ANNUITY AND LIFE RE (HOLDINGS), LTD AND SUBSIDIARY

FINANCIAL STATEMENTS

(AND INDEPENDENT AUDITORS' REPORT THEREON)

FOR THE YEARS ENDED

DECEMBER 31, 2025 AND 2024

ANNUITY AND LIFE RE (HOLDINGS), LTD AND SUBSIDIARY
FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025 AND 2024
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INDEPENDENT AUDITORS' REPORT

To the Shareholder,
Annuity and Life Re (Holdings), Ltd.

Adverse Opinion

We have audited the financial statements of Annuity and Life Re (Holdings), Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income, changes in shareholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements do not present fairly, the financial position of Annuity and Life Re (Holdings), Ltd. as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse Opinion

As described in Note 2, the Company failed to consolidate an investment in a wholly owned subsidiary as of and for the year ended December 31, 2024 as required under accounting principles generally accepted in the United States of America ("US GAAP"). The effects of the failure to consolidate the subsidiary as of and for the year ended December 31, 2024 have not been determined, with many elements of the financial statements materially affected. The wholly owned subsidiary was dissolved during the year ended December 31, 2025. During the dissolution process the Company received several patents owned by the dissolved subsidiary. The initial recognition and subsequent measurement of these patents were not in accordance with US GAAP. The effects of these departures from US GAAP on the accompanying financial statements have not been determined.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Other Matter

The financial statements of the Company for the year ended December 31, 2024 were audited by another auditor who expressed an adverse opinion on those statements on June 27, 2025.

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INDEPENDENT AUDITORS' REPORT *(continued)*

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

- In performing an audit in accordance with GAAS, we:
- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Forvis Mazars Limited

Chartered Professional Accountants
Hamilton, Bermuda
August 31, 2026

ANNUITY AND LIFE RE (HOLDINGS), LTD AND SUBSIDIARY
BALANCE SHEETS
AS OF DECEMBER 31, 2025 AND 2024
(Expressed in United States Dollars)

	Note	December 31 2025 $	December 31 2024 $
ASSETS:			
Cash and cash equivalents		13,834	13,563
Investments	3	28,719,639	23,636,581
Intangible assets	5	-	-
Other assets	6	8,100	7,921
Total assets		28,741,573	23,658,065
LIABILITIES AND SHAREHOLDERS' EQUITY:			
Liabilities			
Reserve for losses and loss expenses	9	-	95,629
Loan payable	7	575,000	-
Interest on loan payable	7	7,048	-
Due to affiliates	10	1,351,283	250,000
Accounts payable and accrued expenses	16	1,243,654	965,229
Total liabilities		3,176,985	1,310,858
Shareholders' Equity			
Share capital	11	6,948,159	6,948,159
Treasury stock	12	(18,896,796)	(18,896,796)
Additional paid-in-capital	11, 12	42,502,974	42,502,974
Deficit		(4,989,749)	(8,207,130)
Total shareholder's equity		25,564,588	22,347,207
Total liabilities and shareholder's equity		28,741,573	23,658,065

The accompanying notes should be read in conjunction with these financial statements

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

Casey McCandless
DIRECTOR

William P. Wells
DIRECTOR

ANNUITY AND LIFE RE (HOLDINGS), LTD AND SUBSIDIARY
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in United States Dollars)

	Note	December 31 2025 $	December 31 2024 $
Net underwriting income	9	85,629	-
Net investment income	3	5,764,807	6,273,955
Impairment of loan receivable and intangible assets	4,5	(370,097)	(1,208,472)
Investment management fee	10	(1,101,283)	-
Income before operating expenses		4,379,056	5,065,483
Operating expenses		(1,161,675)	(598,223)
Net income		3,217,381	4,467,260
Income per share		0.46	0.64

The accompanying notes should be read in conjunction with these financial statements

ANNUITY AND LIFE RE (HOLDINGS), LTD AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in United States Dollars)

	Note	Share capital $	Treasury stock $	Additional paid-in capital $	Deficit $	Total $
Shareholders' equity - December 31, 2023		6,948,159	(18,896,796)	42,502,974	(12,674,390)	17,879,947
Comprehensive income		-	-	-	4,467,260	4,467,260
Shareholders' equity - December 31, 2024		6,948,159	(18,896,796)	42,502,974	(8,207,130)	22,347,207
Comprehensive income		-	-	-	3,217,381	3,217,381
Shareholders' equity - December 31, 2025		6,948,159	(18,896,796)	42,502,974	(4,989,749)	25,564,588

The accompanying notes should be read in conjunction with these financial statements

ANNUITY AND LIFE RE (HOLDINGS), LTD AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in United States Dollars)

	December 31 2025 $	December 31 2024 $
OPERATING ACTIVITIES:		
Net income from operations	3,217,381	4,467,260
Adjustments for:		
Net realized loss on sale of investments	365,652	-
Net change in unrealized (gain) loss on equity investments	(5,857,790)	(5,387,738)
Dividend income	(246,082)	-
Change in impairment loss on loans and intangible assets	370,097	1,208,472
Changes in non-cash assets and liabilities:		
Interest receivable	-	(880,500)
Other assets	(179)	38,556
Reserve for losses and loss expenses	(95,629)	-
Due to affiliates	1,101,283	-
Interest payable	7,048	-
Accounts payable and accrued expenses	278,425	265,149
Cash and cash equivalents used for operating activities	(859,794)	(288,801)
FINANCING ACTIVITIES:		
Proceeds from loan	575,000	5,000
Dividend income	246,082	-
Cash and cash equivalents provided by financing activities	821,082	5,000
INVESTING ACTIVITIES:		
Issuance of loans	(370,096)	(332,972)
Proceeds from sale of investments	409,079	62,668
Cash and cash equivalents provided by (used in) investing activities	38,983	(270,304)
Increase (decrease) in cash and cash equivalents during the year	271	(554,105)
Cash and cash equivalents, beginning of year	13,563	567,668
Cash and cash equivalents, end of year	13,834	13,563

The accompanying notes should be read in conjunction with these financial statements

1. The Company

Annuity and Life Re (Holdings), Ltd. ("Holdings") was incorporated under the laws of Bermuda on December 2, 1997. Its principal activity is that of investment holding.

Holdings was wholly owned by Pope Investments II LLC, a managed limited liability company registered in Delaware. In 2013, the Board of Directors of Holdings approved the transfer of all its common shares from Pope Investments II LLC to Wilson & Co., a nominee company owned by HSBC Bermuda Custody Services for and on behalf of Clarien Bank Limited, with the intent of allowing more liquidity to the Company's investors.

The financial statements include the accounts of Holdings and its wholly owned subsidiary, Annuity and Life Reassurance, Ltd. ("ALRE"), a Class C insurer under the Insurance Act 1978 of Bermuda and related regulations. ALRE has not written any long-term business since December 31, 2005 and does not intend to continue writing any long-term business in the near future. Effective August 1, 2013, ALRE entered into a commutation and release agreement with Alterra Bermuda Limited, in respect of the Property Quota Share Retrocession Agreement which both parties entered into in January 1, 2010. The commutation and release agreement mutually releases both parties from any and all past, present and future payment obligations in connection with the Retrocession agreement. Following the Retrocession agreement, ALRE applied for cancellation of the Class 3A Insurer registration, pursuant to Section 41(1)(a) of the Insurance Act 1978, which was approved by The Bermuda Monetary Authority effective August 25, 2021. Given that ALRE has ceased writing general business, The Bermuda Monetary Authority amended Schedule I of the Class C Certificate of Registration, including the addition of condition #2.

Effective December 11, 2025, ALRE entered into a commutation and release agreement with Sun Life Assurance Company in respect of the Yearly Renewable Term Portfolio Reinsurance Agreement dated December 31, 2001, and the Assignment and Novation Agreement dated March 1, 2003, among Sun Life, ALRE, and RGA Reinsurance Company.

Effective March 20, 2026, the Bermuda Monetary Authority approved the request of Annuity and Life Reassurance, Ltd. to cancel its Class C insurance license.

Holdings and ALRE are collectively referred to herein as the "Company."

In 2012, the Company obtained a waiver on the qualified investor restriction, effectively allowing the Company's listed securities to be held by the general public, subject to a few requirements imposed on regular publicly listed entities in the Bermuda Stock Exchange ("BSX").

2. Significant accounting policies

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America with the exception of the non consolidation of a subsidiary entity Multivir Inc ("Multivir").

2. Significant accounting policies *(continued)*

The significant accounting policies are as follows:

(a) Basis of consolidation

The financial statements include the accounts of Holdings and ALRE. All significant inter-company accounts and transactions have been eliminated upon consolidation. The financial statements for the year-ended December 31, 2024 do not include the accounts of Multivir. The financial statements for the year-ended December 31, 2025 do not include the financial effects of the dissolution of Multivir that occurred on August 20, 2025 in accordance with the General Corporation Law of the State of Delaware, USA.

b) Cash and cash equivalents

Cash and cash equivalents are carried at market value, and consist of money market funds and short-term investments, with original maturities of 90 days or less. The Company considers cash pledged as collateral for securities sold short to be restricted cash.

(c) Premiums written

Premiums are recognized as revenue on a pro-rata basis over the periods of the respective policies or contracts of reinsurance. The portion of premiums that will be earned in the future are deferred and reported as unearned premiums. Premiums which are subject to adjustment are estimated based upon available information. Any variances from the estimates are recorded in the periods in which they become known.

(d) Reserve for losses and loss expenses

Long-term Business

The development of reserves for policy benefits and for claims incurred but not reported ("IBNR") for the Company's long-term products requires management to make estimates and assumptions regarding mortality, lapse, persistency, expenses and investment experience. Such estimates are primarily based on historical experience and information provided by ceding companies. Actual results could differ materially from those estimates. Management monitors actual experience and, where circumstances warrant, revises its assumptions and the related reserve estimates. In certain instances, the Company continues to be liable for claims arising on novated contracts which pre-date the novation agreement.

(e) Investments

Investments are carried at their fair value with the unrealized gain or loss reported in the statements of income.

Realized gains and losses on investments are recognized in the statements of income using the specific identification method. Interest income is recognized on an accrual basis.

Investments in non-publicly traded companies are measured at cost.

Investments on Short sale

Investments on short sale are carried at their fair value.

Margin receivable represent margin deposits held in respect of short sale contracts.

2. Significant accounting policies *(continued)*

(f) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While management believes that the amounts included in the financial statements reflect the Company's best estimates and assumptions, actual results could differ from these estimates.

New accounting standards adopted during the year

There are no new or revised standards that are effective for the year ended December 31, 2025 that have a material effect on the financial statements of the Company.

New accounting standards to be adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2025 and have not been applied in the preparation of these financial statements. Those which may be relevant to the financial statements of the Company are as follows:

In March 2024, the FASB issued ASU 2024-02, Codification Improvements—Amendments to Remove References to the Concepts Statements. The amendments in this update contain amendments to the Codification that remove references to various Concepts Statements. In most instances, the references are extraneous and not required to understand or apply the guidance. In other instances, the references were used in prior Statements to provide guidance in certain topical areas. For non public entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments provide (1) all entities with a practical expedient and (2) entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. The amendments are effective for annual reporting periods beginning after December 15, 2025. Early adoption is permitted.

In December 2025, the FASB issued ASU 2025-12, Codification Improvements. The amendments address suggestions received from stakeholders and make incremental improvements to generally accepted accounting principles. The amendments are effective for all entities for annual reporting periods beginning after December 15, 2026.

The Company has determined that all other recently issued pronouncements do not apply to its operations.

3. Investments

The cost, gross unrealized gains, gross unrealized losses and market value of investments are as follows:

December 31, 2025	Cost $	Gross unrealized gains $	Gross unrealized losses $	Net market value $
Equities	19,450,372	14,360,400	(5,091,133)	28,719,639

December 31, 2024	Cost $	Gross unrealized gains $	Gross unrealized losses $	Net market value $
Equities	20,225,105	9,018,004	(5,606,528)	23,636,581

Under Accounting Standards Codification ("ASC") No. 820 - "Fair Value Measurements and Disclosures, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 assets and liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Our valuation for level 3 assets is derived from the information provided by the entities in their fair value assessment that is based upon NPV calculations under the different scenarios and audited financial statements.

3. Investments *(continued)*

The categorization of the Company's financial assets recorded at fair value based upon the fair value hierarchy as at December 31, 2025 are as follows:

December 31, 2025	Level 1 $	Level 2 $	Level 3 $	Total $
Equities	24,382,889	-	4,336,750	28,719,639

There were no transfers between levels for the years ended December 31, 2025 and 2024.

Net investment income comprised of

	December 31 2025 $	December 31 2024 $
Interest income	1,946	894,371
Realized loss on sale of investments	(365,652)	(15,727)
Dividend income	246,082	-
Unrealized gain on investments	5,857,791	5,387,738
Other income	24,640	7,573
Total	5,764,807	6,273,955

4. Loans receivable

December 31, 2025	Face value $	Purchase price $	Interest rate per annum $	Interest receivable $
Multivir	-	-	-	-

December 31, 2024 (fully impaired)	Face value $	Purchase price $	Interest rate per annum $	Interest receivable $
Multivir	14,688,727	5,533,890	6%	3,358,553

Multivir is a related party – see note 10.

During the year, management deemed that additional loan amounts due from Multivir were impaired and recorded an allowance of $82,173, (2024 -$163,221) for the principal and $442,472 (2024 - $880,500) for the interest.

The total, fully impaired loan balance of $5,616,064 plus interest receivable $3,801,025 provided by the company to Multivir were canceled in exchange for patents on July 2, 2025. The face value of the loan at the date of cancellation was $14,770,890.

4. Loans receivable *(continued)*

During the year, management recognized a provision of 100% of the unrecoverable debts in the amount $213,757 (2024 -$164,751) for loans provided to Southern Advanced Materials LLC, a related party (see note 10) and $74,166 for receivables owed by Pope Investments II, LLC, also a related party (see note 10).

5. Intangible assets

During the year, prior to the dissolution of Multivir, the Company signed a bill of sale for the purchase of patents owned by Multivir. Said patents were accounted for at $1 cost in these financial statements; the patents were subsequently impaired to $nil. This accounting for the purchase and transfer of patents between entities under common control, and subsequent impairment thereof is not in accordance with US GAAP.

6. Other assets

Other assets consist of prepaid expenses of $8,100 (2024 - $7,921).

7. Loan payable and interest on loan payable

During the year, the Company entered into multiple funding agreements with Chamberlain Hunt Academy and William P. Wells, with aggregate principal amounts of $350,000 and $225,000, respectively. Interest expense recognized on these borrowings amounted to $4,158 and $2,890, respectively. The loans carry an interest rate of 5% per annum.

Chamberlain Hunt Academy and William P. Wells are related party – see note 10.

8. Dividends received

On February 20, 2025, Tethys Petroleum Limited (TSXV: TPL) approved a dividend of $0.01(USD) cents per share. Dividends in the amount of $246,082.44 were deposited in the US Bank account.

9. Reserves for losses and loss expenses

The movement in the reserve for losses and loss expenses is summarized as follows:

	2025 $	2024 $
Long term business:		
Provision, beginning of year	95,629	95,629
Losses incurred related to prior years	-	-
Losses paid related to prior years	-	-
Change in reserves for losses and loss expenses	(95,629)	-
Provision, end of year	-	95,629

9. Reserves for losses and loss expenses *(continued)*

	2025	2024
	$	$
General business:		
Provision, beginning of year	-	-
Losses incurred related to prior years	-	-
Losses paid related to prior years	-	-
Total reserve for losses and loss expenses	**-**	95,629

On December 11, 2025, the Company entered into a commutation and release agreement with Sun Life Assurance Company of Canada ("Sun Life"). The commutation agreement provides for the full and final settlement and discharge of all remaining rights and obligations between the parties in respect of this reinsurance arrangement.

On December 23, 2025, the Company paid Sun Life the sum of $10,000 representing the full amount of the Company's remaining obligations under the Reinsurance Agreement.

10. Related party balances and transactions

The $250,000 balance represent the funds received from Wells Investment LLP for the Joint Venture agreement with Pope Asset Management LLC ("Pope"), received in February 10, 2012. William P. Wells is the general partner of Wells Investment LLP.

Investment management fees totaling $1,101,283 are payable to Pope for services related to managing the Company's investable assets for the period 2022 through 2025 under the Joint Venture agreement. William P. Wells is the president and Casey McCandless is vice president and manager of Pope.

William P. Wells is a director and shareholder of the Company and a director, CEO and the Chairman of Tethys Petroleum Limited. Casey McCandless is a director of the Company and a CFO of Tethys Petroleum Limited. At December 31, 2025, the Company held approximately 21.4% of the issued ordinary shares of Tethys Petroleum Limited. The fair value basis of accounting has been adopted for this investment rather than equity accounting as it is considered to be a more appropriate representation of the market value of the investment. The Company's share of the equity of Tethys Petroleum Limited as at December 31, 2025 based on its audited financial statements is $6,484,289.

William P. Wells is a director and shareholder of the Company and a director and the Chairman of Multivir Inc and Casey McCandless is a director of the Company and a director of Multivir Inc. Until its dissolution on August 20, 2025, the Company held approximately 97% of the issued ordinary shares of Multivir Inc.

William P. Wells is a director and shareholder of the Company and a manager of Southern Advanced Material LLC ("Sam LLC"). Casey McCandless is a director of the Company and a managing member of Sam LLC.

William P. Wells is a director and shareholder of the Company and a manager of Chamberlain Hunt Academy ("CHA"). Casey McCandless is a director of the Company and a managing member of CHA.

10. Related party balances and transactions *(continued)*

In 2025, 1,620,000 shares of Enwell Energy plc ("Enwell") were sold at an average price of $0.253 per share for a total consideration of $409,080. All shares were sold to related parties of the Company and resulted in a realized loss of $365,652.

In 2024, 131,040 shares of Enwell were sold at an average price of $0.358 per share for a total consideration of $46,939, out of which 60,000 shares were sold to a shareholder of the Company for a total consideration of $15,900 and the remaining shares were sold to non-related parties. The transactions resulted in a realized loss of $1,964.

11. Share capital

Effective September 21, 2011, Holdings increased its authorized share capital to 100,000,000 shares of $1 par value, from authorized shares of 100 of $1 par value. As at December 31, 2025, Holdings had issued 6,948,159 shares (2024 - 6,948,159).

12. Treasury Stock

In June 2014, the Company applied for a repurchase of 2,375,625 of its own shares from Wilson & Co. The application was approved and executed within the facilities of the BSE. Total cost of the repurchase amounted to $17,527,505. The said repurchase was funded in part through settlement of intercompany accounts between the Company and ALRE via dividend-in-specie, receipt of contributed surplus amounting to $15,420,000, and settlement of intercompany accounts between the Company and Pope Investments II LLC. The repurchase is reflected as treasury stock at cost in the shareholder's equity.

In August 2014, the Company applied for another repurchase of 84,309 of its own shares from Wilson & Co. The application was approved and executed within the facilities of the BSE. Total cost of the repurchase amounted to $639,449. The repurchase is reflected as treasury stock at cost in the shareholder's equity.

In January 2019, the Company's Board of Directors approved and executed a repurchase of 80,800 of its common shares from US Bank for a consideration of $518,721 (inclusive of BSX and Custody fees - $3,733). An additional stock repurchase was approved in April 2019. For a consideration of $217,183 (inclusive of BSX and Custody fees - $2,329) the Company bought 25,000 of its shares from US Bank. Both transactions were executed through the facilities of the BSE. The said repurchase was funded by a return of capital received from its subsidiary, ALRE.

13. Statutory Requirements and dividend restrictions

ALRE is required to comply with the provisions of the Companies Act that regulate the payment of dividends and the making of distributions from contributed surplus. ALRE may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that: (i) the relevant company is, or would be after the payment, unable to pay its liabilities as they become due; or (ii) the realizable value of the relevant Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

14. Taxation

On December 27, 2023, the Government of Bermuda enacted the Corporate Income Tax Act 2023 ("the Act"). The Act introduces a 15% corporate income tax on Bermuda businesses that are part of an In Scope Multinational Enterprise Group ("MNE Group"), effective for fiscal years beginning on or after January 1, 2025. The Act defines an In Scope MNE Group as an MNE Group if, with respect to any fiscal year beginning on or after the commencement date, the MNE Group has annual revenue of EUR 750 million or more in the consolidated financial statements of the ultimate parent entity for at least two of the four fiscal years immediately preceding such fiscal year. Pursuant to the In Scope MNE Group definition in the legislation, the Company has determined that it is not in scope for Bermuda Corporate Income Tax as of the current reporting date. The Financial Statements, as presented, do not reflect an impact of the Bermuda Corporate Income Tax.

Tax Related Risks and Uncertainties

As required by the uncertain tax position guidance in Accounting Standards Codification ("ASC") 740 - "Income Taxes, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company applied the uncertain tax position guidance in ASC 740 to all tax positions for which the statute of limitations remained open. There were no changes to the Company's unrecognized tax benefit liability because the Company believes, more likely than not, that all tax positions would be sustained upon audit.

15. Financial Instruments and related risks

The nature and extent of the financial instruments outstanding at the balance sheet date and the risk management policies employed by the Company are discussed below:

Market risk

The prices of the financial instruments in which the Company may invest can be highly volatile. Price movements are influenced by, among other things, changing supply and demand relationships, trade, fiscal programs and policies of governments, national and international political and economic events and policies.

Credit risk

A concentration of credit risk exists when there are significant contracts with individual counterparties or when groups of issuers or counterparties have similar business characteristics that would cause their ability to meet contract commitments to be adversely affected, in a similar manner, by changes in the economy or other market conditions. The Company conducts business with financial institutions believed to be well established and monitors credit risk on both an individual and group counterparty basis.

Interest rate risk

The Company is exposed to interest rate risk on cash and cash equivalents held at financial institutions and note receivables with third parties. The Company is subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. The Company manages this risk by depositing cash in established financial institutions in economically stable countries and evaluating the financial position of the third parties involved.

15. Financial Instruments and related risks *(continued)*

Cybersecurity risk

The Company is subject to cybersecurity risk because of ordinary course of business. Financial, reputational or regulatory loss may be possible due to the breach of IT systems and associated loss of confidential information. The Company manages this risk by reviewing security protocols in place along with ongoing efforts to further harden IT structure.

16. Contingencies

The Company is a petitioner to the following litigations which is currently on foot before the Supreme Court of Bermuda:

- A minority shareholder proceeding under section 111 of the Companies Act 1981 brought by the Company against Full Apex (Holdings) Limited and certain shareholders of that company as Respondents (the "Full Apex matter").

  The possible contingent liabilities arising from the Full Apex matter would be adverse costs orders in favor of the Respondents if the Company were to be unsuccessful.

  No proceedings for assessment of these costs have been brought against the Company as of year-end, but in December 2020, Full Apex notified the Company that it had paid the joint provisional liquidators' costs and asserted an entitlement in respects of the costs in the sum of $620,719. During the year, $198,105 additional costs were claimed by the joint provisional liquidators.

- The Company was a petitioner to a litigation which was on foot before the Supreme Court of Bermuda a minority shareholder proceeding under section 111 of the Companies Act 1981 brought by the Company against Kingboard Copper Foil Holdings Limited and certain shareholders of that company as Respondents (the "Kingboard matter").

  On April 3, 2018, the Company entered into a settlement agreement and release ("Agreement") with Kingboard Copper Foil Holdings Limited ("Kingboard") and certain shareholders of Kingboard. As a result, the Company forgone its appeal before the Privy Council and sold 17,361,000 Kingboard shares for a total aggregate purchase price of S$7,812,450 Singapore Dollars (approximately $5,960,000 US Dollars). Kingboard also reimbursed the Company's legal costs amounting to $1,700,000.

  The Agreement included a clause that entitled the Company to additional compensation if the Kingboard or affiliates entered into another transaction at a higher price within a year of our signing the Agreement. The Company believe there was a transaction involved Kingboard or Kingboard affiliates at a higher price and now make efforts to obtain evidence of that transaction. Pursuant to the Letter of Request to Singapore Courts/adjournment application, the Supreme Court of Bermuda ordered that the Company pay the pay the Kingboard's costs on an indemnity basis. The Company estimated contingent liabilities arising from the order to be up to $252,079, on March 27, 2025, the Company settled $91,013 out of the amount. The remaining estimated contingent liabilities is $161,066 as of December 31, 2025.

- On May 6, 2023, the Company won the legal case against China Yida Holding Company, Inc. (CYH) regarding the unpaid fair value of the shares of CYH common stock in the amount of $17,710,440 plus interest of 6.25% per annum from July 8, 2016. The Company is working with legal advisers Boies Schiller Flexner LLP and Chasey Law Offices to assess the probability of the collection. The probability and likely amount of collection is uncertain at this time.

17. Subsequent Events

Effective April 7, 2026, interest was increased from 5% to 12% on the loans provided by Chamberlain Hunt Academy and William P. Wells.

On June 9, 2026, the Bermuda Monetary Authority approved the request of Annuity and Life Reassurance, Ltd. to cancel its Class C insurance license effective March 20, 2026.

On August 20, 2025, the Company placed on the Mezzanine Market of the Bermuda Stock Exchange (“BSX”) 504,703 ordinary shares of $1 nominal par value each at an issue price $6.15 each through listing of treasury shares.

No additional subsequent events require recognition or disclosure.