxNL16 CMI_2023 improvements rebased from 2016 with a 1.50% pa (males) and a 1.25% pa (females) long-term rate.

Post-retirement mortality - 2025
87% S3PMA/100% S3PFA CMI_2024 improvements rebased from 2016 with a 1.50% pa (male) and a 1.25% pa (female) long-term rate.

Post-retirement mortality - 2024
87% S3PMA/100% S3PFA CMI_2023 improvements rebased from 2016 with a 1.50% pa (male) and a 1.25% pa (female) long-term rate.

6. Pension asset - amounts falling due after more than one year (continued)

Early retirement:
Non-employed deferred members are assumed to take their benefits from the earliest age at which they can retire unreduced and without consent. Deferred members still employed by the Company have favourable early retirement terms and a quarter are assumed to retire at age 55, with half of the remainder retiring at age 60 and the rest at their normal retirement age.

The discount rate is based on applying projected cash flows due from the Scheme to Gallagher's standard AA corporate bond spot yield curve as at 31 December 2025. The Company's discount rate of 5.6% p.a. was considered appropriate for the estimated disclosures.

RPI inflation has been determined by applying a yield curve approach to the Scheme's cash flows using the 40-year Bank of England inflation yield curve as at 31 December 2025. A 0.3% p.a. deduction has been made to this cash flow-weighted inflation rate as a premium for protection against inflation risk and to allow for supply and demand issues. This resulted in RPI inflation assumption of 2.90% p.a.

Due to the lack of a CPI-linked bond market, a deduction to the RPI assumption was applied in order to arrive at the CPI assumption. Given that RPI will now be aligned with CPIH from 2030, we have considered a term-dependent wedge based on the inflation-linked cashflows of the Scheme. This assumes that the RPI / CPI wedge assumption is as 0.9% p.a. for the period to 2030 and 0% p.a. for the period thereafter.

A stochastic model for pension increases linked to inflation is used to generate assumptions that are subject to annually applied caps and/or floors. The inflation assumed is with varying volatility levels for RPI and CPI.

Defined contribution scheme

The Company also operates a defined contribution scheme, which is open to new entrants. The charge to the Company for the year for this scheme was £3,551,000 (2024: £3,557,000).

7. Auditors' remuneration

The total remuneration payable by the Company, excluding VAT, to its auditors, PricewaterhouseCoopers LLP, is £147,000 (2024: £147,000) in respect of the audit of the financial statements. There were no other services provided by the auditors to the Company.

	2025	**2024**
	£'000	**£'000**
Fees payable for the audit of the Company's financial statements	147	147

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025

8. Tangible assets

	Office equipment £'000	Fixtures and fittings £'000	Computer hardware £'000	Total £'000
Cost				
At 1 January 2025	947	3,072	366	4,385
Write off	0	0	(211)	(211)
At 31 December 2025	947	3,072	155	4,174
Accumulated depreciation				
At 1 January 2025	(354)	(1,568)	(133)	(2,055)
Charge for the year	(99)	(252)	(40)	(391)
Write off	0	0	210	210
At 31 December 2025	(453)	(1,820)	37	(2,236)
Net book value				
At 31 December 2025	494	1,252	192	1,938
At 31 December 2024	593	1,504	233	2,330

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025

9. Intangible assets

	Internally generated software £'000	Goodwill £'000	Total £'000
Cost			
At 1 January 2025	14,173	2,052	16,225
Write off	(7)	0	(7)
Additions	173	0	173
At 31 December 2025	14,339	2,052	16,391
Accumulated amortisation			
At 1 January 2025	(13,158)	0	(13,158)
Write off	7	0	7
Charge for the year	(351)	0	(351)
At 31 December 2025	(13,502)	0	(13,502)
Net book value			
At 31 December 2025	837	2,052	2,889
At 31 December 2024	1,015	2,052	3,067

Internally generated software relates to various projects undertaken and co-ordinated by Euler Hermes Group. The software development costs are charged on a quarterly basis to entities that will derive benefit from the software. Amortisation only commences once the software enters use.

Below is the list of material intangible assets and the remaining amortisation period:

Asset	Carrying value at 31 Dec 25 £'000	Remaining amortisation period £'000
Self-reporting business intelligence tool	351	£0 of the balance has 1 year remaining, £3k has 2 years remaining, £0 has 3 years remaining, £269k has 4 years remaining and £79k has over 5 years remaining.

9. Intangible assets (continued)

There are no other individually material intangible assets.

Goodwill:

On 1 January 2012, the assets and liabilities of Euler Hermes Collections UK Limited and Euler Hermes Risk Services UK Limited were acquired by the Company at fair value for no consideration. The transactions have been accounted for as acquisitions in these financial statements and they have given rise to goodwill amounting to £1,981,000 (Risk Services £1,765,000; Collection Services £216,000).

On 2 November 2021, the third party clients of Euler Hermes Collections SP Zoo – UK Branch, were transferred to the Company at a consideration of £71,000. Its assets and liabilities were not transferred to the Company but rather to the parent Company of the UK collection branch based in Poland. The consideration was calculated based on the net present value of future cash to be derived from these third party clients. This transaction led to goodwill of £71,000 being recognised in the financial statement. This has not been subjected to an impairment review given the immaterial nature of the amount involved in this business deal.

Impairment testing of goodwill:

Intangible assets with indefinite useful lives are tested at least annually for impairment by comparing the carrying value with the recoverable amount, by using the value in use ("VIU") calculations for each of the cash generating units ("CGU") of risk and collection services.

The VIU is defined as the present value of future cash flow as identified from the CGUs respective business plan, including the terminal value. The cash flow beyond the three-year budget period are extrapolated using the estimated perpetual growth rate.

The main assumptions for the calculation of the VIU are as follows; the perpetual growth rate of 1%, the post-tax discount rate of 9.9%, average annual growth rate (AAGR) for turnover in the risk services is 0.60% and 11.33% in the collection services, annual capital expenditure and changes in working capital were based on the AAGR. The model is based on projected three-year budget approved on 31 December 2025 by both the board of Directors and Euler Hermes Group.

The impairment test was carried out to cover the accounting period 2025. The test results showed that no impairment is required for CGUs for the aforementioned years.

A sensitivity analysis was also performed on the key assumptions used to determine the VIU for each CGU as at 31 December 2025. Management believes that no reasonably probable change in any of the key assumptions would cause the carrying value of any goodwill to exceed its recoverable amount.

9. Intangible assets (continued)

The table below shows the decrease required in the perpetual rate or the increase required in the discount factor, the working capital and fixed capital expenditure and the average growth rate for the recoverable amount of the CGU to equal the carrying amount. However, the sensitivity test on the required decrease in the perpetual growth rate, the average growth rate, and the changes in working and fixed capital of both the risk and collection services resulted in extremely large percentages; hence all four have been stated below as greater than 1000%.

	Risk Services	Collection Services
Increase in discount factor	226.50%	1262.70%
Decrease in perpetual rate	>1000.00%	>1000.00%
Average growth rate in turnover	>1000.00%	>1000.00%
Working capital change	>1000.00%	>1000.00%
Changes in fixed capital	>1000.00%	>1000.00%
Carrying value of goodwill	£1,765,000	£216,000

Management has calculated the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Turnover	Average annual growth rate over the three-year budget period which is based on management's expectation of market evolution and historic performance.
Annual fixed capital expenditure	Expected cash outflow is based on weighted percentage of the annual growth rate of turnover.
Change in working capital	Changes in accounts receivables and payables were estimated based on the weighted percentage of the annual growth rate of turnover.
Perpetual growth rate	The weighted average growth rate used to extrapolate cash flows beyond the budget period. This is the same rate as used by Euler Hermes Group.
Discount rate	Relates to specific risk of the relevant segment and is same rate used at Euler Hermes Group level.

10. Tax on profit

	2025 £'000	2024 £'000
Recognised in the profit and loss		
UK corporation tax		
Current year current tax charge	2,196	785
Under provision in the prior years	383	39
Total current tax charge	2,579	824
Deferred tax		
Current year deferred tax charge – (see note 12)	78	554
(Over)/under provision in the prior years	(55)	250
Total deferred tax charge	23	804
Total tax charge on profit	2,602	1,628
Total income tax recognised in other comprehensive income		
Deferred tax (credit)/charge through OCI	(362)	235

Reconciliation of effective tax rate	2025 £'000	2024 £'000
Profit before taxation	8,009	6,499
Tax using the UK corporation tax rate of 25% in 2025 (2024: 25%)	2,002	1,625
Non-deductible expenses	251	259
Under provision in the prior years	328	289
Other	(57)	(1,099)
Arising from origination and reversal of temporary difference	78	554
Total tax charge on profit	2,602	1,628

Euler Hermes Services UK Ltd, as a fully consolidated Allianz SE entity, falls under OECD Pillar Two rules. Under these rules, a top-up-tax must be paid per jurisdiction for the difference between the Global Anti-Base Erosion (GloBE) effective tax rate and the 15 per cent minimum rate. These require a top-up tax if the GloBE effective tax rate is below 15%. UK legislation came into effect on 1 January 2024. As all UK-based Allianz entities are expected to exceed the 15% rate, no top-up tax is due. The Company will apply any transitional reliefs available to ease compliance and reporting.

11. Trade and other receivables

	2025 £'000	2024 £'000
Trade receivables - group	11,936	7,637
- third party	1,266	935
Amounts owed by group undertakings	15,313	21,194
Corporation tax receivable	5,086	5,124
Other debtors	92	155
Prepayments and accrued income	760	365
	34,453	35,410

The trade receivables are stated after provision for impairment of £1,190,000 (2024: £1,200,000). Amount owed by group undertakings are unsecured, interest free, have no fixed repayment and are repayable on demand. Included in amount owed by group undertakings is the loan advance of £4,500,000 (including accrued interest receivable) advanced to the pension scheme (refer to note 6).

12. Deferred tax liability

	2025 £'000	2024 £'000
Analysis of deferred tax liability:		
Liability at 1 January	(4,364)	(3,325)
Charge to the profit and loss account for the year	(78)	(554)
Credit/(expense) in other comprehensive income	362	(235)
Over/(under) provision in the prior years	55	(250)
Liability at 31 December	(4,025)	(4,364)
Deferred tax arises from:		
Other	(168)	193
Capital allowance	(515)	(936)
Pension related	(3,342)	(3,621)
	(4,025)	(4,364)

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). There has been no change to corporation tax rates for the financial year ended 31 December 2025. For the financial year ended 31 December 2025 the weighted average tax rate is 25% (31 December 2024 weighted average tax rate was 25%). Deferred taxes at the balance sheet data are measured at 25%.

13. Provision for restructuring costs

The Company has made a net decrease of £nil in the provision during the year leaving a closing balance of £nil. The decrease in the provision in the year is to cover internal reorganisation within non-core functions. During the year, the company paid out £23k within non-core functions of the business and this was recognised directly as part of administrative expense (see note 3).

A breakdown of the overall impact of the costs within the Company's financial statements in both 2025 and 2024 is as follows:

Restructuring costs provided	2025 £'000	2024 £'000
Balance brought forward at 1 January	0	0
Movement:		
Less - Utilised	(23)	(49)
Add - Increase in provision	23	49
Balance carried forward as at 31 December	0	0

14. Creditors - amounts falling due within one year

	2025 £'000	2024 £'000
Amounts owed to group undertaking	44,804	60,548
Other creditors	7,553	4,268
Accruals and deferred income	11,688	12,908
	64,045	77,724

Amount owed to group undertakings are unsecured, interest free, have no fixed repayment and are repayable on demand.

The Company has given no securities for amounts owed to all its creditors.

15. Creditors - amounts falling due after more than one year

	2025 £'000	2024 £'000
Deferred tax (refer to note 12)	4,025	4,364
	4,025	4,364

Euler Hermes Services UK Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year Ended 31 December 2025

16. Called up share capital

	2025	2024
	£'000	£'000
Authorised – 500,000 ordinary shares of £1 each		
At 31 December	500	500
500,000 ordinary shares allotted, called up and fully paid		
At 31 December	500	500

17. Profit and loss account

	2025	2024
	£'000	£'000
At 1 January	(6,699)	(12,274)
Profit for the financial year	5,407	4,871
Other comprehensive (loss)/income	(1,087)	704
At 31 December	(2,379)	(6,699)

18. Contingent liabilities

At 31 December 2025, there were no contingent liabilities £0 (2024: £0).

19. Ultimate and immediate parent undertaking

The immediate parent, as the smallest group undertaking as at 31 December 2025 is Euler Hermes S.A. (N.V.), which is incorporated and registered in Belgium, copies of whose financial statements can be obtained from its registered office at Avenue des Arts 56, 1000 Brussels, Belgium.

The ultimate parent, as the largest group undertaking and controlling party as at 31 December 2025 is Allianz SE, which is incorporated and registered in Germany as a European company, copies of whose consolidated financial statements can be obtained from its registered office at Königinstraβe 28, 80802 München, Germany.

20. Post balance sheet events

There is no subsequent event, which requires a modification of the values of assets and liabilities or any additional disclosure.