

RECOLETOS RE DESIGNATED ACTIVITY COMPANY

Report of the Directors and Financial Statements

Registered Number: 769599

For the financial period 13 August 2024 to 31 December 2025

RECOLETOS RE DAC

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD
FROM 13 AUGUST 2024 TO 31 DECEMBER 2025**

CONTENTS	PAGE
DIRECTORS AND OTHER INFORMATION	2
REPORT OF THE DIRECTORS	3 - 6
STATEMENT OF DIRECTORS' RESPONSIBILITIES	7
INDEPENDENT AUDITOR'S REPORT	8 - 13
PROFIT AND LOSS ACCOUNT	14
BALANCE SHEET	15
STATEMENT OF CHANGES IN EQUITY	16
STATEMENT OF CASH FLOWS	17
NOTES TO THE FINANCIAL STATEMENTS	18 - 31

RECOLETOS RE DAC

DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS

Rebecca Murphy (Appointed 13 August 2024, resigned 2 September 2024)

Sarah Beattie (Appointed 13 August 2024, resigned 2 September 2024)

John Hetherington (appointed 2 September 2024)

Brian Neilan (appointed 2 September 2024)

Robert Frewen (appointed 2 September 2024)

SECRETARY AND REGISTERED OFFICE

Marsh Management Services (Dublin) Limited

Charlotte House, Charlemont Street

Dublin 2, Ireland

AUDITORS

Forvis Mazars

Chartered Accountants and Statutory Audit Firm

Block 3 Harcourt Centre

Harcourt Road, Dublin 2

SOLICITORS

Walkers (Ireland) LLP

The Exchange

George's Dock

IFSC

Dublin 1

Ireland

ADMINISTRATOR

Marsh Management Services (Dublin) Limited

Charlotte House, Charlemont Street

Dublin 2, Ireland

BANKER, CUSTODIAN AND INDENTURE TRUSTEE

The Bank of New York Mellon

160 Queen Victoria Street, London

EC4V 4LA, England

CEDING REINSURER / CEDANT

Mapfre Re, Compañía De Reaseguros, S.A.

25 Paseo De Recoletos

28004 Madrid

Spain

LISTING AGENT

Walkers Listing Services (Bermuda) Ltd

Park Place, GF

55 Par la Ville Road

Hamilton, HM11, Bermuda

CALCULATION AGENT

AIR Worldwide Corporation

Lafayette City Centre, 2 Avenue de Lafayette

2nd Floor, Boston MA 02111 USA

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the financial period from 13 August 2024 (date of incorporation) to 31 December 2025.

1. INCORPORATION AND COMMENCEMENT TO TRADE

Recoletos Re DAC (the “Company”) was incorporated in Ireland on 13 August 2024. The Company commenced trading on 12 December 2024.

2. RESULTS

The results for the financial period are outlined on pages 14 – 31.

3. PRINCIPAL ACTIVITIES

The Company is a special purpose reinsurance vehicle (“SPRV”), authorized by the Central Bank of Ireland as a special purpose reinsurance vehicle (“SPRV”) under the European Union (Insurance and Reinsurance) Regulations 2015, whose registered office is on Ground Floor, Charlotte House, Charlemont Street, Dublin 2, Ireland. The Company was set up as a multi-issuance vehicle to issue a series of notes covering various perils in specific territories. Its principal activity is to place risks associated with named storms and windstorm events. Risks covered by individual issuances are described in the following paragraphs.

The notes issued by the Company are with limited recourse to certain assets of the Company. Noteholders will only have recourse to collateral assets relating to the Notes. In addition to the named storms and European windstorms associated with the Retrocession agreements, investors in the notes issued by the Company (“the Noteholders”) are exposed to the credit risk of Mapfre Re, Compañía De Reaseguros, S.A. (as the “Ceding Reinsurer”), and The Bank of New York Mellon (as the “Indenture Trustee”).

Series 2024-1 Issuance

On 12 December 2024, the Company issued USD 125,000,000 Series 2024-1 Class A Principal At-Risk Variable Rate Notes due 7 January 2028 with an optional extended redemption date of 7 January 2032, covering any named storm event - all fifty (50) states of the United States of America and the District of Columbia.

Risk is assumed by the Company for the Series 2024-1 issuance under a Retrocession Agreement with the Ceding Reinsurer for the period 1 January 2025 until 31 December 2027. The Company passes these risks on to investors through the issuance of variable rate notes. The Series 2024-1 Notes are listed on the Bermuda Stock Exchange.

Series 2025-1 Issuance

On 25 November 2025, the Company issued EUR 125,000,000 Series 2025-1 Class A Principal At-Risk Variable Rate Notes due 8 December 2028 with an optional extended redemption date of 8 December 2031, covering European windstorm events in Austria, Belgium, Denmark, France, Germany, Ireland, Luxembourg, Netherlands, Norway, Sweden, Switzerland, United Kingdom, Czechia, Estonia, Finland, Hungary, Latvia, Liechtenstein, Lithuania, Monaco, Poland, Slovakia and Slovenia.

Risk is assumed by the Company for the Series 2025-1 issuance under a Retrocession Agreement with the Ceding Reinsurer for the period 1 December 2025 until 30 November 2028. The Company passes these risks on to investors through the issuance of variable rate notes. The Series 2025-1 Notes are listed on the Bermuda Stock Exchange.

REPORT OF THE DIRECTORS (Continued)

4. REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The funding of the running costs of the Company is provided for by the Ceding Reinsurer through the Retrocession agreements. During the period, the Company received \$2,193,224 of gross expense reimbursement from the Ceding Reinsurer in relation to the Series 2024-1 issuance, and \$2,054,783 in relation to the Series 2025-1 issuance, to fund the operating costs of the Company.

The Company is an SPRV and its principal activity is to place risks associated with named storms and European windstorms, as described in the initial paragraph of section 3 of the Report of the Directors.

The directors confirm that the key performance indicators as disclosed below in the financial statements are those that are used to assess the performance of the Company.

During the financial period:

- The Company's earned premiums amounted to \$6,811,966;
- The Company's investment income amounted to \$5,681,854;
- The Company's interest expense amounted to \$12,499,055; and
- The structure performed in accordance with the parameters set out in the original issuance and the performance is considered satisfactory.
- No covered events occurred during the year that would require an event payment.

As at 31 December 2025:

- the Company's financial assets at fair value through profit and loss amounted to \$271,812,500;
- the Company's financial liabilities at fair value through profit and loss amounted to \$271,812,500;
- the net assets of the Company were \$752.

The Directors expect that present activities will continue subject to the terms of the existing Retrocession agreements with the Ceding Reinsurer.

No covered events that require an event payment occurred during the period.

5. SAFEKEEPING OF INVESTMENTS IN FINANCIAL ASSETS

On the notes issued by the Company, all the proceeds paid to the Company were placed in a collateral account maintained with the Indenture Trustee. All funds in the collateral account are used to purchase money market funds (the "MMF's"). The Bank of New York Mellon is also the custodian and holds the investments as custodian for the Indenture Trustee.

6. PRINCIPAL RISKS AND UNCERTAINTIES

The key risks of the Company and the methods in place to manage and control these risks are set out in Note 19 on pages 27 to 30 of these financial statements.

7. HOLDING COMPANY

The ultimate holding company is Walkers Ireland Shareholding Services Limited, which holds the shares in trust for one or more charitable organisations.

8. EVENTS AFTER REPORTING PERIOD

There are no significant post balance sheet events affecting the Company since the period end.

REPORT OF THE DIRECTORS (Continued)

9. DIRECTORS

The current Directors are as follows:

John Hetherington
Robert Frewen
Brian Neilan

The details regarding the changes in Director's appointments that have occurred during the financial period are as stated on page 2.

10. DIVIDENDS

The Directors do not recommend the payment of a dividend.

11. INTERESTS OF DIRECTORS AND SECRETARY

At the beginning and end of the financial period, the Directors and Secretary had no interests in the share capital, in debentures or in loan stock of the Company.

12. RESEARCH AND DEVELOPMENT

The Company did not engage in any research and development activity during the period.

13. POLITICAL DONATIONS

The Electoral Act, 1997 as amended by the Electoral (Amendment) (Political Funding) Act, 2012 requires companies to disclose all political donations over \$200 in aggregate made during the financial period. The Directors on enquiry have satisfied themselves that no such donation in excess of this amount has been made by the Company.

14. ACCOUNTING RECORDS

The Directors have appointed Marsh Management Services (Dublin) Limited in order to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014. The accounting records of the Company are maintained at Charlotte House, Charlemont Street, Dublin 2, Ireland.

15. AUDIT INFORMATION

In accordance with Section 332 of Companies Act, 2014, the Directors who held office at the date of the approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all steps that they ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

RECOLETOS RE DAC

REPORT OF THE DIRECTORS (Continued)

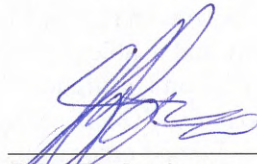
16. AUDIT COMMITTEE

Under Section 1551(1) of the Act as amended, all public interest entities are required to establish an audit committee, subject to certain exemptions.


As set out in Section 1551(11)(c) of the Act, a company issuing asset backed securities may avail of an exemption from the requirements to establish an audit committee. Given the contractual obligations of the administrator and the limited recourse nature of the debt securities issued by the Company, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Company has availed itself of the exemption under Section 1551(11)(c) of the Act.

17. AUDITORS

The directors appointed Forvis Mazars, Chartered Accountants and Statutory Audit Firm on 17 December 2025, to act as auditors of the Company. Forvis Mazars have expressed their willingness to act as auditors in accordance with Section 382 (1) of the Companies Act 2014.

On behalf of the Board of Directors

John Hetherington
Director



Robert Frewen
Director

Date: 27 March 2026

RECOLETOS RE DAC

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Financial Reporting Standard 103 'Insurance Contracts'.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014 and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The Directors confirm to the best of their knowledge that they have complied with the above requirements in preparing the financial statements.

On behalf of the Board of Directors



John Hetherington
Director



Robert Frewen
Director

Date: 27 March 2026

Independent auditor's report to the members of Recoletos Re DAC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Recoletos Re DAC ('the Company'), for the period ended 31 December 2025, which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows, and notes to the Company financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is the Companies Act 2014, European Union (Insurance Undertakings: Financial Statements) Regulations 2015, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts" issued in the United Kingdom by the Financial Reporting Council.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025, and of its profit for the period then ended;
- have been properly prepared in accordance with FRS 102 and FRS 103; and
- have been properly prepared in accordance with the requirements of the Irish Companies Act 2014 and European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), applied as required for the types of entity determined to be appropriate in the circumstances. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

Our evaluation of the director's assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- An assessment of the reasonableness of management's going concern assessment including enquiry with management and review of the financial performance and financial position of the Company at the period-end date for indicators of any going concern uncertainties;
- Review of the terms of the relevant contracts underpinning the structure of the Company specifically in respect to the maturity date of the Company's debt securities issued and extension clauses;

- Evaluation of the limited recourse nature of the Company’s debt securities issued;
- Confirmation with management that no event occurred post period end which would result in an event payment under the terms of the Retrocession Agreements in place; and
- Evaluation on the sufficiency of disclosures in the financial statements pertaining to the going concern assessment.

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 the date when the financial statements are authorised for issue.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address each matter and, where relevant, key observations arising from those procedures.

Key audit matter – Event risk	How the matter was addressed
<p>Under the terms of the Retrocession Agreements, the Company is required to make payments if a covered event occurs within the defined risk period and covered area, triggering an event payment. Such an event could result in significant financial impact to the Company and potential loss to noteholders.</p> <p>We considered the risk that such events may not be appropriately recognised in the financial statements to be a key audit matter due to the potential material and pervasive impact on the Company’s financial position and the importance of accurate disclosure.</p> <p>Refer to Note 2(o) on page 21-22 for the relevant accounting policy, and to Note 17 (Financial liabilities at fair value through profit or loss) and Note 19 (Event risk) on page 26 and page 28, respectively, for the relevant note disclosures.</p>	<p>We addressed the risk through the following procedures:</p> <ul style="list-style-type: none"> ▪ Obtained independent confirmation from the Cedant that no covered events occurred during the period requiring an event payment under the Retrocession Agreements; ▪ Obtained independent confirmation from the Calculation Agent that they are not aware of any event notice requiring an event payment during the period; and ▪ Assessed the appropriateness of the related disclosures in the financial statements. <p>Based on the procedures performed, we did not identify any events which would result in an event payment.</p>

Our application of materiality

We apply the concept of materiality in planning and performing the audit and in evaluating the impact of misstatements, if any. Materiality is an expression of the relative significance or importance of a

matter in the context of the financial statements. Misstatements in the financial statements are material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	\$4,146,964
How we determined it	1.5% of unadjusted total assets
Rationale for benchmark applied	In determining our materiality, we considered those financial metrics which we believed to be relevant and concluded that total assets was the most relevant benchmark. We applied this benchmark because in our view this is the metric against which the recurring performance of the Company is commonly measured by its primary users.
Performance materiality	<p>\$2,488,178</p> <p>Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.</p> <p>Performance materiality was determined at 60%, by taking into account factors such as:</p> <ul style="list-style-type: none"> ▪ Consideration that this is a year one audit; ▪ Assessment of the control environment; and ▪ The volume and nature of the entity's transactions.
Reporting threshold	We agreed with those charged with governance that we would report to them misstatements identified during our audit above \$124,409 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of the audit

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the Company, its environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report of the Directors and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 its industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the Companies Act 2014, corruption and fraud, and we considered the extent to which non-compliance might have a direct effect on the determination of material amounts and disclosures in the financial statements. We also considered the other applicable laws and regulations including Central Bank of Ireland regulatory requirements.

In identifying and assessing risks of material misstatement in respect to irregularities including non-compliance with laws and regulations, our procedures included but were not limited to:

- Obtaining an understanding of the legal and regulatory framework applicable to the Company, the industry in which it operates;
- Inquiry of those charged with governance and management as to whether the Company is in compliance with laws and regulations, and discussing the policies and procedures in place regarding compliance with laws and regulations;
- Inspecting correspondence with the Central Bank of Ireland;
- Reviewing minutes of Board of directors meetings;
- Discussing amongst the engagement team the identified laws and regulations, and remaining alert to any indications of non-compliance; and
- Focusing on areas of laws and regulations that could reasonably be expected to have a direct effect on the determination of material amounts and disclosures in the financial statements such as Companies Act 2014 and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

Our procedures in relation to fraud included but were not limited to:

- Making inquiries of those charged with governance and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud such as opportunities for fraudulent manipulation of financial statements;
- Inquiries with those involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
- Testing the appropriateness of journal entries;
- Assessing for any evidence of management bias through judgements and estimates; and
- Reviewing for evidence of any significant one-off or unusual transactions.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any key audit matters relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under “Key audit matters” within this report.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority’s website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Board of Directors, we were appointed by the Company on 17 December 2025 to audit the financial statements for the period ended 31 December 2025 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is 1 year.

The non-audit services prohibited by IAASA’s Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Board of Directors we are required to provide in accordance with ISA (Ireland) 260.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company’s members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members, as a body, for our audit work, for this report, or for the opinions we have formed.



Gemma Rocliffe
for and on behalf of Forvis Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2
Date: 2 April 2026

RECOLETOS RE DAC

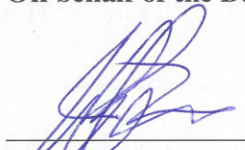
PROFIT AND LOSS ACCOUNT

FOR THE FINANCIAL PERIOD FROM 13 AUGUST 2024 TO 31 DECEMBER 2025

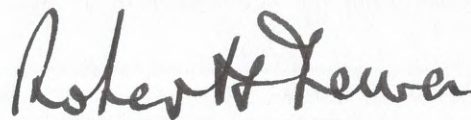
	Notes	Financial Period From 13 August 2024 to 31 December 2025 \$
TECHNICAL ACCOUNT – NON-LIFE INSURANCE BUSINESS		
Gross premiums written	3	7,685,733
Change in the gross provision for unearned premiums	4	(873,767)
Earned premiums		<u>6,811,966</u>
Net operating expenses	7	(4,330,190)
Balance on the technical account – non-life insurance business		<u>2,481,776</u>
NON-TECHNICAL ACCOUNT		
Investment income	5	5,681,854
Unrealised gain on financial assets at FVTPL	12	2,425,000
Unrealised loss on financial liabilities at FVTPL	17	(2,425,000)
Interest expense	8	(12,499,055)
Other income	6	4,336,425
Profit on ordinary activities before tax		<u>1,000</u>
Tax charge on profit on ordinary activities	11	(250)
Profit on ordinary activities after tax		<u><u>750</u></u>

The accompanying notes on pages 18 to 31 form an integral part of these financial statements.

On behalf of the Board of Directors



John Hetherington
Director



Robert Frewen
Director

Date: 27 March 2026

RECOLETOS RE DAC

BALANCE SHEET

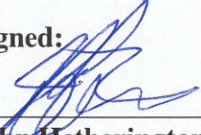
AS AT 31 DECEMBER 2025

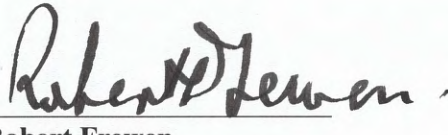
ASSETS	Notes	2025 \$
Investments		
Financial assets at fair value through profit and loss	12	271,812,500
Debtors		
Debtors arising out of reinsurance operations	14	1,296,844
Other assets		
Cash at bank	13	3,337,871
Prepayments and accrued income		
Other prepayments and accrued income	15	60,008
Accrued investment income	5	611,116
Total Assets		<u>277,118,339</u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Called up share capital	16	2
Profit for the financial period		750
Total capital and reserves		<u>752</u>
LIABILITIES		
Technical provisions		
Provision for unearned premiums	4	873,767
Creditors		
Financial liabilities at fair value through profit and loss	17	271,812,500
Tax liabilities		250
Accruals and deferred income		
Interest payable to noteholders	8	3,944,511
Other accruals	18	486,559
Total liabilities		<u>277,117,587</u>
Total equity and liabilities		<u>277,118,339</u>

The accompanying notes on pages 18 to 31 form an integral part of these financial statements.

On behalf of the Board of Directors

Signed:


John Hetherington
Director


Robert Frewen
Director

Date: 27 March 2026

RECOLETOS RE DAC

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 13 AUGUST 2024 TO 31 DECEMBER 2025

	Share Capital \$	Retained Earnings \$	Total Equity \$
Opening balance as at 13 August 2024	-	-	-
Share capital issued	2	-	2
Profit for the period	-	750	750
Closing balance as at 31 December 2025	<u>2</u>	<u>750</u>	<u>752</u>

RECOLETOS RE DAC**STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD FROM 13 AUGUST 2024 TO 31 DECEMBER 2025**

	Financial Period From 13 August 2024 to 31 December 2025 \$
Cash flows from operating activities	
Profit on ordinary activities before tax	1,000
<i>Adjustments for:</i>	
Investment income	(5,681,854)
Interest expense	12,499,055
Unrealised gain on financial assets at FVTPL	(2,425,000)
Unrealised loss on financial liabilities at FVTPL	2,425,000
	<u>6,818,201</u>
<i>Working capital adjustments:</i>	
Increase in debtors arising out of reinsurance operations	(1,296,844)
Increase in other prepayments and accrued income	(60,006)
Increase in provision for unearned premiums	873,767
Increase in other accruals	486,559
	<u>6,821,677</u>
Cash generated from operations	6,821,677
Investment income received	5,070,738
Interest paid	(8,554,544)
	<u>3,337,871</u>
Net cash flow generated from operating activities	3,337,871
Cash flows from investing activities	
Purchase of financial assets	(269,387,500)
	<u>(269,387,500)</u>
Net cash flow used in investing activities	(269,387,500)
Cash flows from financing activities	
Proceeds from issuance of variable rate notes	269,387,500
	<u>269,387,500</u>
Net cash flow generated from financing activities	269,387,500
Net increase in cash at bank	3,337,871
Cash at bank at beginning of period	<u>-</u>
Cash at bank at end of period	<u>3,337,871</u>

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Recoletos Re DAC is a designated activity company incorporated on 13 August 2024 in Ireland with registration number 769599) and authorized by the Central Bank of Ireland as a special purpose reinsurance vehicle (“SPRV”) under the European Union (Insurance and Reinsurance) Regulations 2015, whose registered office is Ground Floor, Charlotte House, Charlemont Street, Dublin D02 NV26, Ireland.

2. SIGNIFICANT ACCOUNTING POLICIES**a) *Basis of preparation of the financial statements*****Statement of compliance**

The financial statements have been prepared in accordance with the provisions of the Companies Act 2014, and all regulations to be construed as one with the Act.

The financial statements for the financial period ended 31 December 2025 have been prepared in accordance with the Company’s accounting policies under Financial Reporting Standard 102 (“FRS 102”) “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and Financial Reporting Standard 103 (“FRS 103”) “Insurance Contracts” issued by the Financial Reporting Council being applicable in the UK and Republic of Ireland, amended where necessary in order to comply with the Companies Act 2014, and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

Going concern

The financial statements for the period ended 31 December 2025 have been prepared on a going concern basis. The Directors are satisfied that the Company is a going concern and that it is appropriate for the financial statements to be prepared on this basis.

b) *Basis of measurement*

The financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities that are measured at fair value through profit or loss.

c) *Key accounting estimates and judgements*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. At the balance sheet date there are no assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Directors identify the fair value of the financial assets and financial liabilities that are measured at fair value through profit or loss (FVTPL) as the key accounting estimates applied in the financial statements. They are satisfied that the estimates in this respect are appropriate.

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) *Investment income*

Investment income pertains to dividends received from Money Market Fund (MMF) shares. Dividend income is recognised when the right to receive payment is established. Investment income is reported in the profit and loss account.

e) *Administration expenses and expense reimbursement*

The funding of the running costs of the Company is provided by the Ceding Reinsurer under the Retrocession agreements. These costs and related income are accounted for on an accrual basis.

f) *Insurance contract classification*

Reinsurance risk is transferred to the Company when the Company agrees to compensate the Ceding Reinsurer if a specified uncertain future event (other than a change in financial variable) adversely affects the Ceding Reinsurer. Any contracts not meeting the definition of a reinsurance contract, are classified as investment contracts or derivative contracts as appropriate.

g) *Premiums on insurance contracts*

Net earned premium income is calculated as gross premium written less changes in gross provision for unearned premium. Gross premiums written reflects business incepted during the period in accordance with the terms of the Retrocession agreements with the Ceding Reinsurer. Unearned premiums represent the portion of premium written in the period that relate to insurance cover after the period end. Change in the gross provision for unearned premiums represents the movement in the Company's provision for unearned premiums between the beginning and end of the financial period.

h) *Taxation*

The Company is an Irish registered company and is structured to qualify as a securitisation company under Section 110 of the Taxes Consolidation Act, 1997. The Company generates minimal net income for Irish corporation tax purposes which is liable to Irish corporation tax at 25%.

i) *Interest expense*

Interest expense recognised is equivalent to the earned premiums plus investment income in line with the agreements. Interest expense is reported in the profit and loss account.

j) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates, the Company's functional currency. The financial statements are prepared in United States Dollars (\$), which is the Company's functional and presentation currency. Foreign currency transactions are recorded initially at the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in such currencies are then re-translated at the exchange rates prevailing at the end of the accounting period with resulting profits and losses recorded in the statement of profit and loss for the period.

Monetary assets are money held and amounts to be received in money; all other assets are non-monetary assets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) *Provisions*

A provision is recognised when the Company has a present, legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

l) *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company accounts for its financial instruments in accordance with the recognition and measurement principles of IAS 39, as permitted by FRS 102.

When financial instruments are recognised initially, they are measured at fair value. The Company classifies its financial instruments as follows:

- Shares in US Dollar and EUR money market funds are designated as financial assets at fair value through profit or loss and accounted for at fair value through profit or loss.
- Financial liabilities issued are designated as financial liabilities at fair value through profit or loss.

Financial assets at fair value through profit and loss

In accordance with IAS 39, a financial instrument is classified at fair value through profit or loss if it is either held for trading, or designated as such upon initial recognition. Financial instruments at fair value through profit or loss are measured at fair value, and fair value changes thereon are recognised in the profit and loss account in the period in which they arise.

Recognition of financial assets

Purchases and sales of financial assets are recognised on the trade date, the date on which the Company commits to purchase or sell the financial asset. Financial instruments are initially recognised at fair value and transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed as incurred. Subsequent changes in the fair value of such financial instruments, aggregated with realised profits and losses on disposal/redemption thereof and amounts received and paid there on, are recognised in the profit and loss account in the period in which they arise.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to the cash flows on that financial asset are cancelled, expire or are transferred to another party, or if the Company retains the contractual rights but enters into a contract under which the relevant cash flows must be duly paid under a 'pass-through arrangement'.

Financial liabilities at fair value through profit and loss

Financial liabilities are initially recognised at fair value, being their issue proceeds (fair value of consideration received).

Financial liabilities are subsequently measured at fair value through profit or loss. A liability may be designated as at fair value through profit or loss when it eliminates or significantly reduces a measurement or recognition inconsistency, "an accounting mismatch" that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) *Financial instruments (continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants in an arm's length transaction at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or the liability, assuming the market participants act in their economic best interest. Fair value estimation of the financial instruments traded in active markets is based on quoted market prices at the Balance Sheet date. More detail is included in respect of fair value estimations on Note 19.

FRS 102 Section 34.22 on "Fair Value" requires disclosure for each class of financial instrument, an analysis of the level in the following fair value hierarchy into which the fair value measurements are categorised. The disclosures are based on a three-level hierarchy for the inputs used in the valuation to measure fair value. The fair value hierarchy has the following levels:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The fair value is determined using quoted prices where available or valuation techniques which are deemed to be appropriate in the circumstances.

m) *Cash at bank*

Cash at bank include deposits held on call with banks and other short term highly liquid investments with a maturity of three months or less at the date of purchase. Cash at bank are carried at amortised cost, which approximates fair value.

n) *Share capital*

Called up ordinary share capital is classified as equity in the balance sheet.

o) *Recognition of liabilities under reinsurance contracts*

Following the occurrence of one or more potential Covered Events, the Ceding Reinsurer may give written notice to the Company, the Calculation Agent and the Indenture Trustee (each, an "Event Notice") requesting that the Calculation Agent provide an Event Report with respect to such potential Covered Event.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Recognition of liabilities under reinsurance contracts (continued)

Pursuant to the Calculation Agent Agreement, the Company shall cause the Calculation Agent to, after receipt of an Event Notice and on each Event Reporting Date, issue a report (each, an “Loss Payment Report”) to the Company, the Indenture Trustee and the Ceding Reinsurer stating the results of the procedures carried out by the Calculation Agent in determining whether each such potential Covered Event is a Covered Event and, if a Covered Event, the Date of Loss for such Covered Event and whether such Covered Event constitutes a Franchise Qualifying Event and, if a Franchise Qualifying Event: (A) the Event Index Value; (B) the Loss Period Index Value for the relevant Loss Period; (C) the Loss Period Payment Amount; (D) the Loss Payment Amount, and, except where an Accrual Period Loss Payment Amount will be equal to zero on the immediately following Payment Date: (E) the Positive Accrual Period Loss Payment Amount, or as applicable, the Negative Accrual Period Loss Payment Amount; (F) the Issuer Payment or Ceding Reinsurer Reimbursement Payment; (G) the Principal Reduction or Principal Increase; and (H) the resulting Outstanding Principal Amount.

Upon receipt of a valid reports, the Company will redeem the corresponding amount of the MMF assets for cash, recording an expense in the profit and loss account in respect of expenses relating to payment of losses.

Concurrently, the corresponding liability relating to notes issued to noteholders will be derecognised, in accordance with the derecognition of financial liabilities accounting policy.

With regards redemption of MMF assets to be undertaken concurrent with the above processes, the accounting policy will mirror the derecognition of financial assets.

3. GROSS PREMIUMS WRITTEN

	Financial Period From 13 August 2024 to 31 December 2025
	\$
(a) Analysis of gross premiums written	
Reinsurance	7,685,733
(b) Analysis of gross premiums written, earned premiums	
Gross premiums written	7,685,733
Earned premiums	6,811,966

For Series 2024-1, the first loss period ran from 1 January 2025 to 31 December 2025 and the second loss period runs from 1 January 2026 to 31 December 2026. The interest spread for the first and second loss period are 5.00% and 5.58%, respectively.

For Series 2025-1, the first loss period runs from 1 December 2025 to 30 November 2026. The interest spread for the first loss period was 3.50%.

The pre-risk period premium spread is 0.50% for both Series 2024-1 and Series 2025-1.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. CHANGE IN THE GROSS PROVISION FOR UNEARNED PREMIUMS

	Financial Period From 13 August 2024 to 31 December 2025
	\$
Change in the gross provision for unearned premiums	(873,767)
	<u>(873,767)</u>

As at 31 December 2025, the Company recorded provision for unearned premiums of \$873,767.

5. INVESTMENT INCOME

	Financial Period From 13 August 2024 to 31 December 2025
	\$
Investment income	5,681,854
	<u>5,681,854</u>

As at 31 December 2025, accrued investment income amounted to \$611,116. Accrued investment income is receivable within the next 12 months.

6. OTHER INCOME

	Financial Period From 13 August 2024 to 31 December 2025
	\$
Gross expense reimbursement	4,330,190
Interest income on deposits	5,235
Fee income	1,000
	<u>4,336,425</u>

Under the agreements in place, the Company is entitled to \$1,000 of fee income every year, plus a gross expense reimbursement to fund the ongoing expenses of the Company.

7. NET OPERATING EXPENSES

	Financial Period From 13 August 2024 to 31 December 2025
	\$
Initial set up fees	1,954,590
Corporate service provider fees	28,041
Director fees	14,069
Audit and tax fees	34,686
Other fees	2,298,804
	<u>4,330,190</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. NET OPERATING EXPENSES (Continued)

During the period, the Company received a prepayment of \$4,248,007 of gross expense reimbursement from the Ceding Reinsurer to fund the operating costs of the Company.

8. INTEREST EXPENSE

**Financial Period
From 13 August
2024 to 31
December 2025**
\$

Interest expense	12,499,055
	12,499,055

As at 31 December 2025, interest payable to noteholders amounted to \$3,944,511. Interest payable to noteholders is due within the next 12 months from the financial year end of the Company.

9. EMPLOYEES AND REMUNERATION

The Company has no employees and incurred no payroll costs during the period. Staff services are provided under a service level agreement with Marsh Management Services (Dublin) Limited.

10. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

**Financial Period
From 13 August
2024 to 31
December 2025**
\$

The profit on ordinary activities before tax is arrived at after charging:	
Auditor's remuneration:	
Audit of individual accounts (ex. VAT)	23,730
Taxation compliance services (ex. VAT)	3,616
	27,346
Directors' remuneration	
Emoluments:	
For services as Directors	13,560

11. TAXATION ON ORDINARY ACTIVITIES

**Financial Period
From 13 August
2024 to 31
December 2025**
\$

Profit on ordinary activities before tax	1,000
Corporation tax @ 25%	
Tax charge for the period	250

RECOLETOS RE DAC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2025
	\$
Money Market Funds	<u>271,812,500</u>

The Company has used the proceeds from the issue of the Variable Rate Notes to purchase money market fund shares ("MMF's"), which are deposited in the applicable collateral account. Following the purchase of the MMF shares, and until one business day prior to the applicable redemption date, each collateral account is expected to contain only the applicable MMF shares unless such MMF shares are redeemed early. The Directors estimate that the fair value of these assets at 31 December 2025 was consistent to their par value. The fair value of the assets has been determined at par due to the fact that the MMF shares may be wholly or partially redeemed at par on any coupon payment date prior to the scheduled maturity date. When the MMF shares are redeemed, the cash proceeds of such redemption will be deposited in the applicable collateral account.

Movement in the financial period:

	As at 31 December 2025
	\$
Balance at the beginning of the period	-
Purchase of MMF's	269,387,500
Unrealised gain on financial assets at FVTPL	<u>2,425,000</u>
Closing balance as at 31 December 2025	<u>271,812,500</u>

The financial assets at FVTPL are collateral for the Notes issued by the Company. In the event there is no claim (event payment) during any annual risk period any funds made available through their disposal will be used to repay the principal and accrued interest of the Notes. In the event of a claim, the reinsured will take priority over the noteholders with regards to the payment of the redemption of the MMFs for the Notes.

13. CASH AT BANK

	As at 31 December 2025
	\$
Cash held at BNY Mellon	<u>3,337,871</u>
Balances at bank	<u>3,337,871</u>

14. DEBTORS ARISING OUT OF REINSURANCE OPERATIONS

	As at 31 December 2025
	\$
Premium receivable	<u>1,296,844</u>
Total debtors arising out of reinsurance operations	<u>1,296,844</u>

RECOLETOS RE DAC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER PREPAYMENTS AND ACCRUED INCOME

	As at 31 December 2025
	\$
Gross expense reimbursement receivable	59,008
Fee income receivable	1,000
Total other prepayments and accrued income	<u>60,008</u>

16. CALLED UP SHARE CAPITAL

	As at 31 December 2025
	€
Authorised share capital	1,000
1,000 ordinary shares of €1.00 each	<u>1,000</u>
	\$
Issued share capital	2
2 ordinary shares of €1.00 each - Unpaid	<u>2</u>

17. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2025
Series 2024-1 Class A Principle At-Risk Variable Rate Notes maturing 7 January 2028 and Series 2025-1 Class A Principle At-Risk Variable Rate Notes maturing 8 December 2028	\$
Opening balance	-
Issuance	269,387,500
Unrealised loss on financial liabilities at FVTPL	2,425,000
Balance at 31 December 2025	<u>271,812,500</u>

Due to the limited recourse nature of the Variable Rate Notes, the repayment of the principal and accrued interest of the notes is dependent upon funds being available to meet such liabilities as they fall due. If the Company has insufficient funds available for the purpose of redeeming the principal outstanding on any class of notes in full or interest thereon, such amounts shall not be payable to the Noteholders (refer to event risk on Note 19). If one or more covered events requiring an event payment under the retrocession agreements occurs, the notes will be derecognised to the extent of the value of the claim made in relation to the covered event(s).

Note interest is equal to the risk premium received plus permitted investment yield.

18. OTHER ACCRUALS

	As at 31 December 2025
	\$
Accrued expenses	486,559
	<u>486,559</u>

Accrued expenses are due within 12 months from financial period end.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**Strategy in using financial instruments**

As stated in the Report of the Directors, the principal activity of the Company is limited to placing risks associated with named storm risks across all 50 states of the United States of America and the District of Columbia (Series 2024-1 Note), and European windstorm events in Austria, Belgium, Denmark, France, Germany, Ireland, Luxembourg, Netherlands, Norway, Sweden, Switzerland, United Kingdom, Czechia, Estonia, Finland, Hungary, Latvia, Liechtenstein, Lithuania, Monaco, Poland, Slovakia and Slovenia (Series 2025-1 Note). Risk is assumed by the Company under Retrocession agreements with the Ceding Reinsurer for the period 1 January 2025 until 31 December 2027 and 1 December 2025 until 30 November 2028 for Series 2024-1 and Series 2025-1, respectively. The Company has issued Variable Rate Notes in order to obtain funds to support its obligations under the Retrocession agreements to make certain payments to the Ceding Reinsurer.

The financial liabilities provided the funding to purchase the Company's investments in MMF assets. Financial assets and liabilities represent the majority of the assets and liabilities of the Company.

The strategies used by the Company in achieving its objectives regarding the use of its loans and receivables and financial liabilities were set when the Company entered into the transactions. The Company has attempted to match the properties of its financial liabilities to its assets to avoid the risk generated by mismatches of investment performance against its obligations.

The key risks of the Company are set out in the offering circular, offering circular supplement and transaction documents entered into on or around 9 December 2024 and 18 November 2025 for Series 2024-1 and 2025-1, respectively. The financial risks the Company is exposed to include market risk (interest rate risk, currency, and price risk), event risk, credit risk and liquidity risk. All of the risks of the Company are ultimately borne by the Noteholders. The Directors seek to assess, monitor and manage any potential adverse risks on the Company's financial performance by appropriate methods as discussed below.

Interest rate risk

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

The Company primarily finances its operations through the issuance of Variable Rate Notes upon which interest is payable. The Company receives income under the Retrocession agreements and MMF assets which exactly matches the interest due on the variable rate notes. Accordingly, the Directors believe that the Company is not exposed to interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The functional currency of the accounts is USD. The Directors believe that while there is a material Euro denominated asset, the limited recourse nature of the financial liabilities offset the fair value changes. Also, the currency of the assets and liabilities is aligned and therefore it removes the currency risk.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Event risk

The Company has issued Variable Rate Notes in order to obtain funds to support its obligations under the Retrocession agreements to make certain payments to the Ceding Reinsurer. As a result of the Retrocession agreements, the Company and holders of the Series 2024-1 Notes issued by the Company are at risk in the event that any named storm events occur covering all fifty (50) states of the United States of America and the District of Columbia, which occurs during the risk period from 1 January 2025 until 31 December 2027, and between the Company and holders of the Series 2025-1 Notes issued by the Company are at risk in the event that any European windstorm events occur covering Austria, Belgium, Denmark, France, Germany, Ireland, Luxembourg, Netherlands, Norway, Sweden, Switzerland, United Kingdom, Czechia, Estonia, Finland, Hungary, Latvia, Liechtenstein, Lithuania, Monaco, Poland, Slovakia and Slovenia, which occurs during the risk period from 1 December 2025 until 30 November 2028, has a model loss exceeding the event attachment points or the event reset attachment points. The Company will be required to make payments to the Ceding Reinsurer, in the event that a named storm or a European windstorm event has a loss as set forth in the Retrocession agreements between the Company and the Ceding Reinsurer.

If during the risk period there are one or more covered events resulting in principal reductions with respect to the Notes, investors in the Notes could lose all or a portion of their investment. The total Variable Rate Notes in issue at 31 December 2025 was \$271,812,500 (Note 17).

No covered events occurred that require an event payment during the period.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. At the balance sheet date, financial assets exposed to credit risk include financial assets at FVTPL, cash at bank, and premium receivable. These assets are detailed in Notes 12, 13 and 14. It is the opinion of the Company that the carrying amounts of these financial assets represent the maximum credit risk exposure at the balance sheet date.

Credit rating of Counterparties

Asset	Counterparty	Rating
Financial assets at FVTPL	MMF assets	Aaa (Moody's)
Cash at bank	Bank of New York Mellon	Aa2 (Moody's)
Premium receivable	Mapfre Re, Compañía De Reaseguros, S.A.	A+ (S&P)

The Company's exposure and the credit ratings of its counterparties are regularly monitored by the Board. No financial assets are past due, nor impaired.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. All substantial risks and rewards associated with the Company's financial assets and liabilities are ultimately borne by the Noteholders.

The Company's obligations under the Notes are matched with the receipts of accrued interest and proceeds from the redemption of financial assets. The table below discloses the undiscounted contractual cash flows of the financial liabilities.

As at 31 December 2025	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Total
	\$	\$	\$	\$	\$
Interest payable to noteholders	3,944,511	-	-	-	3,944,511
Accrued expenses	-	-	486,559	-	486,559
Financial liabilities at FVTPL	1,552,555	3,105,109	13,972,992	298,679,848	317,310,504
	<u>5,497,066</u>	<u>3,105,109</u>	<u>14,459,551</u>	<u>298,679,848</u>	<u>321,741,574</u>

Variable Rate Notes

The Company's only sources of funds for repayment of the Outstanding Principal Amount of the Variable Rate Notes will be: (i) the principal amount of the MMF shares in the applicable Collateral Account, if any; and (ii) the net proceeds of the liquidation of any applicable MMFs (net of any applicable withholding taxes and fees) and if a Put Event occurs which results in a redemption of the applicable MMF shares, in which case unless such Put Event has occurred prior to the Payment Date immediately prior to the applicable Redemption Date, the net proceeds of the liquidation of any MMFs (net of any applicable withholding).

Payment of the Outstanding Principal Amount of the Notes is effectively subordinated to the obligations of the Company to the Ceding Reinsurer under the Retrocession agreements.

The Company's sole sources of funds for payment of interest on the Notes will be: (i) the Periodic Payments received from the Ceding Reinsurer under the applicable Retrocession agreements relating to the payment of interest to the holders of the Notes; and (ii) the applicable Permitted Investment Yield, if any. The Permitted Investment Yield is an amount equal to the actual investment earnings on the amounts invested in the Permitted Investments which have not been previously distributed.

In the event of the failure of the Ceding Reinsurer to make Periodic Payments when due under the applicable Retrocession agreements, the Company would likely be unable to make full payment of interest on the Outstanding Principal Amount of the Notes.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

Disclosures, requires a quantitative analysis of fair values based on a three-level hierarchy comprising:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Fair value hierarchy for assets and liabilities measured at fair value

	Quoted Prices in Active Market \$	Valuation Technique Observable Parameters \$	Valuation Technique Unobservable \$	Total \$
Financial assets at fair value through P&L	271,812,500	-	-	271,812,500
Financial liabilities at fair value through P&L	-	(271,812,500)	-	(271,812,500)
	271,812,500	(271,812,500)	-	-

The financial instruments at Level 1 are priced using observable market sources.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The Company's financial assets and liabilities are measured at FVTPL. The Directors estimate that the fair value of the financial assets at FVTPL are consistent to their par value. Financial liabilities at FVTPL are recognised based on their limited-recourse nature, such that the liability is calculated based on the value of the related assets. The Company's price risk is borne by the Noteholders. Profits or losses arising from movements in price risk pass to the Noteholders and therefore will have no impact on the profit or loss or the equity of the Company.

In order to mitigate pricing risk, in particular an impairment in the value of the collateral, the Board of Directors monitor the ratings of the collateral on a regular ongoing basis. Should any indicators of impairment become apparent the Board of Directors have the authority to liquidate the collateral held and re-invest in an alternative collateral investment, as disclosed in the Company's Offering memorandum. Accordingly, the Directors believe that the Company is not exposed to price risk.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. ULTIMATE PARENT UNDERTAKING

The ultimate controlling party is Walkers Ireland Shareholding Services Limited, who hold all the shares of the Company.

21. RELATED PARTY TRANSACTIONS

During the period, the Company incurred fees relating to the management services provided by Marsh Management Services (Dublin) amounting to \$28,041 all of which was paid during the financial period. John Hetherington is an employee of Marsh Management Services (Dublin) Limited. John Hetherington did not receive any remuneration in respect to his Directorship. Director remuneration is disclosed in Note 10. Past Directors, Rebecca Murphy and Sarah Beattie, did not receive any remuneration for the period end 31 December 2025 in respect of their Directorship.

Walkers Ireland Shareholding Services Limited acts as a share trustee which gives them the authority to influence the Company's governance by changing the board of directors, however, they must refrain from interfering in the Company's business activities and do not have powers to dispose of the shares, other than by way of a transfer to another share trustee company.

22. CAPITAL MANAGEMENT

The Company is not subject to externally imposed capital requirements. The Company was initially financed by \$2 equity. Any subsequent transactions entered into by the Company are designed to enable the Company to pay its liabilities as they fall due.

23. CONTINGENT LIABILITIES AND COMMITMENTS

There are neither contingent liabilities nor commitments as at 31 December 2025.

24. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred since the reporting period.

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 27 March 2026.