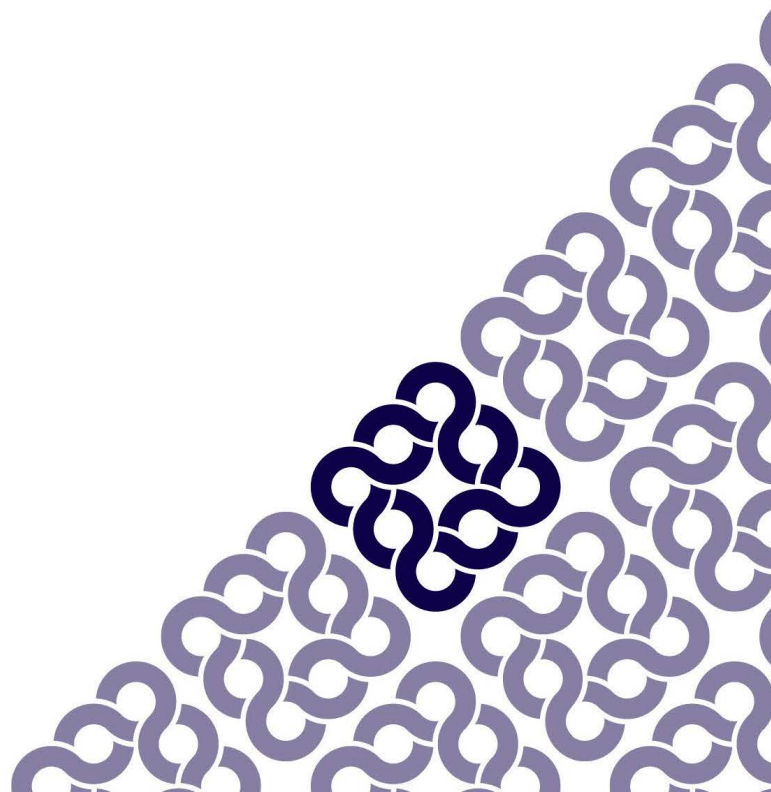




ATHORA LIFE RE LTD.

Annual Report for the financial year ended 31 December 2025



Contents

Independent auditor's report.....	2
Consolidated statement of profit or loss.....	5
Consolidated statement of financial position.....	6
Consolidated statement of changes in equity.....	7
Consolidated statement of cash flows.....	8
A. Material accounting policy information.....	9
B. Other income statement notes.....	15
C. Equity.....	21
D. Financial assets and liabilities.....	22
E. Insurance contracts.....	42
F. Other statement of consolidated financial position notes.....	58
G. Other notes.....	64



Ernst & Young Ltd.
3 Bermudiana Road
Hamilton HM 08
P.O. Box HM 463
Hamilton HM BX
BERMUDA

Tel: +1 441 295 7000
Fax: +1 441 295 5193
ey.com

Independent Auditor's Report

The Board of Directors and Shareholder
Athora Life Re Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Athora Life Re Ltd. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in Bermuda. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion..



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Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Ltd.

April 24, 2026

Consolidated statement of profit or loss

For the financial year ended 31 December 2025

€000	Note	2025	2024
Insurance contract revenue	B1	91,898	73,168
Insurance service expense	E1.1	(100,679)	(83,778)
Insurance service result		(8,781)	(10,610)
Net investment income	B2.1	37,030	85,999
Net finance income/(expense) from insurance contracts	B2.2	29,213	(104,941)
Net financial result		66,243	(18,942)
Other income	B3	2,396	3,018
Other expenses	B4	(7,943)	(18,931)
Finance costs	B5	(6,367)	(7,843)
Profit/(loss) before tax		45,548	(53,308)
Income tax	B6.1	(7,195)	110
Profit/(loss) for the year		38,353	(53,198)

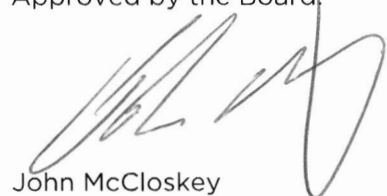
The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of financial position

€000	Note	31 December 2025	31 December 2024
Assets			
Property and equipment	F1	320	7,409
Financial assets	D3	2,213,394	2,233,100
Deferred tax assets	F4.2	4,980	6,116
Current tax assets	F4.1	1	1
Receivables and other assets	F2	26,925	27,396
Cash and cash equivalents	F3	189,616	350,075
Total assets		2,435,236	2,624,097
Equity			
Share capital		250	250
Capital contribution		241,000	241,000
Retained earnings		(106,953)	(145,306)
Other reserves		834	834
Total equity	C1	135,131	96,778
Liabilities			
Insurance contract liabilities	E1.1	2,057,347	2,254,698
Financial liabilities			
Borrowings	D5	155,000	155,000
Other financial liabilities	D6	80,078	83,246
Income tax payable	B6.1	3,912	—
Other liabilities and accruals	F5	2,712	31,598
Provisions	F6	1,056	2,777
Total liabilities		2,300,105	2,527,319
Total equity and liabilities		2,435,236	2,624,097

The accompanying notes form an integral part of the consolidated financial statements.

Approved by the Board:



John McCloskey

Director

22 April 2026

Consolidated statement of changes in equity

For the financial year ended 31 December 2025

€000	Note	Share capital and share premium	Capital contribution	Retained earnings	Foreign currency translation reserve	Total equity
At 1 January 2025		250	241,000	(145,306)	834	96,778
Profit for the year		—	—	38,353	—	38,353
At 31 December 2025	C1	250	241,000	(106,953)	834	135,131

For the financial year ended 31 December 2024

€000	Note	Share capital and share premium	Capital contribution	Retained earnings	Foreign currency translation reserve	Total equity
At 1 January 2024		250	241,000	(92,108)	834	149,976
Loss for the year		—	—	(53,198)	—	(53,198)
At 31 December 2024	C1	250	241,000	(145,306)	834	96,778

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of cash flows

For the financial year ended 31 December 2025

€000	Note	2025	2024
Profit/(loss) before tax		45,548	(53,308)
Adjustments for non-cash items	G2.1	46,642	23,298
Adjustments for non-operating items - finance costs	B5	116	490
Change in operating assets and liabilities	G2.2	(251,163)	74,337
Income taxes received	F4.1	—	6
Cash flows from operating activities		(158,857)	44,823
Payment of lease liabilities	F1	(1,602)	(1,281)
Cash flows from financing activities		(1,602)	(1,281)
Net (decrease)/increase in cash and cash equivalents		(160,459)	43,542
Cash at 1 January		350,075	306,533
Cash at 31 December	F3	189,616	350,075
Comprising:			
Cash at bank	F3	51,313	22,905
Short-term deposits	F3	—	47
Money market funds classified as cash	F3	138,303	327,123

The accompanying notes form an integral part of the consolidated financial statements.

A. Material accounting policy information

A1. Basis of preparation

A1.1 Corporate and company information

Athora Life Re Ltd. (the “Company” or “ARE”), is an exempted company incorporated in Bermuda and is registered as a long-term Class E insurer under Insurance Act of 1978 of Bermuda, as amended, and related rules, and regulations (collectively, the “Insurance Act”). Its registered office and principal place of business is First Floor, Swan Building, 26 Victoria Street, Hamilton HM12, Bermuda.

The Company is principally engaged in providing capital optimisation and risk management solutions to European life insurers. Information on the Company’s subsidiaries is as follows.

Name	Principal activity	Country of incorporation	% Equity interest	
			2025	2024
Athora Ireland Ltd. (“AI”)	Non-trading entity	Ireland	100	100
Athora Europe Investments DAC (“AEI DAC”)	Special purpose vehicle	Ireland	100	100

In May 2025, Athora Ireland’s application for the revocation of its insurance/reinsurance licence was approved by the Central Bank of Ireland (CBI). Since then it has been operating as a non-trading entity.

The next senior and the ultimate holding company of the Company is Athora Holding Ltd. (“AHL”), an exempted company incorporated in Bermuda. The “Athora Group” refers to AHL when consolidated with its subsidiaries.

Information on other related party relationships of the Company is provided in **note G1**.

A1.2 Basis of preparation

The consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (IFRICs), as adopted by the European Union. IFRSs applied by the Company in the preparation of these consolidated financial statements are those standards that were effective for periods beginning on or after 1 January 2025.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities that have been measured at fair value. The presentational and functional currency of the Company is euro (€ or EUR). The amounts presented in the consolidated financial statements are rounded to the nearest thousand (€000), except when otherwise indicated.

The accounting policies have been consistently applied in these consolidated financial statements. Where an accounting policy can be directly attributed to a specific note to the consolidated financial statements, the policy is presented within that note, with a view to enabling greater understanding of the results and financial position of the Group. All other material accounting policies are disclosed below.

A. Material accounting policy information (continued)

A1. Basis of preparation (continued)

A1.2.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025.

Subsidiaries are all entities (including structured entities) over which the Company has control. In accordance with the principles set out in IFRS 10 Consolidated Financial Statements, the Company controls an investee if and only if the Company has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns;

The Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including relevant activities, substantive and protective rights, voting rights and purpose and design of an investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the date on which effective control is transferred to the Company; they are deconsolidated from the date that control ceases.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company for preparation of consolidated financial statements.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Acquisition method

The Company uses the acquisition method to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the consideration. Any excess of the cost of acquisition over the fair value of the net assets acquired is recognised as goodwill. In certain acquisitions an excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities, contingent liabilities and non-controlling interests over cost may arise. Where this occurs, the surplus of the fair value of net assets acquired over the fair value of the consideration is recognised in the consolidated income statement.

Directly attributable acquisition costs are included within administrative expenses. Costs directly related to the issuing of debt or equity securities are included within the initial carrying amount of debt or equity securities where these are not carried at fair value.

A1.2.2 Foreign currency transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the reporting date. Exchange differences arising on the settlement of monetary items during the year are recognised in the consolidated statement of profit or loss in the period in which they arise under the same heading as the underlying transactions are reported. Non-monetary assets and liabilities measured at historical cost are measured at the exchange rate applicable on the initial transaction date.

The Company holds a foreign currency translation reserve from periods when the presentation and functional currencies were different. See **note C** for details.

A. Material accounting policy information (continued)

A1. Basis of preparation (continued)

A1.3 Going concern

These consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements sections include notes on the Company's borrowings (**note D5**); its capital management (**note G3**); and management of its risks including market, credit, and liquidity risk (**note D7**). The Company's financial position reflects appropriate reserves, an investment portfolio within risk appetite and capital in excess of the minimum regulatory requirement.

The Board has considered financial projections which demonstrate the ability of the Company to withstand market shocks in a range of scenarios, including very severe ones.

In assessing the appropriateness of the going concern basis, the Board considered base case liquidity and solvency projections that incorporated an estimated view of the economy as a whole, and in particular the continuing war in Ukraine and the conflict in the Middle East.

After making enquiries, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. For this reason, it continues to adopt, and to consider appropriate, the going concern basis in preparing the financial statements.

A. Material accounting policy information (continued)

A2. Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Disclosures of judgements made by management in applying the Group's accounting policies include those that have the most significant effect on the amounts that are recognised in the consolidated financial statements. Disclosures of estimates and associated assumptions include those that have a significant risk of resulting in a material change to the carrying value of assets and liabilities within the next year. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgements as to the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The areas of the Group's business that typically require such estimates are the measurement of insurance and investment contract liabilities, determination of profit and the fair value of financial assets and liabilities and, where applicable, valuation of intangibles on initial recognition.

Details of all critical accounting estimates and judgements are set out below.

Information about significant judgements and estimates made in relation to insurance contracts under IFRS 17 are captured in **note E3**. These include:

- Methods used to measure insurance contracts
- Actuarial assumptions
- Discount rates
- Risk adjustment for non-financial risk
- Amortisation of the contractual service margin

A2.1 Fair value of financial instruments

In the determination of the fair value of financial instruments, the Company's management reviews estimates and assumptions used, particularly those items categorised within Level 3 of the fair value hierarchy. Further details on key assumptions used in the valuation of Level 3 financial instruments and their sensitivities, where internally valued, are included in **note D2**.

A2.2 Taxes

The Company operates within tax jurisdictions where significant management judgements and estimates are required when interpreting the relevant tax laws, regulations, and legislation in the determination of the Company's tax provisions and the carrying amount of tax assets and liabilities (see **note F4**).

Management assesses the recoverability of the deferred income tax asset carrying values based on estimated taxable income for future years (see **note F4**).

A2.3 Impact of climate risk on accounting judgements and estimates

In preparation of these financial statements, the Company has considered the impact of climate change across a number of areas. Many of the effects arising from climate change will be longer-term in nature, with an inherent level of uncertainty, and have been assessed as having a limited effect on accounting judgements and estimates for the current period. The Company is closely monitoring relevant changes and developments, such as new climate-related legislation. For further details see climate risk disclosure at **note D7.3**.

A. Material accounting policy information (continued)

A3. Adoption of new accounting pronouncements in 2025

A3.1 Application of IFRS amendments applicable to the year ended 31 December 2025

The following pronouncements are applicable for the year ended 31 December 2025 but the impact of these amendments does not have a material impact on the Company's financial position at 31 December 2025 and performance for the year then ended.

Lack of exchangeability - Amendments to IAS 21

Published by the IASB in August 2023 with an effective date of 1 January 2025, this amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A4. New accounting pronouncements not yet effective

The following new standards and amendments to existing standards have been issued but are not yet effective for the year ended 31 December 2025 and have not been adopted early by the Company:

Annual improvements to IFRS standards (volume 11)

Published by the IASB in July 2024, these improvements consist of amendments to several accounting standards; IFRS 1 First time adoption of IFRS, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows. The amendments are effective for annual reporting periods beginning on or after 1 January 2026. The impact of these improvements is being assessed by the Company and deemed not likely to be material.

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

Published by the IASB in May 2024, with an effective date of 1 January 2026, these amendments clarify certain issues, when it comes to the derecognition of financial liabilities on the settlement date explaining the assessment of contractual cash flow characteristics of financial assets with ESG-linked features, and the treatment of non-recourse assets and contractually linked instruments. It also requires additional disclosures for financial assets and liabilities with contingent events and equity instruments classified at fair value through other comprehensive income and introduces an accounting policy option for electronic payment systems. The amendments have been assessed by the Group and they do not have any impact on existing policies

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the Board issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows.

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027 with retrospective application. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

A. Material accounting policy information (continued)

A4. New accounting pronouncements not yet effective (continued)

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19) with an effective date of 1 January 2027, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

As the Group's debt instruments are publicly traded, it is not eligible to elect to apply IFRS 19. However, the impact on the level of disclosures required in the financial statements of the Group's subsidiaries without public accountability is currently being assessed.

B. Other income statement notes

B1. Insurance revenue

The Company's insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, (i.e., the amount of premiums paid to the Company adjusted for financing effect (the time value of money) and excluding any investment components). The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

- Insurance service expenses, excluding any amounts relating to the risk adjustment for non-financial risk and any amounts allocated to the loss component of the liability for remaining coverage
- Amounts related to income tax that are specifically chargeable to the policyholder
- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage
- The CSM release
- Amounts related to insurance acquisition cash flows

For management judgement applied to the amortisation of CSM, please refer to **note E3**.

€000	2025	2024
Amounts relating to the changes in the liability for remaining coverage		
Expected insurance service expenses and claims incurred in the year	88,978	67,208
Release of risk adjustment for non-financial risk	663	3,524
Amount of CSM recognised in profit or loss	2,506	2,404
Other amounts including experience adjustments for premium receipts	(293)	—
	91,854	73,136
Amounts relating to recovery of insurance acquisition cash flows		
Allocation of the portion of premiums that related to the recovery of insurance acquisition cash flows	44	32
	91,898	73,168

B2. Net financial result

Net investment income

This item comprises realised and unrealised gains and losses, interest income and expense and dividends on financial assets and liabilities at fair value through profit or loss.

For interest-bearing assets, interest is recognised as it accrues and is calculated using contractual interest rates. Dividends on equity securities are recorded as revenue on the ex-dividend date.

A realised gain or loss on a financial investment is only realised on disposal or transfer, and is the difference between the proceeds received, net of transaction costs and its original cost, as appropriate. Unrealised gains and losses, arising on investments which have not been derecognised as a result of disposal or transfer, represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognised unrealised gains and losses in respect of disposals made during the year.

B. Other income statement notes (continued)

B2. Net financial result (continued)

Insurance finance income or expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money
- The effect of financial risk and changes in financial risk

The Company does not disaggregate insurance finance income or expenses between profit or loss and OCI. This is to minimise accounting mismatch because all the Company's financial assets backing the insurance issued portfolios are measured and managed on a fair value through profit or loss basis.

€000	Note	2025	2024
Investment income	B2.1	37,030	85,999
Net finance income/(expense) from insurance contracts	B2.2	29,213	(104,941)
Net financial result		66,243	(18,942)

B2.1 Net investment income

€000	2025	2024
Net income from derivatives	6,100	9,619
Interest revenue	75,405	76,682
Net losses on financial assets valued through profit or loss	(53,076)	(24,935)
Cash and cash equivalents	7,245	17,405
Other investment income	1,544	7,372
Net foreign exchange losses	(188)	(144)
	37,030	85,999

The main driver of the reduction in investment income is the movement in the fair value of financial assets. The losses on financial assets are primarily driven by rising rates.

B2.2 Insurance finance income/(expense) from insurance contracts issued

€000	2025	2024
Interest accreted	(69,646)	(93,568)
Effect of changes in interest rates and other financial assumptions	98,859	(11,373)
	29,213	(104,941)

B3. Other income

€000	2025	2024
Gains on foreign currencies	108	—
Income from other group companies	2,082	2,545
Other	206	473
	2,396	3,018

B. Other income statement notes (continued)

B4. Other expenses

Other expenses are recognised in the consolidated income statement as incurred.

€000	Note	2025	2024
Staff costs		(1,151)	(1,368)
IT, professional and property costs		(1,623)	(2,186)
Asset management fees		(6,142)	(6,201)
Other administration expenses		(7,371)	(12,157)
Restructuring costs		117	(3,446)
Depreciation of tangible assets	F1	(1,041)	(889)
		(17,211)	(26,247)
Represented by:			
Directly attributable expenses (included within insurance service expenses)		(9,268)	(7,316)
Other expenses		(7,943)	(18,931)
		(17,211)	(26,247)

B5. Finance costs

Interest on borrowings is recognised in the consolidated income statement as it accrues and is calculated using the effective interest method (see **note D5**).

€000	2025	2024
Borrowings	(6,251)	(7,351)
Interest expense on lease liabilities	(116)	(490)
Other finance costs	—	(2)
	(6,367)	(7,843)

B6. Tax charge

Income tax comprises current and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised in the statement of consolidated comprehensive income or the statement of consolidated changes in equity, in which case it is recognised in these statements.

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws enacted or substantively enacted at the date of the statement of consolidated financial position together with adjustments to tax payable in respect of previous years.

B. Other income statement notes (continued)

B6. Tax charge (continued)

B6.1 Current year tax charge

€000	2025	2024
Current tax:		
Current tax charge - Ireland	3,912	—
Group relief tax charge - Bermuda	2,146	—
Total current tax charge	6,058	—
Deferred tax:		
Origination and reversal of temporary differences during the year	1,137	(111)
Adjustment in respect of previous periods	—	1
Tax charge/(credit) on profit on ordinary activities	1,137	(110)
Income taxes	7,195	(110)

B6.2 Reconciliation of tax charge/(credit)

The Company operates in multiple jurisdictions and is subject to taxation on profits/(losses) in each jurisdiction at different rates. The differences are explained below:

€000	2025	2024
Profit/(loss) before tax	45,548	(53,308)
Tax calculated at the domestic rates applicable to profits in each operational jurisdiction	6,876	(111)
Effects of:		
Unrecognised Deductible Temporary Differences	(818)	—
Income taxable at higher rates	1,137	—
Adjustments in respect of prior years	—	1
Total tax charge/(credit)	7,195	(110)

Tax calculated at the domestic rates applicable to profits in each operational jurisdiction has been computed using the standard rates of taxes on corporate income for the financial year, as follows: Bermuda 15% (2024: 0%), Ireland 12.5% (2024: 12.5%).

The Company migrated its seat of tax residence to Ireland on 1 January 2025. This has brought the worldwide profits of the Company, including those of its Bermuda regulated Insurance establishment, into the scope of Irish Corporation Tax. The Company undertakes some of its non-regulated administrative activity in the Republic of Ireland. Also during 2025, the Company's Irish subsidiary, Athora Ireland Ltd., completed the transfer of its entire business and trade to the Company. The reorganization meets the conditions required for the Company to step into the shoes of Athora Ireland Ltd. in respect of past Irish tax losses. Athora Ireland Ltd. is expected to be placed in liquidation during 2026.

B6.3 Impact of new Bermuda Tax Legislation in 2025

In response to the OECD Pillar Two initiative adopted by the EU and others, the government of Bermuda enacted legislation in December 2023 which makes Athora Group's Bermuda constituent entities liable to a 15% corporate income tax on their profits from 1 January 2025, subject to important transitional adjustments.

B. Other income statement notes (continued)

B6. Tax charge (continued)

B6.3 Impact of new Bermuda Tax Legislation in 2025 (continued)

The Company carries on its regulated Insurance business entirely through its Bermuda establishment, and is thereby primarily liable to Corporate Income Tax in Bermuda on profits from that business.

However, during 2025, the Company's profit has been relieved from Bermuda Corporate Income Tax as a result of losses of its parent company, Athora Holding Limited. As explained in **Note F4**, the Company is permitted to carry forward its net loss for financial years 2020 to 2024 at the Bermuda CIT commencement date of 1 January 2025. The past losses carried forward of the Company were not directly utilized in 2025 as losses incurred for 2025 by Athora Holding Limited are automatically netted against the Company's profits by operation of the Bermuda CIT Act.

However, the Company has entered into a Bermuda tax sharing agreement with the other Bermuda constituent entities of the Athora Group. Under the terms of this arrangement, Athora Holding Limited will act as the Bermuda constituent filing entity, and insofar as the Company effectively avails of Bermuda tax loss relief from the other entities, the Company shall make payment equal to the Bermuda tax value (i.e. 15%) of the losses utilized. However, the Company is permitted to reduce the group loss relief payment by any amount of tax payable elsewhere to the extent that the Bermuda tax payment would not be creditable against foreign tax, subject to the provision that its carried forward losses will be re-allocated to the other group member when the group relief payment is lowered due to the foreign tax.

No Bermuda CIT deferred tax asset has been recognised as at 31 December 2025 or 31 December 2024 in respect of the unutilized past losses and other deductible temporary differences due to the recent loss-making position of the Company, uncertainty regarding future profits, expected future loss relief from other Athora Bermuda entities and the ongoing evaluation of the options available under the new legislation.

In 2025, the Company's profits in its Bermuda establishment are relieved from the charge to Bermuda CIT by current-year losses of the parent company, AHL. The Company recompenses AHL via a group relief payment of €2m plus the re-allocation of incurred losses with a tax value of €4m.

Accordingly, no Bermuda deferred tax credit was recognised in the income statement in 2024 arising from the 2024 loss and no deferred tax charge is booked in the income statement in 2025 reflecting the transfer of carried forward losses to Athora Holding Limited.

B6.4 Impact of legislation giving effect to the OECD's Pillar Two Global 15% Minimum Tax

During 2024, the Company's Irish subsidiaries were within the scope of Irish legislation implementing the OECD's Pillar Two minimum 15% corporate income tax framework, by virtue of being subsidiaries of the Athora Group that are operating from Irish tax establishments. The relevant legislation in Ireland is the Qualifying Minimum Domestic Top-Up tax ("QD TT") regime, which acts as an overlay to the pre-existing Irish corporation tax rules, and which can have the effect of increasing the overall corporate income taxes due in Ireland to 15% of relevant profits where the existing effective tax rate on profits of the subsidiaries is below 15%. As the rate of Irish corporation tax applicable to trading activities of companies in Ireland is 12.5%, some impact from the Irish QD TT legislation would be expected. The Income Inclusion Rule ("IIR") was also in force in 2024 but did not affect the Company or its subsidiaries.

The Pillar Two Undertaxed Profits Rule ("UTPR") then came into force in the UK, EU and other OECD countries on 1 January 2025. This legislation operates as a backstop to the Pillar Two QD TT and IIR. For the Company, the UTPR rule created the possibility that any profits arising in Bermuda where no corporate income tax historically applied and which are not liable to tax elsewhere would be subject to a 15% Pillar Two tax, which would be payable to the governments of other countries where Athora Group operates, but its potential effect on the Company has been negated by the implementation of the Bermuda Corporate Income Tax Act.

However, for 2024 and 2025, Athora Ireland Ltd. has been able to avail of loss relief to negate any charge to Irish QD TT which may otherwise have arisen on its taxable profits for those years.

B. Other income statement notes (continued)

B6. Tax charge (continued)

B6.4 Impact of legislation giving effect to the OECD's Pillar Two Global 15% Minimum Tax (continued)

A deferred tax charge is attributable to a qualifying loss and has been recorded at a rate lower than 15%, it is taken into account at 15% for the purposes of QDTT. This has the effect of ensuring that Athora Ireland Ltd. has no liability to QDTT in 2024 or 2025.

The Company's other Irish subsidiary, Athora Europe Investments DAC, is subject to the higher 25% rate of corporation tax in Ireland on its profits, ensuring it had no Irish QDTT liability for 2025 or 2024 and is expected to be largely unaffected by the Irish QDTT legislation.

The Company, is largely unaffected by the implementation of Pillar Two legislation in the EU and the UK as it carries on its regulated insurance business from its office in Bermuda, and it is not a subsidiary of an entity located in any of the jurisdictions implementing Pillar Two. This ensures that the Company, with the exception of its Irish office profits, is outside the scope of Pillar Two QDTT and IIR, and is assessable to Pillar Two Tax as a Bermuda permanent establishment, where it is already in the scope of the 15% Bermuda Corporate Income Tax which ultimately would negate the charge to the Pillar Two Undertaxed Profits Rule ("UTPR").

For the above reasons, no charge to Pillar Two taxes has been accrued in these financial statements for 2025 or 2024. There is also a temporary exception to the recognition and measurement of deferred tax under IAS 12 in respect of Pillar Two which the Company has applied.

B6.5 Changes in legislation applicable to future periods substantively enacted at 31 December 2025

Legally enacted changes in tax rates applicable to future periods result in the remeasurement of deferred tax assets and liabilities, which can result in deferred tax credits and charges in the income statement notwithstanding that the tax changes have not yet come into effect. However, there is no legislation at 31 December 2025 with a future implementation date that is expected to impact on the Company.

C. Equity

C1. Share capital

€000	2025	2024
Share capital	250	250
Capital contribution	241,000	241,000
Retained reserves	(106,953)	(145,306)
Other reserves	834	834
	135,131	96,778

The Company's shareholders' equity of €250,000 relates to 250,000 authorised, fully paid shares at €1 par value each. The capital contribution represents the cumulative amount of capital contributed to the Company from AHL.

C1.1 Other reserves

Foreign currency translation reserve

The foreign currency translation reserve represents the cumulative gains and losses on the translation of the Company's net investment in its foreign operations. Gains and losses accumulated in this reserve are reclassified to the income statement when the Company loses control, joint control, or significant influence over the foreign operation or on disposal or partial disposal of the operation.

D. Financial assets and liabilities

D1. Classification and measurement of financial assets and liabilities

D1.1 Classification and recognition of financial instruments

Financial assets

The Company mandatorily classifies all its financial assets as fair value through profit or loss, because their performance is managed on a fair value basis. The exceptions are cash and cash equivalents and other receivables, which are classified at amortised cost (see **note F2** and **F3**). Both receivables and cash & cash equivalents are short-term in nature and therefore the carrying amount approximates fair value.

The classification is based on management's intention relating to the purpose, risk and nature of the instrument or characteristics of the investment. The Company determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss (FVTPL) can either be held for trading (if acquired principally for the purpose of selling in the short-term) or designated at fair value through profit or loss at inception.

Financial assets are initially recorded at fair value. Fair value adjustments and realised gains and losses are recognised in the statement of profit or loss. Incremental costs and fees that are directly attributable to origination of the financial assets are immediately recognised in the profit or loss.

A financial asset (or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the assets, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and has either transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets held by the Company include debt instruments, equity instruments, loans, receivables and investments in non-consolidated investment funds. These instruments are held directly or through controlled investment funds.

Details of the financial assets are set out in **note D3**.

Financial liabilities

On initial recognition, financial liabilities are recognised when due and measured at the fair value of the consideration received less directly attributable transaction costs. Other than derivatives, financial liabilities are measured at amortised cost using the effective interest method subsequent to initial recognition.

A financial liability is derecognised when the obligation under the liability is discharged, or cancelled or expires.

Details of the financial liabilities are set out in **note D6**.

D. Financial assets and liabilities (continued)

D1. Classification and measurement of financial assets and liabilities (continued)

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. When financial assets and liabilities are offset any related interest income and expense is offset in the statement of profit or loss.

D1.2 Fair Valuation of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies require the measurement of fair values for financial assets and non-financial assets. Further, disclosure is required of the fair value of financial liabilities, which are measured at amortised cost.

The fair value of a non-financial asset is determined based on its highest and best use from a market participant's perspective. When using this approach, the Company takes into account the asset's use that is physically possible, legally permissible, and financially feasible.

The Company determines the fair value of a financial instrument using the quoted price in an active market for that instrument, when one is available. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and short positions at an ask price.

The best evidence of the fair value on initial recognition is normally the transaction price, i.e., the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at its fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, the difference is recognised in the statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Purchases and sales of financial assets are recognised on the trade date, which is the date that the Company commits to purchase or sell the asset.

D. Financial assets and liabilities (continued)

D2. Fair value hierarchy

D2.1 Basis for determining fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the 'fair value hierarchy' described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1

Inputs to Level 1 fair values are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date. Fair values of assets and liabilities traded on active markets are determined using quoted market prices when available. Financial instruments are considered as being quoted in an active market when quotes representing consensus are regularly provided by external pricing services with limited dispersion and prices are readily available.

Level 2

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the instrument. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets and liabilities in markets that are not active, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
- Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, and credit spreads).
- Market-corroborated inputs.

Where the Company uses broker quotes and no information as to the observability of inputs is provided by the broker, the investments are classified as follows:

- Where the broker quote is binding, or where the broker price is validated by using internal models with market observable inputs and the values are similar, the Company classifies the investment as Level 2.
- In circumstances where internal models are not used to validate broker prices, or the observability of inputs used by brokers is unavailable, the investment is classified as Level 3.

Level 3

Inputs to Level 3 fair values are unobservable inputs for the asset or liability including, as available and appropriate, internal data and other publicly available information.

Fair value, in the first instance, is calculated using recognised pricing services, market participants or other sources. When market quotations are not available, a model-based approach (typically discounted cash flow) is used to determine fair value. Once valuations are performed, appropriate validation and review is completed to ensure the most appropriate valuation is applied at period end.

The Company formulates the assumptions that are used to determine prices, with due reference to estimates of future cash flows and timing, maturity dates, volatility, risk premium and other relevant available information.

Unobservable inputs may be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, it is worth noting that the fair value measurement objective remains the same, i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Examples are certain private equity investments and private placements. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an orderly transaction between market participants under market conditions current at that date.

D. Financial assets and liabilities (continued)

D2. Fair value hierarchy (continued)

D2.2 Determination of fair values

All financial assets (with the exception of cash and cash equivalents and other receivables) are carried at fair value.

The Company classifies sovereign and corporate bond securities, and money market instruments as Level 1. The basis of the classification is that they are assessed as satisfying the Level 1 observable requirements and that the prices for these assets are readily available.

Level 2 assets include unlisted debt securities based on market data and derivatives. Generally, these assets are traded regularly however they do not have readily available, observable market prices. The basis for this classification is that fair value is derived from observable assets, either directly as available prices or derived indirectly from other quoted prices, and utilised for these assets. The prices used are from: fund managers, who publish prices daily; and banks for derivatives, who use models that replicate the underlying market-traded instruments.

Debt securities, in line with market practice, are generally valued using an independent pricing service. These valuations are determined using independent external quotations from multiple sources and are subject to a number of monitoring controls, such as monthly price variances, stale price reviews and variance analysis. Pricing services, where available, are used to obtain the third party broker quotes. Where pricing services providers are used, a single valuation is obtained and applied. When prices are not available from pricing services, quotes are sourced from brokers.

Over-the-counter derivatives are valued using broker quotes or models such as option pricing models, simulation models or a combination of models. The inputs for these models include a range of factors which are deemed to be observable, including current market and contractual prices for underlying instruments, period to maturity, correlations, yield curves and volatility of the underlying instruments.

Level 3 assets are the remainder of assets where prices are derived from valuation techniques that include inputs for assets that are not usually based on observable market data, which require significant management judgement or estimation. The Company's Level 3 assets are equity securities, private credit and investment funds. Valuations of Level 3 assets are determined with data inputs from asset managers or third party valuation experts and assurance reviews by auditors, which feed into an independent review of inputs and methodologies underlying these valuations by Company management.

Methodologies and assumptions used in these valuations may include, for example, yield methods using data of comparable listed entities, subject company transactions, discounted cash flows, property growth rates, longevity or liquidity premiums, as relevant to each asset class.

D2.3 Fair value hierarchy analysis

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In 2025, transfers from Level 3 to Level 2 amounted to NIL (2024: NIL), transfers from Level 2 to Level 1 amounted to NIL (2024: NIL), transfers from Level 1 to Level 2 amounted to NIL (2024: NIL) and transfers from Level 2 to Level 3 amounted to NIL (2024: €23m).

D. Financial assets and liabilities (continued)

D2. Fair value hierarchy (continued)

D2.3 Fair value hierarchy analysis (continued)

An analysis of assets and liabilities measured at fair value on a recurring basis, categorised by fair value hierarchy as at the 31 December 2025 and the 31 December 2024, is given below.

€000	Level 1	Level 2	Level 3	Total
2025				
Financial assets measured at fair value:				
Derivative financial assets	—	66,385	—	66,385
Equity securities & investment funds	—	—	293,962	293,962
Debt securities	766,442	360,027	346,857	1,473,326
Loans	—	27,762	351,959	379,721
	766,442	454,174	992,778	2,213,394

€000	Level 1	Level 2	Level 3	Total
2025				
Financial liabilities measured at fair value:				
Derivative financial liabilities	—	50,007	—	50,007
	—	50,007	—	50,007

€000	Level 1	Level 2	Level 3	Total
2024				
Financial assets measured at fair value:				
Derivative financial assets	—	61,443	—	61,443
Equity securities & investment funds	—	—	316,425	316,425
Debt securities	789,052	300,196	372,412	1,461,660
Loans	—	40,319	353,253	393,572
	789,052	401,958	1,042,090	2,233,100

€000	Level 1	Level 2	Level 3	Total
2024				
Financial liabilities measured at fair value:				
Derivative financial liabilities	—	50,445	—	50,445
	—	50,445	—	50,445

D. Financial assets and liabilities (continued)

D2. Fair value hierarchy (continued)

D2.3 Fair value hierarchy analysis (continued)

Reconciliation of movements in Level 3 assets and liabilities

The following tables show a reconciliation of the opening and closing amounts of Level 3 assets:

€000	Financial assets
1 January 2025	1,042,090
<i>Fair value gains/(losses)</i>	<i>(10,422)</i>
Income statement	(10,422)
Purchases	268,377
Disposals	(307,267)
Transfers out of level 3	—
31 December 2025	992,778

€000	Financial assets
1 January 2024	1,019,802
<i>Fair value gains/(losses)</i>	<i>30,700</i>
Income statement	30,700
Purchases	222,484
Disposals	(254,071)
Transfers out of level 3	23,175
31 December 2024	1,042,090

D2.4 Measurement of fair values of Level 3 financial instruments

Valuations of Level 3 financial instruments are determined with data inputs from asset managers or third-party valuation experts and largely based on external valuation reports received from asset managers. The Company reviews the valuation processes internally and with external investment managers and other professionals. This work gives comfort to management that the assets are valued in accordance with applicable regulation and guidance which results in the asset being valued appropriately. In the current year there have been no changes in the respective valuation techniques used.

The principal assets classified as Level 3, and the valuation techniques applied to them, are described below.

D2.4.1 Private debt and fixed maturity securities

The Company holds commercial mortgage loans, mezzanine debt as well as privately placed bonds and structured debt products. These asset backed securities have been classified as Level 3 because they are not traded on an active market and are valued either using valuations of similar privately or publicly held assets, which include a significant unobservable liquidity adjustment, or are validated against internal models.

Private credit instruments are valued by external investment managers primarily using discounted cash flow models and yield methods, whereby cash flows are discounted and modelled based on yield spread movements in comparable market yields as well as company specific factors.

The fair value is estimated considering a net present value calculated using discount rates derived from the risk-free rate plus spread. Credit spreads represent the premium above the benchmark reference instrument required to compensate for lower credit quality; and encompass credit, country, illiquidity, etc. The change in spread originates from market sector yields plus an additional credit spread adjustment derived from changes in a company's credit quality. Changes in credit quality are, among others, based on Enterprise Value, revenue and LTV. Higher spreads lead to a lower fair value.

D. Financial assets and liabilities (continued)

D2. Fair value hierarchy (continued)

D2.4 Measurement of fair values of Level 3 financial instruments (continued)

The Company holds a portfolio of mezzanine and mortgage loans which are valued using a cash equivalency valuation method which utilises a discounted cash flows analysis to arrive at the net present value for a loan based on a market equivalent rate.

The current market value of the real estate can be obtained through a current valuation or through other techniques such as forecasting based on real estate indices, survey data, collateral-specific and variables (loan-to-value ratio, refinancing risk, etc.).

The significant unobservable inputs for private debt and fixed maturity securities include discount rate (adding spreads for credit and illiquidity to a risk-free discount rate), recoverability and Total Enterprise Value (TEV)/EBITDA. Valuation techniques applied to many of the Company's Level 3 instruments often involve the use of two or more inputs whose relationship is interdependent with multiple variables often moving simultaneously; for debt securities, reasonably possible alternative assumptions have been determined in respect of the Company's credit investment by flexing credit spreads.

D2.4.2 Private equity securities and investment funds

Private equity holdings are valued using a range of techniques, including earnings multiples, forecast cash flows and price-to-earnings ratios which are deemed to be appropriate but unobservable.

For unlisted equity, the valuation techniques used vary depending on the nature of the investment. A common valuation model used is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the illiquidity of the equity securities, and the revenue and EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) of the investee. The estimate is adjusted for the net debt of the investee. The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower). Other valuation models used are precedent transactions, adjusted for company specific attributes, or a dividend discount model which values the price of equity securities based on the assumption that the current fair value of an equity share equals the sum of all of the company's future dividends discounted back to their present value.

Investments funds are valued by external fund managers subject to regulatory oversight and guidance. These external managers have experience in pricing these 'difficult to value' assets which generally have limited, if any, observable data. The valuation approach will mirror those outlined above for equity and debt securities depending on the nature of the underlying investments in the funds.

The significant unobservable inputs for private equity and investment funds include discount rate, earnings multiples, adjusted market multiples and TEV/EBITDA. Valuation techniques applied to many of the Company's level 3 instruments often involve the use of two or more inputs whose relationship is interdependent with multiple variables often moving simultaneously. Reasonably possible alternative valuations for these investments have been calculated by reference to the approach taken, as appropriate to the business sector and investment circumstances and as such the following inputs have been considered:

- for valuations derived from earnings multiples, consideration is given to the risk attributes, growth prospects and financial gearing of comparable businesses when selecting an appropriate multiple; and
- the discount rates used in discounted cash flow valuations.

The Company has only limited insight into the specific unobservable inputs used by the external fund managers, hence a sensitivity analysis is not applicable.

D. Financial assets and liabilities (continued)

D3. Financial assets

The following table sets out the fair value of the financial assets held by the Company:

€000	Note	2025	2024
Debt securities		1,473,326	1,461,660
Equity securities & investment funds		293,962	316,425
Derivative assets	D4	66,385	61,443
Loans		379,721	393,572
		2,213,394	2,233,100

Information about the Company's exposure to credit and market risks is included in **note D7**. Information on the fair value of the Company's investment portfolio is included in **note D2**.

D4. Derivatives

Derivative financial instruments are classified as held for trading and are not hedge accounted.

These instruments are initially recorded at fair value. Subsequent to initial recognition, these instruments are re-measured at fair value. Fair value adjustments and realised gains and losses are recognised in the consolidated income statement.

All derivatives are presented as assets when the fair values are positive and as liabilities when the fair values are negative.

The Company uses derivative financial instruments in line with its strategy for risk mitigation. The Company purchases derivative financial instruments principally in connection with the management of its insurance contracts based on the principles of reduction of risk and efficient portfolio management. The Company does not typically hold derivatives for the purpose of selling or repurchasing in the near term or with the objective of generating a profit from short-term fluctuations in price or margin. The Company also holds derivatives to hedge financial liabilities denominated in foreign currency.

	2025		2024	
	Assets €000	Liabilities €000	Assets €000	Liabilities €000
Interest rate swaps	58,932	46,997	56,028	33,458
Forwards	7,453	3,010	5,415	16,987
	66,385	50,007	61,443	50,445

D. Financial assets and liabilities (continued)

D4. Derivatives (continued)

D4.1 Derivative collateral arrangements (continued)

The Company receives and pledges collateral in the form of cash in respect of derivative contracts in order to reduce the credit risk of these transactions. Where cash collateral is available to the Company for investment purposes, the collateral repayable is recognised as cash collateral held (see **note D6**) in the statement of financial position. Pledged collateral that has been paid to banks is classified within Financial assets - Loans (see **note D3**).

The Company enters into derivative transactions under International Swaps and Derivatives Association (“ISDA”) master netting agreements.

In general, under these agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The derivative financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. When financial assets and liabilities are offset any related interest income and expense is offset in the income statement.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements that are stated gross and those that offset and are therefore stated net. These collateral balances mature on demand.

€000	Related amounts not offset in the statement of financial position (SoFP)					
	Gross amount presented in the SoFP	Recognised financial instrument	Net amount of financial instrument	Cash collateral (received)/pledged	Securities collateral (received)/pledged	Net amount
2025						
Financial assets						
<i>Derivative financial assets</i>	66,385	(43,499)	22,886	(17,690)	–	5,196
Financial liabilities						
<i>Derivative financial liabilities</i>	(50,007)	43,499	(6,508)	15,380	46,830	55,702
	16,378	–	16,378	(2,310)	46,830	60,898

D. Financial assets and liabilities (continued)

D4. Derivatives (continued)

D4.1 Derivative collateral arrangements (continued)

€000	Related amounts not offset in the statement of financial position (SoFP)					Net amount
	Gross amount presented in the SoFP	Recognised financial instrument	Net amount of financial instrument	Cash collateral (received)/pledged	Securities collateral (received)/pledged	
2024						
Financial assets						
<i>Derivative financial assets</i>	61,443	(30,995)	30,448	(13,154)	—	17,294
Financial liabilities						
<i>Derivative financial liabilities</i>	(50,445)	30,995	(19,450)	29,260	—	9,810
	10,998	—	10,998	16,106	—	27,104

D5. Borrowings

On initial recognition borrowings are recorded at fair value net of transaction costs incurred. These instruments are subsequently measured at amortised cost, using the effective interest rate method.

€000	2025	2024
Senior Debt	155,000	155,000
	155,000	155,000

On 20 December 2025, the Company amended its funding agreement with Athora Belgium in the amount of €75m with a floating interest rate and a maturity date of 20 December 2028.

On 6 December 2023, the Company amended its funding agreement with Athora Lebensversicherung AG in the amount of €80m with a fixed interest rate of 4.6% and a maturity date of 6 December 2026.

These funding agreements do not transfer insurance risk. Accordingly, the contracts are accounted for as a deposit liability in a manner similar to interest bearing or other financial instruments.

In December 2025, the Company entered into a €100m senior unsecured revolving credit facility with AHL in relation to the new reinsurance treaty, which provides material liquidity resources to the Company. The revolving credit facility contains a financial covenant and has not been drawn down yet.

D. Financial assets and liabilities (continued)

D6. Other financial liabilities

Other financial liabilities consist of derivative liabilities, lease liabilities and cash collateral held. For accounting treatment of derivative liabilities and cash collateral held, see **note D4**.

€000	Note	2025	2024
Derivative liabilities	D4	50,007	50,445
Lease liabilities		–	8,588
Cash collateral held		30,071	24,213
		80,078	83,246

The liability amounts and maturity profile for leases where the Company is a lessee are included in the table below:

€000	< 1 year	1 to 5 years	> 5 years	Total
2025	–	–	–	–
2024	836	3,841	3,911	8,588

In 2025, Athora Ireland exercised its option to terminate its existing lease in line with the terms of the lease agreement. As a result, the lease liability has been reassessed and remeasured to reflect the value of the remaining lease payments. As at 31 December 2025, all remaining lease payments have been made.

D. Financial assets and liabilities (continued)

D7. Risk management - financial risks

The use of financial instruments naturally exposes the Company to the risks associated with them, mainly credit risk, market risk, and liquidity risk. The Company also has exposure to underwriting risk as part of its insurance activities which are covered in **note E2**.

D7.1 Risk management framework

The primary objective of the Company’s risk and financial management framework is to protect the Company from events that hinder the sustainable achievement of the Company’s performance objectives, including failing to exploit opportunities. The Company recognises the critical importance of having efficient and effective risk management systems in place.

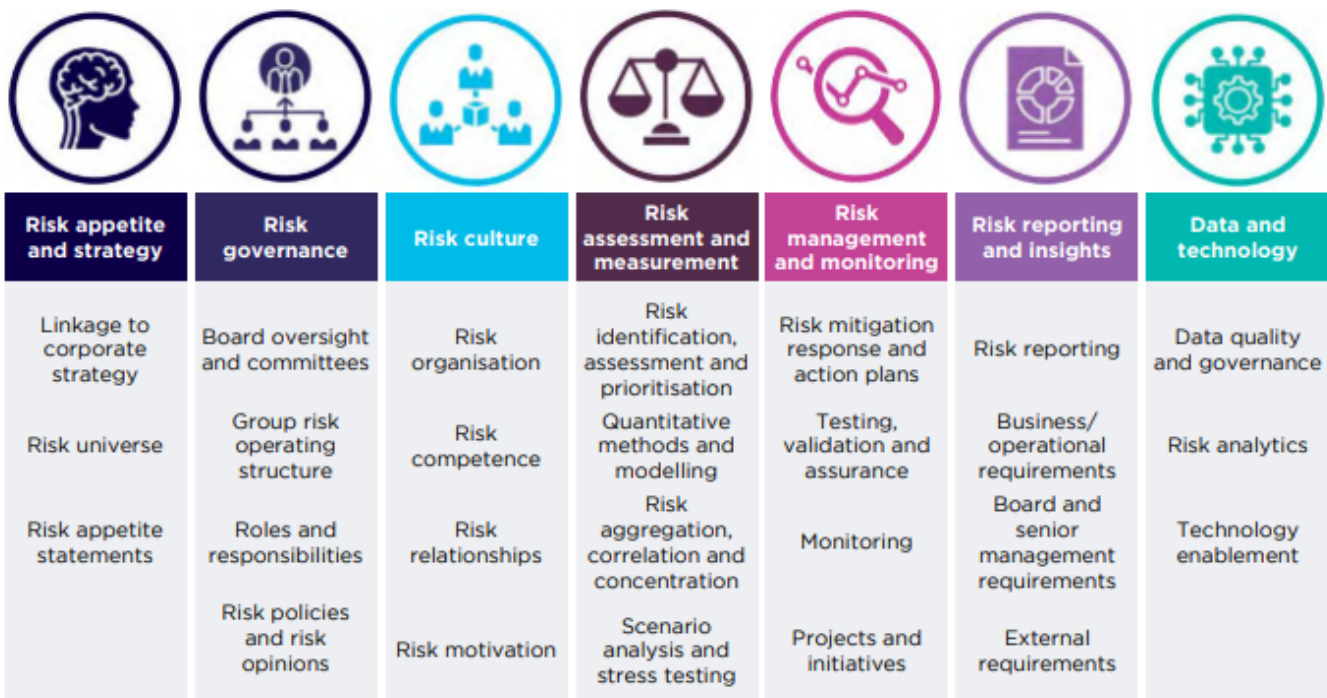
The Company’s risk management framework interfaces directly with the Athora Group’s Enterprise Risk Management (“ERM”) framework, and is comprised of:

Systems of governance

- ARE’s committee structure is embedded within the Athora Group Governance Framework.
- ARE adopts Athora Group policies and guidelines localised, as required, and develops its own specific policies, where necessary.

While the Board retains overall responsibility for approving the ARE risk framework, ARE’s Bermuda Executive Committee (“BEC”) provides a management-level forum for regular updates and consultation on the implementation and ongoing appropriateness of the risk framework.

As part of the Athora Group ERM framework, risks need to be identified, understood, and assessed (against levels defined as acceptable) before the right controls can be designed and implemented. Risks are managed from multiple perspectives, including economic, regulatory, and accounting. The ERM Framework includes Risk Strategy and Appetite, Risk Governance, Risk Culture, Risk Measurement and Assessment, Risk Management and Monitoring, Risk Reporting and Insights and Data and Technology. The following graphic sets out these components.



D. Financial assets and liabilities (continued)

D7. Risk management - financial risks (continued)

D7.1 Risk management framework (continued)

Risk strategy and appetite

The Risk Strategy and Appetite is an integral part of the business strategy and determines how the Company selects risks it can control and extract value from in line with its strategy. The Company’s risk strategy encompasses the following core pillars:

- **Risk Identification** – assessment of all material risks facing the business.
- **Risk Appetite** – a definition of appetite for risk taking and risk controlling for each material risk.
- **Risk Monitoring** – a system of stress and scenario testing to assess ARE’s resilience to risk, covering internally defined stress testing, regulatory stress testing, and reverse stress testing.

The risk strategy is reviewed annually but expected to remain stable over time. The Risk Appetite and Strategy is translated into specific risk policies and limits for the relevant risk types, which set out policy objectives, requirements, the roles, and responsibilities, as well as the required processes and controls for each risk.

Risk Identification

Risk identification requires a rigorous assessment of the business to determine the universe of risks to which the business is exposed. The risk universe is shown below:

Strategic Risk	Market Risk	Governance Risk	Underwriting and Reserving Risk	Mortality Risk	Operational Risk	Information Security Risk	Compliance Risk	Financial Crime	Reputational Risk Emerging Risk
		Business Model Risk		Longevity Risk		Data Risk		Legal and Regulatory	
		People and Culture Risk		Morbidity/ Disability Risk		HR Risk		Market Integrity	
	Credit Risk	Other ALM/ Market Risk	Policyholder Behaviour Risk	Business Continuity Risk	Business Process Risk	Customer Conduct			
		Default and Migration Risk				Employee Conduct			
	Liquidity Risk	Expense Risk	Financial Reporting Risk	Distribution Channels Risk	Change Risk	Privacy Risk			
						Model Risk	Tax Risk		

Risk Appetite

The Company uses risk appetite statements to indicate its appetite for certain risks. These are set at Group level to manage the aggregated risk profile across the Group and subsequently assessed for appropriateness to the Company. At an overall level, Athora’s risk preference can be categorised using three levels:

- **Risk Seeking** – desired risks that are core to the business model which provide an attractive risk-return profile and are underpinned by proactive risk and capital management;
- **Risk Acceptance** – tolerated risks that Athora incurs as a result of the business model but are reduced through mitigation; or
- **Risk Avoidance** – undesired risks that Athora seeks to avoid or fully eliminate where possible.

D. Financial assets and liabilities (continued)

D7. Risk management - financial risks (continued)

D7.1 Risk management framework (continued)

Risk Monitoring

Monitoring of risks comprises both ongoing monitoring activities in the normal course of management and separate evaluations. There is regular reporting of monitoring activities to the BEC and Board. Group Risk provides guidance on quarterly monitoring in line with the Risk Strategy and Appetite and risk tolerances and limits set out in the risk policies. Consistent monitoring across the Athora Group allows for aggregation and active monitoring of risks at Athora Group level.

D7.2 Sensitivity analyses

The sensitivity analyses performed for financial risks are set out in the table below. These sensitivities are based on single point-in-time (instantaneous) shocks to the market value of assets included in the IFRS17/9 Balance Sheet and are applied through direct changes in market prices, or through changes in the level of interest rates. The results presented below are shown prior to any potential future management actions that would be available to the management of the Company, in the event of such market shocks.

The value of the insurance contract liabilities has been recalculated to reflect any impact arising from these sensitivities. The insurance contracts of the Company are all valued under the General Measurement Model ("GMM"). For contracts valued under GMM, economic impacts may affect the value of the Present Value of Future Cash flows ("PVFC") and Risk Adjustment ("RA"). While economic changes in the RA are offset by equivalent changes in the CSM, the impact of economic changes on the PVFC do not adjust the CSM and are instead reflected in Profit or Loss.

The sensitivity analyses performed in respect of underwriting risks can be found in note **E2.3**. There have been no changes to the sensitivity methodology in the current year.

€000	2025			
	Financial assets, before tax	Insurance contracts, before tax	Profit or loss, net of tax	Equity, net of tax
Credit risk				
Credit spreads +50bp	(70,127)	(31,669)	(32,690)	(32,690)
Market risk				
Interest rates +50bp	(75,192)	(77,550)	2,005	2,005
Interest rates -50bp	80,542	83,518	(2,530)	(2,530)
Equity/property prices -10%	(19,574)	—	(16,638)	(16,638)
€000	2024			
	Financial assets, before tax	Insurance contracts, before tax	Profit or loss, net of tax	Equity, net of tax
Credit risk				
Credit spreads +50bp	(83,394)	(29,121)	(46,132)	(46,132)
Market risk				
Interest rates +50bp	(90,430)	(95,935)	4,680	4,680
Interest rates -50bp	97,628	103,547	(5,031)	(5,031)
Equity/property prices -10%	(19,662)	—	(16,713)	(16,713)

D. Financial assets and liabilities (continued)

D7. Risk management - financial risks (continued)

D7.3 Financial risk

Credit risk

Credit risk is the risk of loss resulting from a counterparty's potential inability or unwillingness to fully meet its contractual obligations to the Company. The Company's approach to managing credit risk recognises that there is a risk of adverse financial impact resulting from deterioration in credit quality of counterparties including default, rating migration and credit spread movements.

The Company assumes credit risks through its investment activities via a targeted and selected Strategic Asset Allocation (SAA) that is in line with the risk appetite and strategy. Where credit risk is assumed, the Company ensures that it remains diversified, that the Company is adequately compensated, and that the level of risk is consistent with the Company's risk appetite and objectives. The Company avoids idiosyncratic concentrations, distinguishes between price and default risk from credit exposures, and ensures that credit risk taking from the investment activity remains within appetite and does not represent a solvency risk to the Company in severe economic conditions.

Asset quality

The ratings employed by the Company primarily consider the ratings from the three main rating agencies (Standard & Poor's, Fitch, and Moody's), with a range of agencies used in some instances, including Morningstar DBRS.

The table below provides information regarding the maximum credit risk exposure of the Company by classifying assets according to the credit ratings of the counterparties. AAA is the highest possible rating. Assets that fall outside the range of AAA to BBB are classified as speculative grade. 'Not Rated' (NR) captures assets not rated by external rating agencies.

€000	Fixed-income securities	Loans
2025		
AAA	119,594	—
AA	474,717	5,940
A	454,062	125,858
BBB	232,363	34,389
BB	—	38,664
NR	192,590	174,870
Total	1,473,326	379,721

€000	Fixed-income securities	Loans
2024		
AAA	115,174	—
AA	652,646	5,450
A	302,162	166,983
BBB	197,652	37,456
BB	—	37,223
NR	194,026	146,460
Total	1,461,660	393,572

Fixed-income securities and loans allocated to "Not rated" ("NR") consist of the Company's investment in private debt and equity of €367m (2024: €340m). Loans classed as 'Not rated' primarily relate to mortgages loans.

Cash and cash equivalents are not included in the table above as these are considered to be low in credit risk given their short-term nature and high liquidity.

D. Financial assets and liabilities (continued)

D7. Risk management - financial risks (continued)

D7.3 Financial risk (continued)

Other receivables

For other receivables the determination of forward-looking economic scenarios is less significant given that over the short credit risk exposure period, a significant change in economic conditions is unlikely. Consequently, the historical loss rates are considered to be an appropriate basis for the estimate of expected future credit losses. The Company uses the simplified ECL provision matrix approach that applies the historical loss rates to the trade receivable balances depending on the number of days that a trade receivable is past due.

At 31 December 2025, Receivables and other assets, were neither past due nor impaired (2024: Nil).

Derivatives and collateral

As at 31 December 2025, the Company has pledged collateral with a fair value of €27.7m (2024: €40.3m) and has received collateral of €30.1m (2024: €24.2m).

The Company's counterparties for interest rate swaps and foreign currency derivatives are all investment grade banks or centrally cleared counterparties. The Company has the necessary Credit Support Annex agreements (CSA) and International Swap and Derivative Association agreements (ISDA) in place. The Company maintains daily collateral exchange with external counterparties. Given the above, the Company's counterparty risk remains within risk appetite. There are no other significant terms and conditions associated with the use of collateral. For further details, see **note D4**.

Concentration of credit risk

Concentrations of credit risk arise from exposures to a single obligor, a group of related obligors or groups of obligors that have similar credit risk characteristics in that they operate in the same geographic region or in similar industries. The characteristics are similar in that the changes in economic or political environments may similarly impact their ability to meet obligations as they come due.

The Company invests in a wide range of asset classes that are grouped for Asset and Liability Management (ALM) purposes and return-seeking objectives. The Company may assume limited, carefully selected concentration risks to enhance returns, while maintaining an overall diversified and resilient asset portfolio that delivers a long-term economic value for policyholders and shareholders. This is managed closely through the process and selection criteria set out in the SAA.

Appropriate limit and early warning systems are in place throughout the Company to manage and monitor credit concentration risk exposures.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet all cash outflow obligations as they come due. The Company ensures that a sufficient liquidity buffer is maintained to meet liquidity demands, even in times of stressed market conditions. Exposure to liquidity risk is managed through several measures that include risk limits, standardised approach to liquidity measurement, sensitivity testing, stress and scenario testing and liquidity plans.

The primary liquidity requirements of the business relate to expenses, derivatives margining and the reinsurance agreements in place. The Company has adopted a Liquidity Risk Policy which sets out minimum standards for the Company to maintain sufficient cash and highly liquid assets to be able to meet policyholder claims, expenses, and collateral management in all reasonably foreseeable scenarios.

The Liquidity Risk Policy is designed to ensure the Company maintains sufficient financial resources to meet obligations as they fall due both in normal and stressed environments. To achieve this, the policy sets out the key principles and minimum required approach to identifying liquidity risk, defining, and implementing liquidity risk appetite and tolerances and measuring sources and uses of liquidity through a Liquidity Coverage Ratio measure.

D. Financial assets and liabilities (continued)

D7. Risk management - financial risks (continued)

D7.3 Financial risk (continued)

The tables below summarise the remaining contractual maturity of insurance contract liabilities and financial liabilities at 31 December 2025 and 31 December 2024. For insurance contracts liabilities, maturity profiles are determined based on estimated timing of the cash outflows from the recognised insurance liabilities. For financial liabilities, the amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

31 December 2025	Undiscounted contractual cash flows						Discounting effect	Total
	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years		
€000								
Insurance contract liabilities	203,765	180,753	185,963	180,198	165,189	2,174,527	(1,033,048)	2,057,347
Total insurance contracts	203,765	180,753	185,963	180,198	165,189	2,174,527	(1,033,048)	2,057,347

31 December 2024	Undiscounted contractual cash flows						Discounting effect	Total
	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years		
€000								
Insurance contract liabilities	187,407	170,037	175,847	181,033	162,511	2,250,999	(873,136)	2,254,698
Total insurance contracts	187,407	170,037	175,847	181,033	162,511	2,250,999	(873,136)	2,254,698

Life insurance contracts issued have €1,830m payable on demand as at 31 December 2025 (2024: €1,930m). The carrying amount of the respective groups of contracts as at 31 December 2025 is €2,057m (2024: €2,255m). All these amounts relate to insurance contracts issued that are liabilities.

31 December 2025	Gross contractual cash flows			Discounting effect	Total
	< 1 year	1 to 5 years	> 5 years		
€000					
Other financial liabilities	30,071	—	—	—	30,071
Derivative liabilities	1,929	2,966	45,112	—	50,007

31 December 2024	Gross contractual cash flows			Discounting effect	Total
	< 1 year	1 to 5 years	> 5 years		
€000					
Other financial liabilities	25,494	5,125	4,271	(2,089)	32,801
Derivative liabilities	14,842	2,224	33,379	—	50,445

D. Financial assets and liabilities (continued)

D7. Risk management - financial risks (continued)

D7.3 Financial risk (continued)

Additionally, the liquidity profile of the Company's financial investments at 31 December 2025 and 31 December 2024 are shown in the tables below:

31 December 2025

€000	1 year or on demand	1 to 5 years	> 5 years	Total
Fixed-income securities	149,748	71,656	1,251,922	1,473,326
Equity securities & investment funds	293,962	—	—	293,962
Loans	78,159	236,403	65,159	379,721
Derivatives	5,742	3,214	57,429	66,385
Financial assets	527,611	311,273	1,374,510	2,213,394

31 December 2024

€000	1 year or on demand	1 to 5 years	> 5 years	Total
Fixed-income securities	36,275	181,630	1,243,755	1,461,660
Equity securities & investment funds	316,425	—	—	316,425
Loans	136,545	203,801	53,226	393,572
Derivatives	4,027	8,249	49,167	61,443
Financial assets	493,272	393,680	1,346,148	2,233,100

Market risk

Market risk includes the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of financial instruments. Market risk comprises three types of risk as per Athora Group's risk universe. This includes interest rate risk, currency risk and other price risk, such as equity risk. Sensitivities performed on these risks are disclosed in **note D7.2**.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of its assets or liabilities will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt securities classified at FVTPL.

The Company does not seek to take interest rate risk, as it is not core to its business strategy and it believes the return for keeping this risk on its statement of financial position is very low. The Company manages interest rate risk through its ALM Risk Policy. The ALM risk strategy seeks to mitigate and manage the interest rate risk exposure stemming from the fixed rate asset and liability exposures with a focus on long-term fundamental economics. It is not possible to fully mitigate interest rate risk across both solvency and accounting balance sheet views and the Company has opted to mitigate this risk on an EBS basis to stabilise its solvency position. The Company has therefore accepted a certain amount of interest rate volatility on the IFRS balance sheet where it is deemed less economic, and provided it does not breach any hard constraints. The Company also uses derivative financial instruments to manage interest rate risks.

Exposure to interest rate risk is monitored through several measures that include duration, capital modelling, sensitivity testing and stress and scenario testing. The Company defines plausible interest rate stresses for different confidence levels based on statistical analysis and expert judgement which cover a range of interest rate curve changes. The Company develops and maintains risk models to validate the results prepared locally, and to monitor the exposure consistently across all statements of financial position in the Company.

D. Financial assets and liabilities (continued)

D7. Risk management - financial risks (continued)

D7.3 Financial risk (continued)

Equity risk

Equity risk is the risk that the market value of equity-like investments fluctuates because of changes in the financial condition, reduced prospects, or a change in relative value of the issuing company. The Company has appetite for this type of risk, in particular to investments where it has a great degree of control, understanding and which it can manage.

As at 31 December 2025, the Company held investments in unquoted equities of €30.5m (2024: €22.3m) and investments in quoted equities of NIL (2024: NIL).

Currency risk

Currency risk is the risk of losses when currency exchange rates change. Typically, this is the case when assets and liabilities have different sensitivities to changes in exchange rates.

As part of its investment strategy, the Company is exposed to currency exchange rates movements arising from positions denominated in currencies other than euro. While the overall asset-liability profile results in a limited net foreign-currency exposure, non-EUR denominated investments represent the primary source of currency risk. The Company manages currency risk by hedging non-euro denominated investments, executed with financial derivatives (e.g. FX forwards) in compliance with the Company's Use of Derivatives policy.

The following tables summarise the key exposure of the assets and liabilities of the Company to each currency (any excluded assets are euro assets held by the Company):

2025				
€000	USD	GBP	Other	Total
Financial Assets	414,192	74,975	30,884	520,051
Receivables and other assets	5,923	1,067	231	7,221
Cash and cash equivalents	1,322	—	1	1,323
Total assets	421,437	76,042	31,116	528,595
Other financial liabilities	27,126	75,834	14,567	117,527
Other liabilities and accruals	24,538	75,924	14,567	115,029
Total liabilities	51,664	151,758	29,134	232,556
Net financial position exposure	369,773	(75,716)	1,982	296,039
Forward exchange contracts	(385,468)	76,311	(1,623)	(310,780)
Net exposure	(15,695)	595	359	(14,741)

2024				
€000	USD	GBP	Other	Total
Financial Assets	405,050	26,908	48,280	480,238
Receivables and other assets	5,075	368	309	5,752
Cash and cash equivalents	2,545	—	—	2,545
Total assets	412,670	27,276	48,589	488,535
Other financial liabilities	6,849	1	—	6,850
Other liabilities and accruals	613	285	—	898
Total liabilities	7,462	286	—	7,748
Net financial position exposure	405,208	26,990	48,589	480,787
Forward exchange contracts	(402,913)	(26,912)	(52,156)	(481,981)
Net exposure	2,295	78	(3,567)	(1,194)

D. Financial assets and liabilities (continued)

D7. Risk management - financial risks (continued)

D7.3 Financial risk (continued)

Climate risk

The Company and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks.

Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risks may arise from the adjustments to a net-zero economy, e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

In recent years, these risks have been receiving increasing regulatory, political and societal scrutiny in the jurisdictions that the Company operates in. While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the future regulatory and policy shifts, changes in consumer demands and supply chains.

The Athora Group is making progress on embedding climate risk in its risk framework, including the development of appropriate risk appetite metrics, the creation of a Sustainability Investment Working Group and the integration of climate risk considerations into the broader ERM policy framework.

E. Insurance contracts

Insurance contracts issued

In the consolidated statement of financial position, insurance contracts held are aggregated by portfolios and presented separately, depending on their balances at the end of the reporting period, leading to the following categories:

- the carrying amount of portfolios of insurance contracts that are assets;
- the carrying amount of portfolios of insurance contracts that are liabilities;

IFRS 17 – Insurance contracts applies to these contracts, such as set out in this note.

Significant judgements and estimates are made by the Company in applying IFRS 17. The judgements that have the most significant effects on the amounts recognised in the consolidated financial statements relate to the classification of contracts, their level of aggregation and their measurement.

In particular, the Company makes significant judgments regarding inputs, assumptions concerning the future and other sources of uncertainty at the reporting date and uses estimation techniques to measure the insurance contracts. These assumptions and estimates are reviewed on an ongoing basis, based on changes in facts and circumstances (including market changes), which leads to adjustments in the measurement of contracts.

The Company uses assumptions to project future cash flows and ensures to design them to adequately reflect any uncertainty underlying the cash flows. Non-market assumptions, based on latest best estimate assumptions (historical data and expert judgment), include the following information: loss ratios, best estimate schedule of lapses, policyholder behaviour (e.g. dynamic lapses, election to guaranteed annuity), and management actions.

In respect of estimation techniques used to measure the Life contracts, they are based on projections of the key components of statutory financial statements, namely income or expenses that relate to policyholders, beneficiary obligations and assets backing those liabilities.

The main assumptions that may generate material changes in the estimate of the future cash flows relate to (i) mortality, morbidity, and longevity rates, (ii) policyholder behaviour (due to lapse, surrender and change in future premiums), (iii) participation percentages and crediting rates, and (iv) overhead expenses.

More specifically, assumptions made about the discount rates, the confidence level for risk adjustment for non-financial risk, the pattern of the CSM release are explained in paragraph *Contractual Service Margin (“CSM”)* and quantitative information about these assumptions is disclosed in **note E3**.

Definition and classification

An insurance contract is a contract under which an issuer accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event (an “insured event”) adversely affects this policyholder. The assessment whether a contract transfers a significant insurance risk considers all substantive rights and obligations (including those arising from law or regulation) and is based on the use of judgement. In substance, insurance contract services provided to a policyholder include the insurance coverage and may also include an investment-return service which corresponds to:

- the generation of an investment return for the policyholder having underwritten an insurance contract without direct participation features; and
- the management of underlying items on behalf of the policyholder having underwritten an insurance contracts with direct participation features.

The Company classifies an insurance contract without direct participation features as an insurance contract that is:

- an insurance contract with indirect participation features (i.e. indirect participating contract) because the payment to policyholders depends upon the return on underlying items, without meeting the criteria defined for insurance contracts with direct participation features; or
- an insurance contract without any participation features (i.e. non-participating contract) as the payment to policyholders does not depend upon the return on underlying items.

E. Insurance contracts (continued)

Separating components from insurance contracts

The following components are separated from contracts:

- a. distinct embedded derivatives, if they meet certain specified criteria,
- b. distinct investment components, and
- c. distinct performance obligations to provide non-insurance goods and services. These components are accounted for separately by the Company in accordance with the related standards.

After having performed this separation, the Company applies IFRS 17 to all remaining components of the host insurance contract. All these remaining components, including embedded derivatives and investment components that have not been separated from the host contract, are considered as a single insurance contract in substance.

Level of aggregation of insurance contracts

The level of aggregation of contracts is the basis for measuring the contracts and their corresponding profitability. To define the level of aggregation to be used, the Company applies the process hereafter:

- a. first, portfolios of contracts are identified, each of them only comprising contracts that are subject to similar risks and managed together;
- b. then, these portfolios are broken down by quarterly cohort; and
- c. finally, a further split is performed depending on the level of profitability, with notably a separate group for contracts that are onerous at initial recognition.

Initial recognition

The groups of insurance contracts issued are recognised from the earliest of (i) the beginning of the coverage period of the group of contracts, which is the general case, (ii) the date when the first payment from a policyholder in the group becomes due, and (iii) for a group of onerous contracts, the date when this group becomes onerous.

Subsequent measurement

Liability for Remaining Coverage ("LRC") and Liability for Incurred Claims ("LIC")

After initial recognition of a group of insurance contracts, the carrying amount of the group at each reporting date is the sum of two different components: the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC").

The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported. The LIC reflects the Company's obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported or settled, and other incurred insurance expenses, as well as to pay amounts relating to other insurance contract services already provided or any investment components or other amounts that are not related to the provision of insurance contract services and that are not in the LRC.

The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. The Company applies the General Measurement Model ("GMM").

The General Measurement Model

IFRS 17 requires applying by default the General Measurement Model of insurance contracts also called the "Building Block Approach" ("BBA") as it is based on the following building blocks.

E. Insurance contracts (continued)

Subsequent measurement (continued)

Fulfilment Cash Flows ("FCF")

This comprises:

- probability-weighted estimates of future cash flows;
- an adjustment to reflect the time value of money (i.e. discounting) and the financial risks associated with those future cash flows; and
- a risk adjustment for non-financial risk;

Contractual Service Margin ("CSM")

This represents the unearned profit that the Company expects to earn as it provides services. It is measured at initial recognition for a group of contracts as the excess of the expected present value of cash inflows over cash outflows, within the boundary of the contract (including acquisition costs), after adjustment for non-financial risk. If there is no excess of inflows over outflows at inception, the contract is onerous, no CSM is established and a loss component is calculated at the time of initial recognition.

The Company has adopted a "period-to-period" approach, which consists, for the annual reporting period, in not changing the treatment of accounting estimates made in its previous financial statements.

Insurance acquisition cash flows ("IACF")

The insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts. When these IACF are incurred prior to the date of initial recognition of the group of insurance contracts, such IACF are recognised as an asset, which is deducted from the carrying amounts of insurance contracts. IACF paid after the related group of insurance contracts is initially recognised are adjusted to the liability for remaining coverage.

The recoverability of assets for IACF is assessed at the end of each reporting period, if facts and circumstances indicate that the asset may be impaired. If an impairment loss is identified, the carrying amount of the asset for IACF is adjusted and the impairment loss is recognised in the statement of profit or loss. When the group of insurance contracts is recognised, the corresponding asset for IACF is derecognised and included in the measurement of that group.

Estimates of future cash flows

The FCF include all the probability-weighted estimates of future cash flows within the boundary of each contract already recognised. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums or in which the entity has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends notably when the Company has the practical ability to reassess the risks of the policyholder and, as a result, can set a price or level of benefits that fully reflects those risks.

The unbiased estimate of the expected future cash flows within the boundary of insurance contracts, including the cost of options and guarantees, are based on a probability-weighted mean of the full range of possible outcomes to factor the uncertainty about the timing and amounts of the cash flows, determined from the perspective of the Company, provided that the estimates are consistent with observable market prices for market variables reflecting conditions existing at the measurement date.

The cash flows attributable to the group of insurance contracts include premiums from the policyholders, claim payments (including reported, incurred and all the future claims for which the Company has a substantive obligation net of recoveries from claims), profit sharing to policyholders, as well as payments arising from the policyholders exercising options, expenses and commissions, costs related to investment activities performed for the benefit of policyholders (i.e. including investment-return services and investment-related services).

E. Insurance contracts (continued)

Subsequent measurement (continued)

The following cash flows are not included in the contracts boundary: investment returns as they are recognised, measured and presented separately under other applicable IFRSs, costs of investment activities performed for the benefit of shareholders, payments or receipts that arise under reinsurance contracts held (as they are accounted for separately), those that may arise from future insurance contracts, overheads that do not provide any economic benefits to fulfilling insurance contracts, income tax payments and receipts the Company does not pay or receive in a fiduciary capacity, flows arising from components separated from the insurance contracts and accounted for using other applicable IFRSs.

If insurance premiums are first collected by an intermediary and then transferred to the Company at a later date, the premium receivables from the intermediary are generally accounted for as future cash flows within the boundary of insurance contracts included in the measurement of the corresponding group of insurance contracts applying IFRS 17.

Discount rate

The Company has taken a group defined methodology for the calibration and the generation of “IFRS 17 yield curves” used to discount the estimate of future cash flows within the boundary of contracts, consistent with the IFRS 17 requirements and applied homogeneously across all the group entities.

As the standard does not impose a particular estimation technique to determine the yield curves, the Company has chosen to adopt a top-down approach which has the advantage that the illiquidity premium in the valuation of the assets can be mirrored in the insurance liabilities.

A top-down approach starts with the yield of an appropriate reference portfolio and then adjusts this downwards to allow for credit risk and any other market risk premium, if applicable. Products with different illiquidity characteristics have different reference portfolios to capture these characteristics. The return on financial instruments in the reference portfolio is stated as a spread above the swap rate.

The yield curves used by the Company for main currencies are summarised in **Note E3**. The Company has chosen to recognise the impact of changes in discount rates through the Income statement.

Risk adjustment for non-financial risk (“RA”)

The measurement of the risk adjustment reflects the compensation required by the Company for bearing the uncertainty around the amount and timing of the future cash flows that arise from non-financial risk as the Company fulfils insurance contracts.

The determination of the risk adjustment follows a cost of capital approach based on local solvency requirements. The applicable solvency requirement at a local business unit level is predominantly the BSCR Standard Formula. The cost of capital technique requires estimates of the additional capital that is required at each future date in the cash flow projection to comply with capital requirements. In projecting the required capital per risk type, the same risk drivers as used for solvency calculations are used for IFRS17. Then, diversification benefits between risks implicit to the entity’s portfolio are considered by applying correlation factors between risks that are consistent with the BMA correlation matrices.

The changes in the risk adjustment for non-financial risk are presented in the insurance service result (i.e. they are not disaggregated into an insurance service component and an insurance finance component).

E. Insurance contracts (continued)

Contractual Service Margin (“CSM”)

For a group of insurance contracts, the CSM represents the unearned profit. At inception, the CSM is the amount that offsets the FCF, less the derecognition of any IACF (see above), and it is the value of the Company’s rights in excess of the value of its obligations under the insurance contracts. The CSM for insurance contracts cannot be negative. Consequently, if the expected cash outflows exceed the expected cash inflows, the group of contracts is onerous and the loss, which corresponds to the expected net cash outflow, is expensed immediately in the statement of profit or loss.

At the end of each subsequent reporting period, the Company remeasures the liability for remaining coverage (“LRC”), which comprises the FCF related to future services and the CSM of the group of contracts at that date. Hence, the CSM is adjusted at each subsequent reporting period for changes in expected future cash flows driven by changes in technical assumptions (death, morbidity, longevity, surrenders, expenses, future premiums etc.). Interest is also accreted on the CSM at rates locked in at initial recognition of a contract (i.e. discount rate used at inception to determine the present value of the estimated cash flows).

Moreover, the CSM is progressively recognised and included in insurance revenue in the consolidated statement of profit or loss over the coverage period of insurance contracts (refer to **Note E1.4**). The portion of the CSM to be released as part of insurance revenue for a reporting period, which reflects the performance of insurance contract services, is based on coverage units. In practice, the Company:

- identifies the total number of coverage units for each group of contracts, which is the quantity of services provided for the insurance contracts belonging to the Company over the expected coverage period;
- allocates the CSM at the end of the reporting period (before having recognised any amounts in the statement of profit or loss to reflect the services provided in the period) equally to each coverage unit provided in the current reporting period and expected to be provided in the future; and
- recognises the amount of CSM allocated to the coverage units provided in the current reporting period in the statement of profit or loss.

Given the variety of insurance contracts, the Company exercises its judgment to define coverage units, considering both the level of coverage defined within the contract (e.g. a death benefit over a fixed term, the policyholders’ account value, or a combination of guarantees) and the expected coverage duration of the contract.

However, this release of the CSM is not applicable if there are adverse changes in future cash flows greater than the remaining CSM. In this case, the group of contracts becomes onerous, and the loss is immediately recognised in the statement of profit or loss.

When a group of insurance contracts is onerous, on initial recognition or subsequently, the LRC includes a loss component reflecting the loss recognised in the statement of profit or loss. As long as the group of contracts remains onerous, subsequent changes in the amount of loss component are immediately allocated to the statement of profit or loss.

Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the expected level of expenses will reduce future expected profits of the Company. The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics.

E. Insurance contracts (continued)

Derecognition of insurance contracts

An insurance contract is derecognised from the group of contracts to which it belongs in case of extinguishment, transfer, or a modification of its terms in such a way that a new contract is recognised in a new group. The derecognition of insurance contracts leads to the elimination of their Fulfilment Cash Flows (“FCF”) and an adjustment to the Contractual Service Margin (“CSM”) of the group of contracts instead of generating a direct and immediate effect in the statement of profit or loss, unless the group of contracts becomes onerous or empty. Depending on the cause of derecognition, the CSM of the group of contracts is adjusted:

- in case of extinguishment of an insurance contract, by the same amount eliminated from the FCF;
- in case of a portfolio transfer to a third party, by the difference between the amount eliminated from the FCF and the premium charged by the third party;
- in case of a modification of insurance contracts (requiring a derecognition followed by a recognition in a new group of contracts), by the difference between the amount eliminated from the FCF and any additional premium charged to the policyholder as a result of the modification. In practice, this means that the global adjustments of CSM generated by the modification is split between the initial group of contracts and the new one, depending on the hypothetical premium that the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification.

E1. Insurance contracts issued

The following tables show the breakdown of insurance assets and liabilities issued by General Measurement Model (GMM) for the year ended 31 December 2025 and the year ended 31 December 2024.

31 December 2025

€000	Insurance contract assets	Of which assets for insurance acquisition cash flow	Insurance contract liabilities	Of which assets for insurance acquisition cash	Net insurance contracts
Life General Model	—	—	2,057,347	516	2,057,347
Total Insurance Contracts	—	—	2,057,347	516	2,057,347

31 December 2024

€000	Insurance contract assets	Of which assets for insurance acquisition cash flow	Insurance contract liabilities	Of which assets for insurance acquisition cash flow	Net insurance contracts
Life General Model	—	—	2,254,698	560	2,254,698
Total Insurance Contracts	—	—	2,254,698	560	2,254,698

Further details on assets for insurance acquisition cash flows are included in **Note E1.5**.

E. Insurance contracts (continued)

E1. Insurance contracts issued (continued)

E1.1 Movements in insurance contracts issued - Reconciliation of remaining coverage and incurred claims

The roll-forward of the net asset or liability for life insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims is disclosed in the table below for the year ended 31 December 2025.

€000	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Life insurance contract liabilities as at 1 January 2025	2,214,139	14,973	25,586	2,254,698
Life insurance contract assets as at 1 January 2025	—	—	—	—
Life insurance contracts as at 1 January 2025	2,214,139	14,973	25,586	2,254,698
Insurance revenue: fair value approach on transition to IFRS 17	(67,784)	—	—	(67,784)
Insurance revenue: other - post transition	(24,114)	—	—	(24,114)
Insurance revenue	(91,898)	—	—	(91,898)
Incurred claims and other directly attributable expenses	—	(1,960)	95,260	93,300
Amortisation of insurance acquisition cash flows	44	—	—	44
Losses on onerous contracts and reversals of those losses	—	7,335	—	7,335
Insurance service expenses	44	5,375	95,260	100,679
Investment components and premium refunds	(127,244)	—	127,244	—
Insurance service result	(219,098)	5,375	222,504	8,781
Insurance finance expenses	(29,697)	484	—	(29,213)
Total changes in the statement of profit or loss	(248,795)	5,859	222,504	(20,432)
Premiums received	39,243	—	—	39,243
Claims/other expenses paid	—	—	(216,162)	(216,162)
Insurance acquisition cash flows	—	—	—	—
Total cash flows	39,243	—	(216,162)	(176,919)
Life insurance contract liabilities as at 31 December 2025	2,004,587	20,832	31,928	2,057,347
Life insurance contract assets as at 31 December 2025	—	—	—	—
Life insurance contracts as at 31 December 2025	2,004,587	20,832	31,928	2,057,347

E. Insurance contracts (continued)

E1. Insurance contracts issued (continued)

E1.1 Movements in insurance contracts issued - Reconciliation of remaining coverage and incurred claims (continued)

The roll-forward of the net asset or liability for life insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims is disclosed in the table below for the year ended 31 December 2024.

€000	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Life insurance contract liabilities as at 1 January 2024	2,241,139	2,010	22,854	2,266,003
Life insurance contract assets as at 1 January 2024	(418)	—	28	(390)
Life insurance contracts as at 1 January 2024	2,240,721	2,010	22,882	2,265,613
Insurance revenue: fair value approach on transition to IFRS 17	(48,123)	—	—	(48,123)
Insurance revenue: other - post transition	(25,045)	—	—	(25,045)
Insurance revenue	(73,168)	—	—	(73,168)
Incurred claims and other directly attributable expenses	—	(292)	72,139	71,847
Amortisation of insurance acquisition cash flows	32	—	—	32
Losses on onerous contracts and reversals of those losses	(1,361)	13,260	—	11,899
Insurance service expenses	(1,329)	12,968	72,139	83,778
Investment components and premium refunds	(148,067)	—	148,067	—
Insurance service result	(222,564)	12,968	220,206	10,610
Insurance finance expenses	104,945	(4)	—	104,941
Total changes in the statement of profit or loss	(117,619)	12,964	220,206	115,551
Premiums received	91,037	—	—	91,037
Claims/other expenses paid	—	—	(217,502)	(217,502)
Insurance acquisition cash flows	—	—	—	—
Total cash flows	91,037	—	(217,502)	(126,465)
Life insurance contract liabilities as at 31 December 2024	2,214,139	14,973	25,586	2,254,698
Life insurance contract assets as at 31 December 2024	—	—	—	—
Life insurance contracts as at 31 December 2024	2,214,139	14,973	25,586	2,254,698

E. Insurance contracts (continued)

E1. Insurance contracts issued (continued)

E1.2 Movements in insurance contracts issued - Reconciliation of measurement components

The roll-forward of the net asset or liability for life insurance contracts issued, showing estimates of the present value of future cash flows, risk adjustment and CSM is disclosed in the table below for the year ended 31 December 2025.

€000	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM		Total
			Contract assets FV at transition	Other contracts: post transition	
Life insurance contract assets as at 1 January 2025	—	—	—	—	—
Life insurance contract liabilities as at 1 January 2025	2,209,458	16,986	28,117	137	2,254,698
Life insurance contracts as at 1 January 2025	2,209,458	16,986	28,117	137	2,254,698
Contracts initially recognised in the period	(44,771)	2,927	—	41,844	—
Changes in estimates that adjust the CSM	1,021	(8,422)	6,584	817	—
Changes that do not adjust the CSM	7,068	267	—	—	7,335
Changes that relate to future services	(36,682)	(5,228)	6,584	42,661	7,335
CSM recognised for services provided	—	—	(2,463)	(43)	(2,506)
Change in risk adjustment for non-financial risk	—	(674)	—	—	(674)
Experience adjustments	4,626	—	—	—	4,626
Changes that relate to current services	4,626	(674)	(2,463)	(43)	1,446
Insurance service result	(32,056)	(5,902)	4,121	42,618	8,781
Insurance finance expenses	(29,485)	—	239	33	(29,213)
Total changes in the statement of profit or loss	(61,541)	(5,902)	4,360	42,651	(20,432)
Premiums received	39,243	—	—	—	39,243
Claims/other expenses paid	(216,162)	—	—	—	(216,162)
Insurance acquisition cash flows	—	—	—	—	—
Total cash flows	(176,919)	—	—	—	(176,919)
Life insurance contract assets as at 31 December 2025	—	—	—	—	—
Life insurance contract liabilities as at 31 December 2025	1,970,998	11,084	32,477	42,788	2,057,347
Life insurance contracts as at 31 December 2025	1,970,998	11,084	32,477	42,788	2,057,347

E. Insurance contracts (continued)

E1. Insurance contracts issued (continued)

E1.2 Movements in insurance contracts issued - Reconciliation of measurement components (continued)

The roll-forward of the net asset or liability for life insurance contracts issued, showing estimates of the present value of future cash flows, risk adjustment and CSM is disclosed in the table below for the year ended 31 December 2024.

€000	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM		Total
			Contract assets FV at transition	Other contracts: post transition	
Life insurance contract assets as at 1 January 2024	(9,924)	9,252	—	282	(390)
Life insurance contract liabilities as at 1 January 2024	2,203,975	10,215	45,401	6,412	2,266,003
Life insurance contracts as at 1 January 2024	2,194,051	19,467	45,401	6,694	2,265,613
Contracts initially recognised in the period	435	917	—	—	1,352
Changes in estimates that adjust the CSM	36,563	(13,937)	(15,412)	(7,214)	—
Changes that do not adjust the CSM	(3,808)	14,354	—	—	10,546
Changes that relate to future services	33,190	1,334	(15,412)	(7,214)	11,898
CSM recognised for services provided	—	—	(2,257)	(146)	(2,403)
Change in risk adjustment for non-financial risk	—	(3,815)	—	—	(3,815)
Experience adjustments	4,930	—	—	—	4,930
Changes that relate to current services	4,930	(3,815)	(2,257)	(146)	(1,288)
Insurance service result	38,120	(2,481)	(17,669)	(7,360)	10,610
Insurance finance expenses	103,753	—	385	803	104,941
Total changes in the statement of profit or loss	141,873	(2,481)	(17,284)	(6,557)	115,551
Premiums received	91,037	—	—	—	91,037
Claims/other expenses paid	(217,502)	—	—	—	(217,502)
Insurance acquisition cash flows	—	—	—	—	—
Total cash flows	(126,465)	—	—	—	(126,465)
Life insurance contract assets as at 31 December 2024	—	—	—	—	—
Life insurance contract liabilities as at 31 December 2024	2,209,458	16,986	28,117	137	2,254,698
Life insurance contracts as at 31 December 2024	2,209,458	16,986	28,117	137	2,254,698

E. Insurance contracts (continued)

E1. Insurance contracts issued (continued)

E1.3 Impact of new insurance contracts issued and recognised during the year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance contracts for the year ended 31 December 2025 and 31 December 2024.

31 December 2025

€000	Issued		
	Profitable	Onerous	Total
Claims and other insurance service expenses payable	1,128,733	—	1,128,733
Estimates of present value of cash outflows	1,128,733	—	1,128,733
Estimates of present value of cash inflows	(1,173,504)	—	(1,173,504)
Risk adjustment for non-financial risk	2,927	—	2,927
CSM	41,844	—	41,844
Losses recognised on initial recognition	—	—	—

31 December 2024

€000	Issued		
	Profitable	Onerous	Total
Claims and other insurance service expenses payable	—	47,461	47,461
Estimates of present value of cash outflows	—	47,461	47,461
Estimates of present value of cash inflows	—	(47,026)	(47,026)
Risk adjustment for non-financial risk	—	917	917
CSM	—	—	—
Losses recognised on initial recognition	—	1,352	1,352

E1.4 Release of Contractual Service Margin - Insurance contracts issued

An analysis of the expected recognition of the CSM for insurance contracts issued and remaining at the end of the reporting period in profit or loss is provided in the following table

31 December 2025

€000	< 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	> 20 years	Total
Insurance contracts	7,288	20,486	15,115	12,141	9,960	10,277	75,267

31 December 2024

€000	< 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	> 20 years	Total
Insurance contracts	2,152	6,624	6,744	4,955	3,364	4,415	28,254

E1.5 Assets for insurance acquisition cash flows

The Company does not record any assets for insurance acquisition cash flows in 2025 (2024: NIL).

E. Insurance contracts (continued)

E2. Risk management - insurance risk

An overview of the Company's approach to risk management and the Company's management of financial and other risks is detailed in **note D7**.

Insurance risk refers to the risk of reductions in earnings and/or value, through financial or reputational loss, due to fluctuations in the timing, frequency and severity of insured/underwritten events and to fluctuations in the timing and amount of claim settlements. This includes fluctuations in profits due to customer behaviour.

The Life businesses are exposed to the following elements of insurance risk:

Mortality/ Longevity	The risk most typically associated with life insurance policies is mortality and longevity risk. These risks mainly affect the duration and timing of the payment of the insured cash flows. Mortality risk indicates the risk for the group of the policyholder dying earlier than expected. In the case of annuity or endowment business, the longevity risk is that the policyholder might live longer than expected. Mortality and longevity risks are monitored using internal experience analysis against the latest external industry data and emerging trends.
Expenses	Risk of loss due to expense experience being different to that estimated within pricing and valuation. Expense risk is primarily managed through the assessment of business unit profitability and frequent monitoring of expense levels.
Persistency	Other underwriting risks that affect the life insurance portfolio are risks associated with policyholders' behaviour, such as early surrender (the policyholder terminates the policy before the maturity date) or conversion to a paid-up status (the policyholder terminates the regular premium payment before the maturity date). In the case of annuity business, persistency risk is that the policyholder surrenders their policy earlier than has been assumed. Persistency risk is managed at a local level through frequent monitoring of company experience and benchmarked against local market information.

E2.1 Objectives and policies for mitigating insurance risks

Life insurance risk in the Company arises through its exposure to mortality and longevity risks and exposure to worse than anticipated operating experience on factors such as persistency levels, exercising of policyholder options and administration expenses.

The assumption and management of life insurance risks is governed by the group-wide business standards covering underwriting, pricing, product design and management, in-force management, claims handling, and reinsurance. The objective of the Company is to mitigate its exposure to risk arising from these contracts through product design and selection; product, geographical, and individual risk diversification; and thorough underwriting.

The Company uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, experience analyses, external data comparisons, sensitivity analyses, scenario analyses and stress testing.

E2.2 Assumptions

Material judgement is required in determining the liabilities and choice of assumptions for underwriting risks. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Mortality and longevity assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. Assumptions are differentiated by contract type, sex and underwriting class.

An allowance is made for future mortality improvements. Operating expenses assumptions reflect the projected costs of maintaining and servicing in force policies and associated overhead expenses.

For further details on actuarial assumptions see also **note E3.2**.

E. Insurance contracts

E2. Risk management - insurance risk

E2.3 Underwriting sensitivities

The Company has performed underwriting sensitivities, which have been selected to measure sensitivity to the significant underwriting risks that the Company is exposed to.

Impacts for each of the sensitivities have been calculated using the same methods outlined in **note E3**. The sensitivity calculations have assumed an instantaneous and permanent change in individual best estimate assumptions. The correlation between assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact due to changes in assumptions, these assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions and any differences between current and locked in discount rates.

The impact of the sensitivities on the CSM, Profit or Loss and Equity are shown in the table below.

€000	2025			2024		
	Impact on CSM before tax	Profit or loss, net of tax	Equity, net of tax	Impact on CSM before tax	Profit or loss, net of tax	Equity, net of tax
Lapse rates: 10% increase	(1,680)	(1,755)	(1,755)	2,392	(4,823)	(4,823)
Mortality: 10% decrease	(7,160)	(2,783)	(2,783)	(7,614)	(4,420)	(4,420)
Expenses/inflation: 10%/1% increase	(7,969)	(3,365)	(3,365)	(7,784)	(4,048)	(4,048)

For market risk sensitivities, including their impact on insurance contract liabilities, see **note D7.2**.

E3. Critical accounting estimates and judgements made in relation to insurance contracts

E3.1 Methods used to measure insurance contracts

The Company uses a deterministic approach to estimate the present value of future cash flows.

A product assessment has been carried out to identify which insurance contracts have investment components. It is important to identify investment components for both measurement and presentational purposes. A decision tree has been developed to help the identification of investment components in the insurance contracts, along with related guidance. These decision trees are used to both identify investment components and to differentiate between distinct and non-distinct investment components. Any investment components which are considered distinct would then be unbundled and measured separately under IFRS 9. At the present time, none of the Company's products currently have distinct investment components.

The Company uses the general measurement model for all the insurance contracts. The premium allocation approach and variable fee approach are not used.

There have been no changes in methods and processes for estimating inputs used to measure insurance contracts in this period.

E. Insurance contracts (continued)

E3. Critical accounting estimates and judgements made in relation to insurance contracts (continued)

E3.2 Actuarial assumptions

Management uses judgement to determine and evaluate the actuarial assumptions. Such assumptions where management uses judgement include interest rates, inflation, policyholder behaviour, mortality and morbidity of policyholders. The judgements used in the valuation of insurance contract assets and liabilities are based on historic company experience, aggregate experience data for the insurance industry and current capital market conditions. Company, industry and market expectations of future developments are also considered. Where data is limited, the available data is supplemented with expert judgement to set the assumptions.

The assumptions outlined below are used for the calculation of the insurance contract liabilities within scope of IFRS 17.

Mortality rates

The following table summarises the mortality tables used for the in force products within the Company, along with details of any adjustments made to these tables.

Mortality tables	2025	2024
Individual Retail Protection, Endowments and Annuities	DAV 1997 I, CV20v1_1618_S3PM/FA, IA BE 2020 and ISTAT SIM/SIF 2010 tables are used, with adjustments to reflect company specific selection factors and future mortality improvements, where appropriate.	DAV 1997 I, CV20v1_1618_S3PM/FA, IA BE 2020 and ISTAT SIM/SIF 2010 tables are used, with adjustments to reflect company specific selection factors and future mortality improvements, where appropriate.
Group Protection and Pensions	The most recent Bureau Fédéral du Plan (FPB) population tables are used, including mortality improvements, adjusted based on the most recent Assuralia insured lives study, and by a portfolio-specific selection factor.	The most recent Bureau Fédéral du Plan (FPB) population tables are used, including mortality improvements, adjusted based on the most recent Assuralia insured lives study, and by a portfolio-specific selection factor.

Lapse rates

The following table contains the lapse rates used for the in force products within the Company.

Lapse rates	2025	2024
Individual Retail Protection, Endowments and Annuities	0.3% - 40.0% p.a. (Depending on policy duration and product type)	0.3% - 40.0% p.a. (Depending on policy duration and product type)
Group Protection and Pensions	0.5% - 1.8% p.a.	0.5% - 1.8% p.a.

Expenses

IFRS 17 requires the inclusion of expense cash flows in the valuation of insurance contract liabilities. A distinction is clearly made between expenses that are directly attributable to the fulfilment of these contracts and those expenses that are not attributable. Furthermore, a further distinction is required between recurring expenses and initial insurance acquisition expenses. Expense cashflows should be part of the measurement of insurance contracts if they are :

- directly attributable to fulfilling the insurance contract; and,
- the expense cash flow is within the contract boundary of the contract.

E. Insurance contracts (continued)

E3. Critical accounting estimates and judgements made in relation to insurance contracts (continued)

E3.2 Actuarial assumptions (continued)

Annual expense investigations are performed by the Company to determine the level of expenses that are attributable to the various insurance contracts under IFRS 17. All attributable expenses are captured in the IFRS 17 present value of future cash flows and are either explicitly modelled or are estimated using per policy expense assumptions. All attributable operating expenses increase in line with appropriate expense inflation assumptions and are run-off over time in line with the in force liabilities.

E3.3 Discount rates

Life insurance contract liabilities are calculated by discounting expected future cash flows using a discount curve that varies by the duration of the cash flow. These IFRS 17 curves are constructed using a top-down approach that starts with the yield of an appropriate reference portfolio, where the yield is constructed as a risk free rate plus a portfolio specific spread. This yield is then adjusted downwards to allow for credit risk and any other market risk premium, if applicable.

The reference portfolio only includes assets held for the purpose of backing the insurance contract liabilities and products with different illiquidity characteristics have different reference portfolios to capture these characteristics.

The annualised discount rates applicable to the Company are illustrated in the table below.

	Currency	2025				2024			
		1 year	5 years	10 years	20 years	1 year	5 years	10 years	20 years
Discount rates	EUR	3.0 %	3.4 %	3.9 %	4.3 %	3.2 %	3.2 %	3.5 %	3.5 %
Discount rates	USD	3.4 %	3.5 %	3.8 %	4.3 %	— %	— %	— %	— %

E3.4 Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. It covers underwriting risk (including insurance, lapse and expense risk) and counterparty default risk linked to insurance contracts (if any). The risk adjustment reflects an amount that an insurer would theoretically pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The Company has estimated the risk adjustment using a cost of capital technique based on local solvency requirements (which is Bermuda EBS). The cost of capital technique requires estimates of the additional capital that is required at each future date in the cash flow projection to comply with capital requirements. In projecting the required capitals per risk type, the same risk drivers as used for solvency calculations are used.

The required capital amounts for each future year are discounted using the same discount rate as described in the discount rate section above.

Changes in the risk adjustment for non-financial risk are not disaggregated into an insurance service component and an insurance finance component, so are presented in full in the insurance service result.

The risk adjustment for non-financial risk corresponds to a confidence level of 66% (2024: 62%).

E. Insurance contracts (continued)

E3. Critical accounting estimates and judgements made in relation to insurance contracts (continued)

E3.5 Amortisation of the contractual service margin

The CSM is a component of the asset or liability for each group of insurance contracts. It is the unearned profit from in force contracts that an entity will recognise if it provides services over the period. An amount of the CSM for each group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future
- Recognising in profit or loss the amount allocated to coverage units provided in the period
- The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, which is determined by considering the quantity of the benefits provided and the expected coverage duration.

Different coverage units are used for different groups of contracts. These are chosen to most appropriately reflect the provision of services for each group of contracts. A product assessment to identify suitable coverage units is carried out and coverage units are selected to ensure that insurance services and any investment-related or investment-return services are appropriately reflected, where applicable.

F. Other statement of consolidated financial position notes

F1. Property and equipment

Right-of-use assets as lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate. The lessee's incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period and is included within finance costs (**note B5**).

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The associated lease liability is recognised within financial liabilities at amortised cost. Payments associated with leases with a lease term of 12 months or less and leases of low-value assets are recognised as an expense in profit or loss on a straight-line basis.

Variable lease payments

The Company may be exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Extension and termination options

Extension and termination options may be included in a property lease to maximise operational flexibility in terms of managing the assets used in the Company's operations. These are generally exercisable only by the Company and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Residual value guarantees

The Company may on occasion provide residual value guarantees in relation to leases. On 31 December 2025 and 31 December 2024, there were no residual value guarantees in place.

€000	2025	2024
Cost		
As at 1 January	12,744	12,744
Reassessment of right of use asset	(6,048)	–
As at 31 December	6,696	12,744
Accumulated depreciation		
As at 1 January	(5,335)	(4,446)
Depreciation charge	(1,041)	(889)
As at 31 December	(6,376)	(5,335)
Net book value at 1 January	7,409	8,298
Net book value at 31 December	320	7,409

F. Other statement of consolidated financial position notes (continued)

F1. Property and equipment (continued)

In 2018 the Company renewed its property lease with IFSC South Block Limited in respect of the second floor of IFSC House in Dublin. This is a lease for 15 years (until 14 April 2033) with the Company having the option to cancel the lease after 8 years (on 14 April 2026).

In 2025, Athora Ireland exercised its option to terminate its existing lease in line with the terms of the lease agreement. As a result, the Right of Use (ROU) asset and lease liability have been reassessed and remeasured to reflect the value of the remaining usage period and lease payments.

Interest expense on the lease liability is recorded under Interest expenses on the statement of profit or loss. The total cash outflow for leases in 2025 was €1.6m (2024: €1.3m).

For leases where the Company is a lessee, in accordance with IFRS 16 Leases, the balance sheet shows the following amounts:

€'000	Note	2025	2024
Right of use assets:			
Buildings		320	7,409
The carrying amount of discounted lease liabilities			
Balance at the beginning of the year		8,588	9,379
Lease payments		(1,602)	(1,281)
Interest expense	B5	116	490
Reassessment of lease liability		(7,102)	—
Balance at the end of the year		—	8,588

€000	2025	2024
Lease liabilities:		
Current	—	836
Non Current	—	7,752
Total	—	8,588

There were no additions to the right-of-use assets during the 2025 financial year (2024: nil).

Amount recognised in the statement of profit and loss:

€'000		2025	2024
Depreciation charge of right-of-use assets	B4	1,041	889
Interest expense	B5	116	490

The incremental borrowing rate used by the Company is 5.50%, which is fixed at the outset of the lease.

F. Other statement of consolidated financial position notes (continued)

F2. Receivables and other assets

Receivables and other assets are recognised when due. The carrying value of receivables is reviewed for impairment using the simplified approach allowed under IFRS 9, with the impairment loss recorded in the income statement. Due to their short-term nature therefore the carrying amount equals fair value.

€000	2025	2024
Due related to investments	1,926	2,196
Intercompany receivables	15	652
Accrued income	24,912	24,227
Prepayments and other	72	321
	26,925	27,396

For credit risk analysis see **note D7.3**.

F3. Cash & cash equivalents

Cash and cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of credit losses or change in fair value.

The Company has classified its Money market investments as cash equivalents, under cash and cash equivalents, where they are used to manage liquidity, instead of being held for investment purposes (backing insurance liabilities based on asset liability management considerations and to reduce risk exposure).

€000	2025	2024
Cash at bank	51,313	22,905
Short-term deposits	—	47
Money market funds classified as cash	138,303	327,123
	189,616	350,075

F4. Tax

Corporation tax is payable on all taxable profits. Deferred tax is recognised in respect of temporary differences that have originated but not reversed at the statement of financial position date, where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less tax. Deferred tax is measured on an undiscounted basis at tax rates that have been or are substantively enacted by the reporting date in which temporary differences reverse.

The carrying value of deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise the deferred tax asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

F. Other statement of consolidated financial position notes (continued)

F4. Tax (continued)

F4.1 Current tax asset

€000	2025	2024
Balance as at 1 January	1	7
Tax paid/(received)	—	(6)
Amount settled against other tax liabilities	—	—
Withholding tax receivables	—	—
Balance as at 31 December	1	1

F4.2 Deferred tax asset

The movement in net deferred tax assets during the year ended 31 December 2025 and 31 December 2024 is as follows:

€000	2025	2024
Tax written down value in excess of net book value	—	18
Taxable net transitional adjustment for IFRS 17/9 remeasurements	—	(29,590)
Deductible transitional adjustment for losses previously recognised via OCI	—	26,512
Fair value adjustment on insurance contract liabilities	—	(43,067)
Leases	—	1,179
Long term incentive plan accrual deductible when paid	—	2,777
Losses not utilised during the period	39,840	91,103
Temporary differences and unused tax losses	39,840	48,932
Closing deferred tax asset	4,980	6,116
Opening deferred tax asset	6,116	6,006
Movement	(1,136)	110

The closing recognised deferred tax assets of the Company, being 12.5% of the temporary differences, derive from past tax losses of the Irish subsidiary, Athora Ireland Ltd., which were assumed by the Company during the year as a result of a transfer of the business. The transfer and related accounting, as well as the exercise of a break on the lease of the Irish office, had the effect of crystallizing some of the opening temporary differences in the Irish tax computations for 2025 but the transfer had no effect on the net position.

Tax relief from the remaining Irish tax losses carried forward is restricted to future profits from the notional continuation of the trade of Athora Ireland Ltd. which is now carried on by the Company as part of a larger business. Irish loss relief is thereby only claimed on an apportionment of the Company's total profits.

Enactment of legislation giving effect to the OECD's Pillar Two Global 15% Minimum Tax

The Company, applying the IASB's temporary exception from the deferred tax requirements under IAS 12, does not recognise or disclose deferred tax assets and liabilities related to Pillar Two taxes, neither as at 31 December 2024 nor 31 December 2025.

Many of the charging provisions of the Pillar Two framework were applicable to Irish subsidiaries of the Company for 2024 and 2025. However, there has been no current tax charge in respect of Pillar Two incurred for 2024 or 2025. Further details are set out in **note B6**.

No Pillar Two tax is expected for the Company's Bermuda operations due to new Bermuda legislation.

F. Other statement of consolidated financial position notes (continued)

F4. Tax (continued)

F4.2 Deferred tax asset (continued)

In response to Pillar Two, the Government of Bermuda has enacted a 15% corporate income tax ("CIT") regime effective from 1 January 2025.

The primary basis for taxation of the Company's Bermuda operations will be the combined IFRS Profit before Tax of its Bermuda constituent entities for each year as measured in the consolidated financial statements of the ultimate parent entity, Athora Holding Limited ("AHL"), subject to certain adjustments.

Importantly, the Government of Bermuda has taken steps to ensure that accounting profits arising from 1 January 2025 may be relieved from taxation to the extent that eligible deductions are available via, amongst other things, the enactment of a pre-implementation loss carryforward provision or a pre-implementation fair value assessment known as the Economic Transition Adjustment ("ETA"), undertaken as of 30 September 2023. No election is required until later in 2026, when Athora makes its first CIT filing in respect of financial year 2025. The Company currently expects to opt for the loss carryforward rather than the ETA.

Net unutilised Bermuda losses of €48m (2024: €94m) based on the Company's results in the AHL Group IFRS accounts from 1 January 2020 to 31 December 2025 have been identified which represent a tax loss carry forward for the Bermuda legislation which is allocable to the Company. However, additional net deductible insurance provision and financial asset valuation adjustments of €49m (2024: €30m) exist between the relevant Bermuda result of the Company within its financial statements and the financial statements of its parent, AHL.

No Bermuda CIT deferred tax asset has been recognised as at 31 December 2025 or 31 December 2024 in respect of these allocable losses and net deductible temporary differences, which would have a tax value of approximately €15m (2024: €19m), due to the historic loss-making position of the Company in Bermuda, uncertainty regarding future profits, expected future loss relief from other Athora Bermuda entities and the ongoing evaluation of the options available under the new legislation.

The recoverability of recognised deferred tax assets and unrecognised deferred tax assets

The recognition of all deferred tax assets is re-assessed at the end of each reporting period. These assessments require detailed forecasting of future taxable profits based on reasonable and supportable assumptions, including market-based assumptions over time horizons sometimes beyond the scope of approved business plans.

As explained in **note G4**, the Company has migrated its seat of tax residence to Ireland with an effective date of 1 January 2025. Furthermore, an internal reorganisation completed in 2025 which resulted in the entire business of its subsidiary, Athora Ireland Ltd., transferring to the Company. The Irish tax legislation permits the transfers of losses where there is a company reconstruction of this type without a change of ownership and the business remains within the charge to Irish corporation tax.

Net deferred tax assets in respect of Irish Corporation Tax totalling €5m (2024: €6m) were recognised as of the date of the Statement of Financial Position in respect of net deductible temporary differences and unused tax losses for Irish corporation tax incurred by the Company's Irish subsidiary, which transferred to the Company during 2025. There is currently no time limit for the utilisation of losses carried forward within Irish law, however, the losses may only be used against profits earned from the continuation of the trade of Athora Ireland. On the basis of the latest business plans and future profit projections, the Company expects sufficient taxable profits to be generated in future years to realise the Irish corporation tax deferred tax asset recognised at the date of the Statement of Financial Position.

F. Other statement of consolidated financial position notes (continued)

F5. Other liabilities and accruals

Accruals and deferred income mainly relate to accrued interest on borrowings on financial instruments that are measured at amortised cost and derivative liabilities. Other liabilities mainly include creditors.

€000	2025	2024
Outstanding settlements on investment portfolios	—	26,755
Intercompany payables	2,906	1,050
Payroll and other taxes	32	282
Accruals and deferred income	(2,171)	1,857
Other liabilities	1,945	1,654
	2,712	31,598

The carrying amounts disclosed above are approximate fair values at the reporting date. All amounts are payable within one year.

F6. Provisions

In 2024, the Company's subsidiary, Athora Ireland ("AI"), implemented a restructuring effort following a decision to cease trading as a regulated reinsurance business.

Restructuring costs associated with this decision have been incurred by AI. The following table details the outstanding costs at 31 December 2025.

€000	2025	2024
Balance as at 1 January	2,777	—
Released/(incurred) during the year	(117)	3,446
Paid during the year	(1,604)	(669)
Balance as at 31 December	1,056	2,777

G. Other notes

G1. Related Party Transactions

G1.1 Ultimate parent

The ultimate parent and controlling party of the Company is Athora Holding Ltd., an exempted company domiciled in Bermuda.

G1.2 Entities with significant influence

Entities that have significant influence on the Company and, as such, are considered related parties are subsidiaries and affiliates of Apollo Global Management, Inc., who provide investment management and advisory services to the Company.

G1.3 Transactions and balances with related parties

The Company has entered into transactions with Athora Group companies and other related parties in the normal course of business during the year.

The following information provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

2025 €000	Income	Expense	Receivable	Payable
Athene Annuity Re.	—	—	—	—
Apollo Global Management Inc.	—	6,142	—	2,678
Athora Holding Ltd.	—	42	—	2,173
Athora Bermuda Services Ltd.	—	2,540	9	—
Athora Belgium S.A./N.V.	103,347	79,445	37,006	1,632,878
Athora Lebensversicherung AG	45,714	43,578	—	265,376
Athora Italy	—	(211)	—	—
Athora UK Services Ltd.	—	315	—	—
Athora Ireland Services Ltd.	2,030	1,353	49	—
Athora Netherlands Holding Ltd.	51	—	24	—
Athora Europe Holding Ltd.	—	—	—	—
Athora Italy Holding Designated Activity Company	—	—	—	—
	151,142	133,204	37,088	1,903,105

2024 €000	Income	Expense	Receivable	Payable
Apollo Global Management Inc.	—	4,606	—	1,224
Athora Holding Ltd.	395	1,709	—	397
Athora Bermuda Services Ltd.	—	3,865	33	—
Athora Belgium S.A./N.V.	22,935	125,364	37,011	1,783,376
Athora Lebensversicherung AG	6,746	17,805	—	286,726
Athora Italy	2,823	997	—	555
Athora UK Services Ltd.	—	126	—	—
Athora Ireland Services Ltd.	2,484	4,903	560	—
Athora Netherlands Holding Ltd.	—	90	—	—
Athora Europe Holding Ltd.	10	—	—	—
Athora Italy Holding Designated Activity Company	10	—	—	—
	35,403	159,465	37,604	2,072,278

G. Other notes (continued)

G1. Related Party Transactions (continued)

G1.3 Transactions and balances with related parties (continued)

Transactions with related parties in 2025

The material intra-group transactions during 2025 are listed below.

- In March 2025, Athora Ireland signed a letter of termination on the mass lapse inward reinsurance treaty with an effective date of 1 January 2025.
- The Company entered into a Reinsurance Treaty with Athene Annuity Re Ltd. (“Athene”), effective 31 December 2025. Athene is a related party as it is a key minority shareholder of the Company’s ultimate parent Athora Holding Ltd (“AHL”). Under the treaty, ARE provides cover for remote risks on a portfolio of whole-of-life policies. As the treaty became effective on the last day of the reporting period, no insurance service result was recognised in the 2025 profit or loss. Any outstanding receivables or payables arising from routine quarterly settlements were immaterial at the reporting date. The treaty was conducted on normal commercial terms.
- Athora Life Re has entered into a Revolving Credit Facility (RCF) with AHL in relation to the new reinsurance treaty. This is to provide liquidity in an elevated lapse scenario. This was entered into on 31 December 2025 and has not been drawn down.
- Athora Life Re also renewed its Funding Agreement with Athora Belgium for a three-year term, starting Dec 2025.

Parental Guarantee

AHL has guaranteed the payment of the Company’s property lease with IFSC South Block Limited, in respect of the second floor of IFSC House in the event that the Company were to default on the lease payment (see **note D6** and **note F1** for details on the Company’s property lease). The annual lease payment for the 2025 year amounted to €1.6m (2024: €1.3m). AHL has not been required to make any payment in 2025 (2024: nil) in respect of this property lease guarantee.

G1.4 Transactions with key management personnel

The compensation of the Company’s key management personnel (i.e., those having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly), which comprises the members of the Management Committees (“MC”) of the Company, is as follows:

€000	2025	2024
Salaries and other short-term employee benefits	1,599	2,515
Bonus awards	473	1,092
Defined benefit pension contributions	378	518
Other benefits	109	141
	2,559	4,266

Note that the remuneration above is disclosed in €’000s.

G2. Cash flows from operating activities

G2.1 Adjustments for non-cash items

€000	Note	2025	2024
Depreciation and amortisation of non-current assets	B4	1,041	889
Reassessment of right of use asset	F1	6,048	—
Reassessment of lease liability		(7,102)	—
Revaluations gains and losses		46,655	22,409
Total		46,642	23,298

G. Other notes (continued)

G2. Cash flows from operating activities (continued)

G2.2 Net change in operational assets and liabilities

€000	Note	2025	2024
Changes in investment activities			
Purchases of financial investments and derivatives		(679,453)	(713,771)
Proceeds from sales of financial investments and derivatives		652,065	744,030
Net change in receivables and other assets	F2	471	18,214
Net change in operational assets		(26,917)	48,473
Net change in other financial liabilities (excluding derivatives and lease liabilities)	D6	5,858	21,430
Net change in insurance contracts	E1.2	(197,351)	(10,915)
Net change in other liabilities and accruals		(31,032)	12,572
Net change in provision for employee benefits		(1,721)	2,777
Net change in operational liabilities		(224,246)	25,864
Total		(251,163)	74,337

G3. Capital management

The Company's approach to capital management is outlined in the Company's capital management policy. The Company has established the following capital management objectives to managing the risks that affect its capital position:

- To manage the capital and liquidity of the Company on an economic basis, and within the constraints and requirements of all external stakeholders (policyholders, regulators, shareholders, and rating agencies);
- To maintain financial strength so that each entity can withstand reasonably adverse business and market conditions; and
- To minimise balance sheet and capital volatility, thus ensuring stability and predictability for all stakeholders and support an efficient management of capital.

The Company is supervised by the Bermuda Monetary Authority ("BMA") and as a Class E insurer is required to maintain available statutory capital and surplus to meet its minimum margin of solvency ("MSM") and to meet and maintain its enhanced capital requirement in accordance with the provisions of the Insurance Act. As of 31 December 2025, the Company exceeds its required MSM.

The Bermuda Companies Act 1981, as amended, limits the Company's ability to declare and pay dividends and make and pay distributions to shareholders if there are reasonable grounds for believing that the Company would be unable to pay its liabilities as they become due, or if the realisable value of its assets would be less than its liabilities. Under the Insurance Act, the Company cannot in any financial year pay dividends that would exceed 25 percent of its total statutory capital and surplus, as shown on its statutory balance sheet in relation to the previous financial year, unless at least seven days before payment of those dividends it files with the BMA an affidavit stating that the declaration of those dividends has not caused the insurer to fail to meet its relevant margins.

In addition, the Company shall request the approval of the BMA before reducing by 15 percent or more its total statutory capital, as set out in its prior year financial statements. Furthermore, as an insurer carrying on long-term business, the Company is also restricted from declaring or paying a dividend unless the value of its assets, as certified by the Company's approved actuary, exceeds its liabilities (as so certified) by the greater of its margin of solvency or, if applicable, its enhanced capital requirement.

G4. Events after the reporting period

No post balance sheet events.

G. Other notes (continued)

G5. Approval of financial statements

The Board has approved these consolidated financial statements on 22 April 2026.