Docusign Envelope ID: DA0ED875-3CE8-8B22-8229-088C58899848

MOZART INSURANCE LTD.
FINANCIAL CONDITION REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

Mozart Insurance Ltd. ("the Company") was incorporated under the laws of Bermuda on July 12, 2019 and has its place of business in Bermuda. On September 26, 2019, the Company registered as a Class 3A insurer under The Insurance Act 1978 (Bermuda) amendments thereto and related regulations ("The Insurance Act"). The address of the Company's registered office is Crawford House, 50 Cedar Avenue, Hamilton HM11, Bermuda.

1. BUSINESS AND PERFORMANCE

Name of Insurer

Mozart Insurance Ltd. ("the Company"), Crawford House, 50 Cedar Ave, Hamilton, Bermuda.

Supervisors

Bermuda Monetary Authority, BMA House, 43 Victoria Street, Hamilton, Bermuda.

Approved Auditors

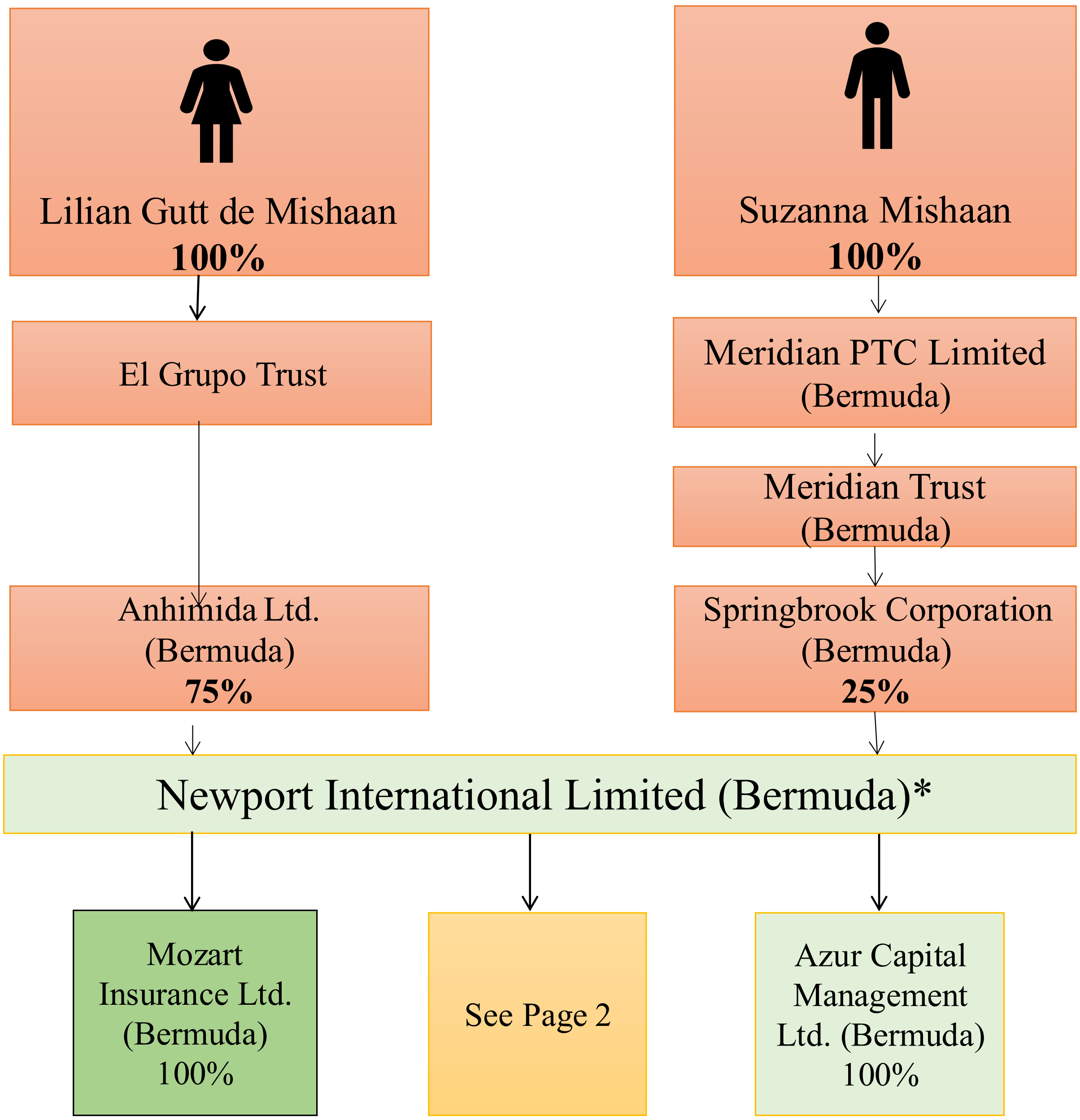
Statutory and IRFS Reporting: Grant Thornton (Bermuda) Limited, Atlantic House, 11 Par-La-Ville Road, Hamilton HM 11, Bermuda.

Ownership Details

The Company is owned by Newport International Limited., a company incorporated and registered in Bermuda. The ultimate beneficial owners of Mozart are Lilian Gutt de Mishaan (75%) and Suzanna Millan de Mishaan (25%).

a. Group Structure

The following provides details of the group structure:



* Newport International Limited. ownership structure is the same as Mundial De Seguros S.A.

I confirm that the structure chart provided is a true and accurate representation of the current corporate structure

Officer (Controller) **Date: June 2024** 1

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Newport International Limited (Bermuda)*

Former Dodge Investments Ltd (BVI)[1]		
Name	**Country of incorporation**	**Proportion of ownership interest at December 31, 2022**
Amerinvest S.A.	Panama	3.74%
Western Hemisphere Leasing Co Ltd.	British Virgin Islands	4.5%
Cauderales Holdings SL ETVE	Spain	4.5%
Luneville Enterprises Ltd.	Spain	4.5%

1) In 2020 a restructuring was done to break out the individual Dodge Investment Ltd investments so that ownership was done individually rather than via an investment holding company

* Newport International Limited. ownership structure is the same as Mundial De Seguros S.A.

I confirm that the structure chart provided is a true and accurate representation of the current corporate structure

Officer (Controller) Phil Martin **te: June 2024**

Insurance Business Written by Business Segment and by Geographical Region

The Company chose Munich Re as reinsurer for the period policy after May 15, 2020 and renewed on a yearly basis. The actual treaty with Munich Re named Tent Plan 1 was for the period July 1, 2023 to December 31, 2024. This treaty was cancelled effective June 30, 2024 and renewed for the period July 1, 2024 to December[DA1.1][AH1.2] 31, 2025. The tent plan 2 is a new contract, which started on 01.09.2025 and runs until 31.08.2026 and had the following lines of business and limits:

Gross Premium Written by Business Segment for the Reporting Period

	2025	2024
	$	$
TPL Motor	22,299,802	20,751,637
Auto Motor	11,640,660	7,720,376
Lease	9,871,045	7,054,914
Personal Accident	586,882	531,827
Electronic Equipment	3,264,138	2,962,841
Home	71,924	-
Legal	539,736	-
Other	1,729,481	-
	50,003,668	39,021,595

Gross Premium Written by Geographical Region for the Reporting Period

	2025	2024
	$	$
South America	50,003,668	39,021,595

Performance of Investments and Material Income & Expenses for the Reporting Period

Performance of Investments

Marketable securities are comprised of mutual funds, equity and other Level 3 assets. The Company covers its technical provisions with investment grade fixed income securities. Management receives recommendations on investment selection from their investment manager and investment committee.

There are specific investment guidelines for the Company:

- Preservation of principal.

- A high degree of liquidity and marketability of underlying assets aligned with the need to pay policyholder claims.

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Investment income, including amortization of premiums and accretion of discounts, and realized gains and losses on investments for the year ended December 31, 2025 and 2024 were derived as follows:

	2025	2024
	$	$
Net unrealized (loss) gain	1,540,881	433,537
Net realized (loss) gain	263,674	262,669
Dividend income	29,948	19,033
Foreign exchange loss	60,016	(57,579)
Interest on cash and cash equivalents and investments	1,214,423	345,952
Interest on intercompany loan	160,652	93630
Total	3,269,594	1,097,242

Material Income and Expenses

The Company's main revenue source is net premium earned. The Company's expenses are mainly comprised of operating and policy acquisition expenses and losses.

No other material information to report.

1. GOVERNANCE STRUCTURE

Board and Senior Executive

The Board of Directors role is to exercise oversight in relation to the organization. In addition to its ongoing oversight of the Company's business operations, the Board considers it appropriate that the Board and Management conduct ongoing reviews of the business of the Company to determine whether there have been any material changes in the risk profile of the Company and, if necessary, modify and update the corporate governance and risk management framework established by the Board.

The Board consists of five Directors, one of which is an executive Directors, three non-executive and one independent director.

Remuneration Policy

The Company's remuneration policy for Directors and Executive Officers is agreed at the Annual General Meeting. The independent director receives a remuneration for their services during fiscal years ended December 31, 2025.

Fitness and Proprietary Requirements

The Company appoints members of the Board based on the individual's expertise and work experience as well as professional judgement and recommendations from the insurance management company. Before being appointed to the Board, all candidates must undergo a background check. This is done by the Board, together with the insurance manager and local law firm.

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Board and Senior Executives Professional Qualifications, Skills and Expertise

Below are the details of the Board and Senior Executives qualifications, skills and expertise:

Moris Mishaan

Mr. Moris Mishaan, (Non-Executive Director, Colombia). Currently serves as General Manager at Blue Palm Advisors S.A., a privately held Colombian investment company which has been in operation for the past 5 years. Mr. Mishaan has served as the Chairman of the Board for Golden Tree Reinsurance Ltd, a Bermuda based exempt company for several years.

Philip Martin

Mr. Martin joined Newport International Corp., in December 2018 as Controller to oversee the day-to-day activities of the Bermuda operations, reporting to the President/ Chief Executive Officer. Mr. Martin previously worked at Partner Re as Controller and prior to leaving the company in June 2018 as SVP & Head of Group HR Services. Prior to joining Partner Re, Mr. Martin was SVP/ Controller of the Chevron office in Bermuda where he worked for 17 years. Mr. Martin is a member of the CPA Association of Canada, Bermuda and the USA and has an MBA from Queens University (Kingston, Ontario, Canada). Mr. Martin has over 30 years of insurance and reinsurance experience.

Rochelle Simons

Ms. Simons currently serves as an independent consultant providing project management and consultancy services to the insurance/ reinsurance market. Before starting the independent consulting, role Rochelle was SVP at Ace Bermuda Insurance, prior to this Rochelle held increasingly senior roles at AON Insurance Managers and Johnson & Higgins. S. Simons has over 30 years of insurance experience.

Neil Horner

Neil joined the firm in March 2003. Prior to joining ASW, he worked in leading firms in London, New York and Frankfurt. He is qualified in Bermuda, England and New York. He has extensive experience working on large commercial and corporate finance transactions with emphasis on the (re)insurance and financial services sectors. Neil is ranked in Band 1 in Chambers Global 2019 for Corporate and Finance and Corporate Insurance with Chambers Global noting 'Neil Horner has strong experience in high-value international transactions, with a specialism in insurance, reinsurance and financial services. He has a robust reputation among peers, and clients praise him as "very knowledgeable, very responsive and business focused."

Luis Portillo

Luis is a Vice President at Marsh Management Services (Bermuda) Ltd. Luis is responsible for providing insurance, reinsurance, claims and administrative services to a portfolio of Marsh captive clients, analyzing the risk from a technical perspective, establishing retentions, analyzing premiums and claims and issuing appropriate documentation. He liaises with brokers, risk managers, service providers and Marsh team members.

Prior to joining the company, Luis worked for over 5 years in the Bermuda Captive Management industry with JLTIM, where he was responsible for the underwriting of the LatAm portfolio. Prior to moving to Bermuda, Luis worked in 3 commercial Re(insurance) companies in Spain.

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Risk Management and Solvency Self-Assessment

The Company's risk management framework is implemented and integrated into its operations through the systems, processes and procedures, and controls developed by management. The Board reviews the controls to ensure they are effective and provide recommendations as deemed fit. Management information arising from risk management systems is used to complete Solvency Self-Assessments of the quantity and quality of capital required to support the Company's business goals given the amount of risk the Company has taken.

The Solvency Self-Assessment is reviewed at least on an annual basis to ensure that the Company's capital adequacy and liquidity resources are sufficient based on the risks to the Company that arise from its operations. The Company uses the Bermuda Monetary Authority Statutory requirements to help determine the adequacy of capital.

Internal Controls

The Company has systems, processes and procedures to ensure that data and reporting is reliable, organizational policies are adhered to, and adequate security measures are implemented. If any material weaknesses are found by the insurance manager/consultants, they are documented and presented to the Board and corrected accordingly.

Due to the size of the Company, no internal audit is performed.

The Company's actuarial function is outsourced to an external actuary. They are responsible for setting and adjusting technical provisions both premium and loss and loss expenses best estimates, and the risk margin. The technical provisions are reviewed by the Board and the insurance manager to ensure they fall within a reasonable range.

The Company performs various stress tests to determine the adequacy of capital/liquidity to ensure regulatory requirements can be met. The tests performed relate to underwriting risk exposures, interest rate risk and credit risk. The Company works with outside consultants to ensure adequacy of capital/liquidity specifically when investigating new business.

Based on the latest results, management of the Company believes that it has sufficient capital and liquidity to comply with the contractual obligations of the organization and regulatory requirements upon experiencing losses within its risk tolerance.

2. RISK MANAGEMENT AND SOLVENCY SELF-ASSESSMENT

Risk Identification

The Board and Management recognize that there are numerous risks facing the Company. The Board and Management have reviewed the potential impact various risks might have upon the Company to determine whether such risks are material and what additional policies, procedures and controls, if any, should be put in place to appropriately manage and mitigate material risks to the Company.

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The Company has a comprehensive risk management framework to monitor, evaluate and manage the risks assumed in conducting its business. The Company manages these risks using extensive risk management policies and practices. The risks that arise from transacting financial instruments include credit risk, market risk and liquidity risk. These risks may be caused by factors specific to an individual instrument or factors affecting all instruments traded in the market.

Risk management objectives and policies as they relate to the specific financial risks are as follows:

1. **Concentration of credit risk**

The Company is party to financial instruments with concentration of credit risk. These financial instruments consist principally of cash and cash equivalents and marketable securities.

As of December 31, 2025, cash and cash equivalents were held with financial institutions in Bermuda and in the United States, that the Company considers high quality. The Company does not believe there are significant risks associated with these risk concentrations.

The Company's investment portfolio is also managed by external managers in the United States. The Company minimizes the risk associated with these concentrations by adhering to a conservative investment strategy.

2. **Credit risk**

Credit risk is the risk of financial loss resulting from the failure of debtors to make payments of interest and/or principal when due. The Company is exposed to credit risk principally through its cash and cash equivalents, financial assets and insurance balances receivable. Concentrations of credit risk arise from exposures to a single debtor or groups of debtors that have similar credit risk characteristics, such as debtors in the same geographic regions or in similar industries. The Company's maximum credit risk exposure is the carrying value of the assets net of any allowances for doubtful debts. Credit risk relating to financial assets at fair value through profit or loss is managed through monitoring of the issuer, industry and geographical diversification within the investment portfolio. The Company mitigates credit risk on its insurance balances receivable through detailed credit and underwriting policies and on-going monitoring of outstanding receivables.

Credit risk relating to financial instruments is monitored by the Company. It is the Company's responsibility to review and manage credit risk, including environmental risk for all counterparties. The Company manages and controls credit risk by setting investment guidelines for the investment portfolio which are then managed by the investment manager and reviewed with the Company on a regular basis. It is the Company's policy to invest in high quality financial instruments with a low risk of default. If there is a significant increase in credit risk, the Company along with the investment mange will review the circumstance and take the appropriate action to correct the level of credit risk based on the facts and circumstances.

The company monitors the credit risk of the reinsurance contract inwards based on the license conditions issued by the BMA on not to assume insurance business from reinsurers rated lower than A- by A.M. Best or similar rating agencies. Munich Re as retrocedent is rated A+ by A.M. Best. The management monitors the terms and conditions in the policy document are complied with and that payments to be receive net of commissions, taxes and claims payable to reduce the risk of default.

3. **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument, insurance contract issued will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk); market interest rates (interest rate risk); and market prices (price risk).

(a) **Currency risk**

Currency risk is the risk that the fair value of future cash flows of a financial instrument, insurance contract assets and/or liabilities will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out using US dollars ("functional currency") and its exposure to foreign exchange risk arises primarily with respect to the COP based on the reinsurance contracts. The Company's financial assets are primarily denominated in the same currency as its insurance contract liabilities, which is the US dollar.

(b) **Interest rate risk**

Interest rate risk is the potential for financial loss arising from changes in interest rates. The Company actively manages its interest rate exposure with the objective of enhancing net investment income within established risk tolerances and Board approved investment policies. The Company is exposed to interest rate price risk on monetary assets that have a fixed interest rate. During periods of rising interest rates, the market value of the existing fixed interest securities will generally decrease and realized gains on fixed income securities will likely be reduced. The reverse is true during periods of declining interest rates.

4. **Liquidity risk**

Liquidity risk is the risk of having insufficient cash resources to meet cash outflow commitments as they fall due. Liquidity risk arises from general business activities and in the course of managing the assets and liabilities. There is a risk of loss to the extent that the sale of a security prior to maturity is required to provide liquidity to satisfy claims and other cash outflows. The liquidity requirements of the Company's business have been met primarily by funds generated by operations, asset maturities and income and other returns received on securities. The Company generally maintains a conservative liquidity position that exceeds anticipated obligations. The Company has policies to limit and monitor its exposure to individual issuers and to ensure that assets and liabilities are broadly matched in terms of their duration. Management believes the Company has sufficient funds to meet its liabilities and to satisfy regulatory capital requirements as at December 31, 2025 due to the cash and cash equivalents and Investments held by the Company exceeding the total liabilities recognized on the statement of financial position.

5. **Insurance risk**

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random and the actual number and value of claims will vary from year to year.

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6. **Operational Risk**

Various aspects of operational risks are considered material risks to the Company. These include, in particular, business process risk, compliance risk, information systems risk, fraud risk and outsourcing risk.

As many of the Company's operational matters are outsourced, the Board and Management discussed the Procedures and Controls used by the key service providers with those service providers. Copies of the relevant Guidelines and other Procedures and Controls of the Company have also been furnished to the service providers to ensure their compliance with the same. The Board is satisfied that the operational controls in place with such service providers are adequate to mitigate the limited operational risk inherent in the Company's captive insurance.

7. **Legal Risk**

As an insurance company selling insurance and buying reinsurance legal risk is considered a material risk of the Group. These risks are mitigated and controlled by compliance with the Company's various guidelines and procedures and controls and those of the relevant service providers.

8. **Strategic Risk**

The Board of Directors and the Company's service providers have the skills and the technical expertise to ensure that the Company's objectives and goals are achieved. The Board also ensures that all decisions made represent the best interest of the shareholder.

9. **Reputational Risk**

The Board of Directors ensures that the third parties and business partners retained by the Company are qualified and with good reputation.

3. SOLVENCY VALUATION

The Company has used the valuation principles outlined by the Bermuda Monetary Authority's "Guidance Note for Statutory Reporting Regime" for the reporting period's statutory filing. The economic principles outlined in this document are to measure assets and liabilities on a fair basis. The fair value principles used for the assets are as follows:

- Cash and Cash Equivalents – includes cash, time deposits and investments maturing within 90 days or less at the date of purchase. The fair value of these holdings is determined using quoted market prices in active markets for similar assets.
- Fixed Income securities – are valued using the quoted market prices.
- Equities and Investment Funds – includes common stock and are valued using the quoted market prices.
- Accounts Receivable and Premiums Receivable – are recorded at fair value.

Insurance technical provisions are based on best estimate cash flows, adjusted to reflect the time value of money with an appropriate illiquidity adjustment. In addition, there is a risk margin to reflect the uncertainty contained inherent in the underlying cash flows. The discount rate term structures are prescribed by the Bermuda Monetary Authority.

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The best estimate for the loss and loss expense provision is calculated by using International Reporting Standards (IFRS) reserves as the starting point and then performing a series of adjustments:

- Incorporation of expected reinsurance counterparty defaults
- Incorporation of events not in data (ENID)
- Discounting of cash flows
- Other adjustments related to consideration for investment expenses, etc.

Valuation Bases, Assumptions and Methods to Derive the Value of Technical Provisions

Similar to the valuation principles for assets, the Company's liabilities follow the valuations principles outlined by Bermuda Monetary Authority's "Guidance Note for Statutory Reporting Regime" which values liabilities at a fair value basis. All other liabilities are valued on a IFRS basis and settlements not expected to be settled within a year, are discounted using the prescribed discount rates provided by the Bermuda Monetary Authority.

4. CAPITAL MANAGEMENT

Eligible Capital

The primary capital management objectives of the Company are to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times. It strives for ab appropriate capital structure that efficiently allocates the risk of capital. The Company's capital and risk management structure are primarily unchanged over the prior year.

To maintain a strong capital base, the Company identifies, assesses, manages and monitors the various risk sources it faces in the course of business both currently and as anticipated over a five-year planning horizon. The Board assess its capital on a quarterly basis to ensure that the Company maintains appropriate solvency requirements. The Company's risk profile includes an assessment of the current and future material risks faced by the Company, the strength of the organization's risk management, qualitative risks, stress testing, and liquidity.

The Company's capital is Tier 1, the highest quality capital, consisting of capital stock, contributed surplus, and statutory surplus.

At the end of the reporting period, the Company's Eligible Capital for its Minimum margin of Solvency (MSM) and Enhanced capital Requirement (ECR) was categorized as follows:

In 000's	Applied to MSM	Applied to ECR
Tier 1 Capital	$ 24,597	$ 24,597
Tier 2 Capital	-	-
Tier 3 Capital	-	-
Total Capital	$ 24,597	$ 24,597

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Identification of Differences in Shareholder's Equity as Stated in the Financial Statements Versus the Available Capital and Surplus

Other than the impact of employing Bermuda statutory accounting principles, there are no significant differences between IFRS shareholder equity and available capital and surplus.

Regulatory Capital Requirements

At the end of the reporting period, the Company's regulatory capital requirements were assessed as follows:

(Reported in thousands)

Requirement	Amount
Minimum Margin of Solvency	$7.801M
Enhanced Capital Requirement	$15.790M

The Company's statutory capital and surplus at December 31, 2025, per its BSCR, is $24.597M

Identification of Any Non-Compliance with the ECR and MSM Requirement

The Company was compliant with the ECR and MSM at the end of the reporting period.

5. SUBSEQUENT EVENTS

The Company entered into two loan agreements with Newport International Limited (the Company's parent company) on February 3, 2026, and June 10, 2026, in the amounts of $2,000,000 each. The loans mature on February 2, 2027, and June 9, 2027, respectively, and bear interest at a rate of 2%. In addition, the terms of the agreement allow for repayment of the loans at any time.

To the best of our knowledge and belief, this financial condition report fairly represents the financial condition of the Mozart Insurance Ltd in all material respects.

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8811AA9A17CC4BB...
Moris Mishaan
Director

DocuSigned by:
Rochelle Simons
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Rochelle Simons
Director