

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

Commission File Number 001-42878

**Neptune Insurance Holdings Inc.**

(Exact name of Registrant as specified in its Charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)  
**400 6<sup>th</sup> Street S, Suite 2**  
**St. Petersburg, Florida**  
(Address of principal executive offices)

**33-4189588**  
(I.R.S. Employer  
Identification No.)

33701  
(Zip Code)

Registrant's telephone number, including area code: (727) 202-4815

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.00001 par value	NP	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The registrant was not a public company as of June 30, 2025, the last business day of its most recently completed second fiscal quarter and, therefore, cannot calculate the aggregate market value of its voting and non-voting common equity held by non-affiliates as of such date. The registrant's Class A common stock began trading on the New York Stock Exchange on October 1, 2025.

As of February 24, 2026, the registrant had outstanding 94,718,530 shares of Class A common stock and 43,435,000 shares of Class B common stock, each with a par value of \$0.00001.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Definitive Proxy Statement to be filed with the Securities and Exchange Commission no later than 120 days after the end of the registrant's fiscal year ended December 31, 2025, are incorporated by reference in Part III of this Annual Report on Form 10-K.

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Annual Report on Form-10-K (this "Annual Report") contains forward-looking statements. All statements contained in this Annual Report other than statements of historical fact, including statements regarding our future results of operations, financial position, market size and opportunity, our business strategy and plans, the factors affecting our performance and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "could," "would," "expect," "objective," "plan," "potential," "seek," "grow," "target," "if" and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the "Risk Factors." Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Annual Report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Forward-looking statements contained in this Annual Report include, but are not limited to, statements about:

- our ability to protect and enforce our intellectual property;

- our ability to effectively manage and sustain our rapid growth, which may place significant demands on our resources, systems, and personnel;
- adverse NFIP developments that create challenges for private insurers;
- the impact of slower housing market activity, especially in areas needing flood coverage, due to various general economic and other factors;
- our ability to attract and retain talent, including highly skilled engineers, data scientists, and other technical professionals;
- our reliance on third parties for critical functions such as processing policyholder payments and mailing policy documents and notices;
- the highly competitive industry in which we operate;
- our reliance on the accuracy and performance of our AI-powered Triton platform for underwriting and data modeling;
- developments and projections relating to advancements in AI, our competitors, and our industry;
- our ability to successfully launch additional products or expand our product offerings, including into new domestic and international markets;
- our ability to apply technology effectively in driving value for our policyholders through technology-based solutions;
- the impact of current and future laws and regulations, especially those related to insurance regulations;
- potential cybersecurity risks with respect to our or our vendors' information processing systems;
- the development of a market for our common stock; and
- other risks and uncertainties, including those listed under the caption "Risk Factors."

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Annual Report.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our other SEC filings and public communications. You should evaluate all forward-looking statements made in this Annual Report in the context of these risks and uncertainties. The forward-looking statements included in this Annual Report are made only as of the date hereof. Except as required by law, we do not intend to update any of these forward-looking statements after the date of this Annual Report or to conform these statements to actual results or revised expectations.

You should read this Annual Report and the documents that we reference in this Annual Report and have filed with the SEC as exhibits to this Annual Report with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

#### SUMMARY OF RISK FACTORS

Our business is subject to numerous risks and uncertainties and this summary provides an overview of such risks. You should read this risk factor summary together with the more detailed discussion of risks and uncertainties covered under Item 1A "Risk Factors."

- Our business may be harmed if one or more of our relationships with capacity providers are terminated or are reduced, if we fail to maintain good relationships with such capacity providers, if we become dependent upon a limited number of capacity providers, or if we fail to develop new capacity provider relationships.
- Our distribution model depends on third-party agents and brokers, and any failure by those agents and brokers to consistently promote our products or the loss of any key agent or broker relationships could adversely affect our business.
- Rapid advancements in AI, including the development of AGI and ML technologies, could increase competition and disrupt our business model.
- Errors in underwriting or data modeling could harm our reputation, competitive position, and financial results.
- Reliance on cloud computing exposes us to technological disruptions and potential risks.
- We are highly dependent on the services of our senior management team, including our Chief Executive Officer.
- Our business is dependent upon information processing systems. Cybersecurity events, data breaches, cyberattacks, or other similar incidents, as well as defects, interruptions, or other failures, with respect to our or our vendors' information processing systems and data may hurt our business, damage our reputation, negatively impact policyholder retention and capacity provider relationships, and expose us to financial and legal liabilities.
- Failure to seek, obtain, maintain, protect, defend, or enforce our intellectual property rights, or allegations that we have infringed, misappropriated, or otherwise violated the intellectual property rights of others, could harm our reputation, ability to compete effectively, financial condition, and business.
- The insurance business is extensively regulated, and changes in regulation may reduce our profitability and limit our growth.
- Compliance with insurance licensing requirements for MGAs and E&S lines agencies and individual producers is critical to our operations, and any failure to maintain required licenses could disrupt our business.
- We are subject to evolving laws and regulations on data privacy, data protection, and cybersecurity, which can be complex and conflicting. We may face investigations, fines, and sanctions as a result of our or our service providers' or partners' actual or perceived failure to comply with such laws and regulations and incur increased operational costs in order to ensure future compliance.
- Changes in accounting principles and financial reporting requirements could impact our consolidated results of operations and financial condition.
- We have debt outstanding that could adversely affect our financial flexibility and subjects us to restrictions and limitations that could significantly impact our ability to operate our business.
- The concentration of our share ownership with those stockholders who held our stock prior to our IPO, including our executive officers, directors, and holders of more than 5% of our capital stock, may limit our investor's ability to influence corporate matters.
- We are a "controlled company" within the meaning of the NYSE rules and, as a result, qualify for, and have chosen to rely on, exemptions from certain corporate governance requirements that provide protection to the stockholders of companies that are subject to such corporate governance requirements.
- We are a holding company, and our only material asset is our equity interest in Neptune Flood. As a result, we depend on the ability of our subsidiaries to pay dividends and make other payments and distributions to us in order to meet our obligations.
- The dual class structure of our common stock has the effect of concentrating voting control with our Chief Executive Officer; this will limit or preclude your ability to influence corporate matters.

• Some provisions of Delaware law and our amended and restated certificate of incorporation and bylaws may deter third parties from acquiring us and diminish the value of our Class A common stock.

## COMMONLY USED DEFINED TERMS

The following terms have the following meanings throughout this Annual Report unless the context indicates or requires otherwise:

“2025 Amended and Restated Credit Agreement” means the Amended and Restated Credit Agreement, dated as of April 10, 2025, by and among Neptune Holdings, Neptune Flood, the other loan parties thereto from time to time, the lenders party thereto from time to time, and JPMorgan Chase Bank, N.A., as administrative agent.

“AGI” means artificial general intelligence.

“API” means application programming interface.

“Amended Credit Agreement” means the 2025 Amended and Restated Credit Agreement, as amended by the First Amendment.

“CCPA” means the California Consumer Privacy Act, as amended by the California Privacy Rights Act.

“Commission” means the United States Securities and Exchange Commission.

“DGCL” means Delaware General Corporation Law.

“EBITDA” means earnings before interest, taxes, depreciation and amortization.

“EGC” means emerging growth company, as defined in the JOBS Act.

“Exchange Act” means the Securities Act of 1934, as amended.

“FDPA” means the Flood Disaster Protection Act of 1973.

“FEMA” means Federal Emergency Management Agency.

“First Amendment” means Amendment No. 1 to the 2025 Amended and Restated Credit Agreement, dated as of November 10, 2025.

“FTC” means the United States Federal Trade Commission.

“GAAP” means U.S. generally accepted accounting principles.

“GLBA” means the Gramm-Leach-Bliley Act.

“IPO” means the initial public offering of Neptune Insurance Holdings Inc., completed on October 2, 2025.

“JOBS Act” means the Jumpstart Our Business Startups Act of 2012.

“ML” means machine learning.

“NYSE” means New York Stock Exchange.

“Plan” means the Neptune Flood Incorporated 2019 Stock Plan.

“Securities Act” means the Securities Act of 1933, as amended.

“SFHA” means Special Flood Hazard Area, as designated by FEMA.

“we,” “us,” “our,” the “Company,” and “Neptune” refer to Neptune Insurance Holdings Inc. and its subsidiaries, taken as a whole; “Neptune Holdings” refers only to Neptune Insurance Holdings Inc.; and “Neptune Flood” refers only to Neptune Flood Incorporated.

## TRADEMARKS, TRADE NAMES, AND SERVICE MARKS

“Neptune,” “Neptune Flood,” “Triton,” the Neptune stylized design logo, and our other registered or common law trademarks, trade names, and service marks appearing in this Annual Report are our property. Solely for convenience, our trademarks, trade names, and service marks referred to in this Annual Report appear without the ®, ™ and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names. This Annual Report may contain additional trademarks, trade names, and service marks of other companies that are the property of their respective owners.

## NON-GAAP FINANCIAL MEASURES AND KEY PERFORMANCE INDICATORS

This Annual Report contains certain financial measures, including Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income and Adjusted earnings (basic and diluted) per share that are not required by, or prepared in accordance with, U.S. generally accepted accounting principles. We refer to these measures as “non-GAAP” financial measures. See “*Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures*” for our definitions of these non-GAAP measures, information about how and why we use these non-GAAP measures and a reconciliation of each of these non-GAAP measures to its most directly comparable financial measure calculated in accordance with GAAP.

This Annual Report also includes certain key performance indicators, including revenue per employee, Adjusted EBITDA per employee, premium in force, policies in force, policy retention rate, premium retention rate, revenue retention rate, organic revenue, organic revenue growth, and written premium, that Neptune’s management regularly reviews in managing its business to evaluate its business and operations, guide decision-making, measure progress and understand growth and retention, and ultimately help drive profitability. Organic revenue and organic revenue growth are common non-GAAP financial measures reported by others in the insurance industry. We use “organic revenue” and “organic revenue growth” in this Annual Report to facilitate investors’ understanding of our operating performance and comparison with our peers. However, as of the date of this Annual Report and for the relevant periods presented herein, we have not completed any relevant acquisitions or divestitures, therefore our organic revenue and organic revenue growth reflect our total revenue and total revenue growth, respectively, as determined in accordance with GAAP. For definitions of these key performance indicators, see “*Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Performance Indicators*.”

## Table of Contents

	<u>Page</u>
<b>PART I</b>	
Item 1. <a href="#">Business</a>	1
Item 1A. <a href="#">Risk Factors</a>	21
Item 1B. <a href="#">Unresolved Staff Comments</a>	55
Item 1C. <a href="#">Cybersecurity</a>	55
Item 2. <a href="#">Properties</a>	56
Item 3. <a href="#">Legal Proceedings</a>	56
Item 4. <a href="#">Mine Safety Disclosures</a>	56
<b>PART II</b>	
Item 5. <a href="#">Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities</a>	57
Item 6. <a href="#">[Reserved]</a>	58
Item 7. <a href="#">Management’s Discussion and Analysis of Financial Condition and Results of Operations</a>	59
Item 7A. <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	81
Item 8. <a href="#">Financial Statements and Supplementary Data</a>	82
Item 9. <a href="#">Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	106
Item 9A. <a href="#">Controls and Procedures</a>	106
Item 9B. <a href="#">Other Information</a>	106
Item 9C. <a href="#">Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>	106
<b>PART III</b>	
Item 10. <a href="#">Directors, Executive Officers, and Corporate Governance</a>	108
Item 11. <a href="#">Executive Compensation</a>	108
Item 12. <a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>	108
Item 13. <a href="#">Certain Relationships and Related Transactions, and Director Independence</a>	108
Item 14. <a href="#">Principal Accounting Fees and Services</a>	108
<b>PART IV</b>	
Item 15. <a href="#">Exhibits, Financial Statement Schedules</a>	109
Item 16. <a href="#">Form 10-K Summary</a>	110

## PART I

### Item 1. Business.

#### Company Overview

Neptune is a leading, high-growth, highly profitable, data-driven MGA that is revolutionizing the way homeowners and businesses protect against the growing risks of flooding. We offer a range of easy-to-purchase residential and commercial insurance products - including primary flood insurance, excess flood insurance, and parametric earthquake insurance - distributed through a nationwide network of agencies. Neptune does not take any balance sheet insurance risk or have claims handling responsibility relating to the policies we sell. We underwrite and administer the issuance of insurance policies on behalf of a diverse panel of insurance and reinsurance companies, whom we refer to as capacity providers, that manage both this risk and the associated claims handling. From day one, we have built our business on a foundation of advanced data science and AI, leveraging proprietary ML algorithms, which has led to superior underwriting results, outsized growth, recurring revenue, and robust margins, including delivering a lifetime written loss ratio of just 24.7% to our capacity providers from our inception through June 30, 2025. In addition, for the year ended December 31, 2025, we achieved 33.7% organic revenue growth, 23.4% net income margin and 59.5% Adjusted EBITDA margin.

Neptune was founded to solve the inefficiencies and poor product-market fit we saw in the traditional flood insurance market, which we believe represents a significant and underpenetrated opportunity. According to the American Housing Survey and the Energy Information Administration, there are over 100 million residential and commercial buildings in the U.S., many of which face flood risk, yet only a small fraction are covered by flood insurance. Today, the largest provider of flood insurance in the United States - and the holder of the majority market share - is the NFIP, a U.S. government-run entity and our main competitor. We believe purchasing insurance from the NFIP is relatively burdensome and time-consuming for policyholders and agents, and that its limited product offerings often fail to meet policyholder needs. In addition, the NFIP has historically received substantial government subsidies that have enabled it to limit premiums to rates that have been challenging for private flood insurance providers to compete with, a dynamic that is shifting with the NFIP's 2021 introduction of its "Risk Rating 2.0" pricing model, discussed in more detail below. Private market participation has also historically been constrained by regulatory barriers, a lack of innovation expertise, and limited access to sufficient claims and performance data to optimize pricing and underwriting decisions. We believe that Neptune's position as the first scaled private flood platform, including the years of claims and performance data we have generated through our operations, provides a key early-mover advantage in addressing all of these challenges and disrupting the industry.

With Neptune's use of AI, our technology platform, and our data-driven approach, we believe we have delivered the promise of disrupting the insurance industry. Not only have our innovation efforts delivered vastly improved policyholder and agent experiences through the ease-of-use of our proprietary underwriting (Triton) and policy management (Poseidon) platforms, we have also demonstrated superior risk selection and underwriting through our top-tier financial performance and sustained growth. Utilizing AI and ML algorithms with no human underwriters, Neptune has redefined how flood insurance can be underwritten, creating value for policyholders and agents while producing consistent, long-term positive returns for our insurance and reinsurance partners. Further, as the NFIP moves away from its historical subsidized pricing model, we believe our Triton platform, backed by years of proprietary data derived from our business operations, positions us to optimize pricing determinations and compete for existing NFIP policyholders in a way that would be challenging for a new entrant to replicate until it is able to generate, or otherwise gain access to, comparable claims and performance data.

Technology and data science are the foundation of Neptune's business model, driving our three core pillars:

- **Our Underwriting Engine:** Our entirely digital underwriting engine, Triton, uses advanced technology, including proprietary AI and ML models, without any human underwriters, to assess risk with speed and precision. Powered by predictive analytics and loss estimation, Triton has enabled Neptune's policies to consistently outperform the NFIP in written loss ratio despite 21 landfall hurricanes - including 4 of the 10 largest flood events in U.S. history - taking place since Neptune's founding.
- **Our Risk Relationships:** Our risk relationships are built on performance and trust, and we currently have 40 capacity providers, including 32 reinsurance providers, backing 8 distinct insurance programs to help minimize concentration risk while delivering consistent returns. In turn, the accuracy of our risk assessment and our precision pricing have delivered hundreds of millions of dollars of underwriting profit for our capacity providers since inception, leading to high rates of capacity renewals and increases in committed capacity.

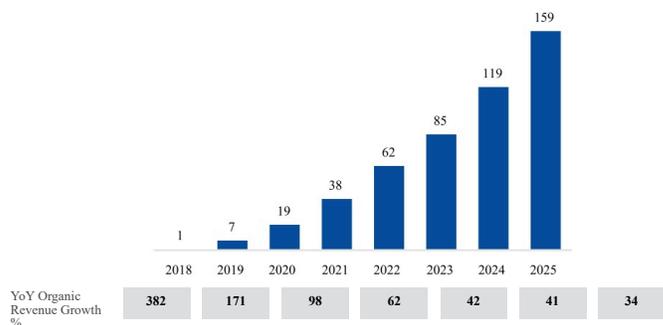
- **Our Distribution:** Our distribution strategy is primarily focused on deep partnerships across agencies with tens of thousands of agents who benefit from the ease-of-use of our automated underwriting platform, seamless API integrations, instantaneous bindable quotes, and proprietary Agent Portal. We believe this is a meaningful departure from industry norms and makes our approach to distribution attractive to the agents we work with.

The three pillars above interlock, creating a powerful and reinforcing loop. Unlike traditional insurance underwriting that historically relied on humans, static models, and infrequent adjustments, we leverage an iterative approach that allows us to consistently and rapidly integrate new data and models into our underwriting engine, thereby refining our processes and adapting to evolving market and environmental conditions. As our models constantly evolve and improve, they are able to deliver superior results that minimize losses for our capacity providers, which in turn grant us additional underwriting capacity. With more capacity available, we can offer coverages our policyholders want, enhancing the ability for our agency partners to easily sell policies while expanding our distribution and reach. The resulting increase in quoted and bound policies provides us with access to more data, enhancing the predictive capabilities of our underlying models.

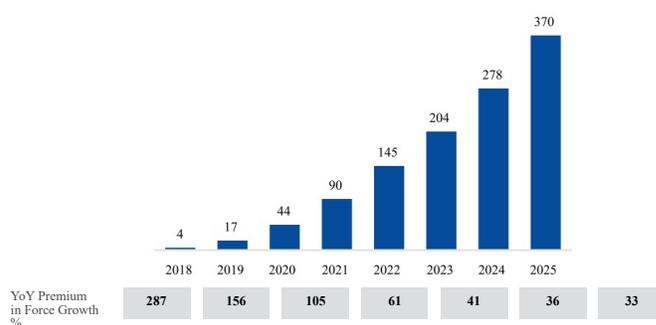
We operate as an MGA, with a highly profitable, recurring, fee-based revenue model derived from two primary sources: commissions paid by capacity providers, and fees paid by policyholders. Commissions are calculated as a negotiated percentage of premium for each policy. For the year ended December 31, 2025, our average commission rates have increased by more than 4.5% since 2018, as capacity providers continue to recognize our superior underwriting performance. Given our strong policy and premium retention rates to date, we believe that we have a high degree of visibility into our future revenue streams. For example, for the year ended December 31, 2025, our eligible policy and premium retention rates at renewal were 86.1% and 98.0%, respectively.

As of December 31, 2018, the end of our first full year of operations, we had \$4.4 million of premium in force with one insurance program. As of December 31, 2025, we have achieved remarkable growth. Since 2018, our premium in force has increased at a CAGR of 88.3% to \$370.2 million as of December 31, 2025. For the year ended December 31, 2025, we generated \$159.6 million in revenue, \$37.4 million in net income, and \$95.0 million in Adjusted EBITDA. This translates to \$2.8 million in revenue per employee and \$1.6 million in Adjusted EBITDA per employee, a 23.4% net income margin and a 59.5% Adjusted EBITDA margin. Our Adjusted EBITDA margin has consistently exceeded 55.0% over the past four years, thanks to the operational leverage inherent in our technology-first business model. Notably, our organic revenue for the year ended December 31, 2025, increased by \$40.3 million, or 33.7%, year-over-year. For the year ended December 31, 2025, we also generated net cash provided by operating activities of \$51.7 million. As of December 31, 2025, we had negative book value per share due to our history of paying dividends to our stockholders, which have been financed through a combination of debt and redeemable, convertible preferred stock financings, and cash flows generated from our business operations. Since inception, we have made dividend payments to our stockholders totaling approximately \$605.0 million.

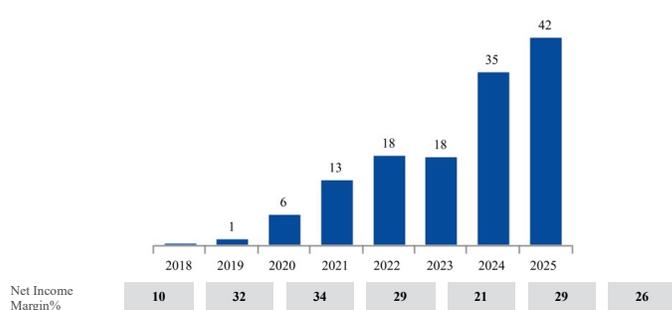
**Organic Revenue**  
(SMM)



**Premium in Force**  
(SMM)



**Net Income**  
(SMM)



**Adjusted EBITDA**  
(SMM)



**Our Unique, Data-Driven Approach**

Data science is our guiding principle, driving innovation that we believe enables us to deliver fast and accurate insurance solutions that are policyholder-centric and more efficient for our agents, and that deliver consistent underwriting profits for our capacity providers.

Our internally-developed and proprietary technology platforms include Triton, our underwriting engine, and Poseidon, our policy management system, which are closely integrated and easy to use. The key features of our data science approach that underpin our platforms include:

- **Precise Pricing Models:** Our models leverage advanced ML and data analysis to evaluate flood risks at the individual property level. By incorporating real-time data, including from geospatial mapping as well as predictive analytics, we deliver competitive, risk-adjusted pricing that reflects the unique risk of each property. The precision of this data-driven approach empowers us to offer instant underwriting decisions and bindable quotes at scale, with a level of intention and sophistication in our risk selection that we believe sets us apart in the industry and that results in a high degree of predictability in our business outcomes.
- **Automation and Efficiency:** We operate with the mantra of “automating everything.” We constantly focus on reducing manual processes across our operations and enabling our team to concentrate on more complex and high-value tasks.
- **Scalability:** Our emphasis on automation in our technology infrastructure allows us to process tens of thousands of quotes daily, providing the scale necessary for rapid growth and market expansion without a proportional increase in headcount.

- **Agility:** Our platform has demonstrated a great degree of flexibility, seamlessly incorporating new perils and geographies over time in response to the evolving needs of policyholders and agency partners.
- **Ease of Use:** Our platforms are designed with a focus on simplicity and accessibility. Agents and policyholders can obtain quotes, purchase policies, and manage policyholder coverage in just minutes through our streamlined online interface. In many cases, the creation of a Neptune quote is automatic and instantaneous for agents via our API, allowing seamless cross-sell opportunities alongside standard home and business insurance quotes. We believe this ease of use and quote-to-issue process differentiates Neptune from traditional insurance providers and has been a key driver of our success.

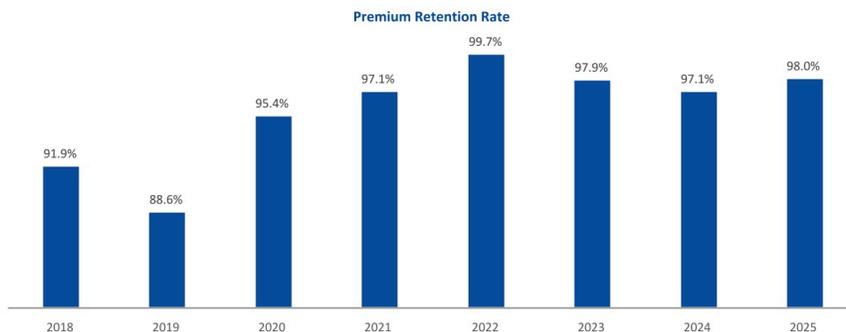
Triton and Poseidon were built entirely in-house by our Neptune Engineering Group. These platforms are powered by ML models centered around our vast proprietary datasets, which are developed and maintained by the in-house Neptune Data Science Group and are generated from data collected through the operation of our business, including quote requests, the policies we have bound, and the losses incurred on the policies we have sold. Triton processes over 20,000 quotes on a typical day. As of December 31, 2025, Triton has provided approximately 32.7 million quotes, underwritten 12.8 million properties, and bound 1.3 million policies across the U.S. since inception, providing Neptune with what we believe is the largest flood insurance sales and claims database outside of the NFIP.

Our systems continually update and constantly learn and improve from the expansive datasets generated by our daily operations, helping us stay ahead of the curve in understanding flood risk. In December 2025, we released the 546<sup>th</sup> product version of our underwriting model, demonstrating our commitment to continued improvements.

From a risk selection perspective, we believe our focus on data science has allowed us to provide a more accurate estimate of likelihood of loss across our portfolio compared to the industry. This has allowed us to deliver superior written loss ratios for our capacity providers. Despite navigating some of the largest flood disasters in U.S. history, our Triton underwriting platform has delivered a lifetime written loss ratio of just 24.7% from our inception through June 30, 2025. For example, in 2024, Hurricane Helene devastated parts of Florida and North Carolina as the fourth most expensive flooding event in NFIP history. The written loss ratio on that storm for policies sold by Neptune was 17.0% while the NFIP produced a written loss ratio of 169.6%. At the time of the storm, we had approximately 74,000 policies in force in the affected states of Florida, North Carolina, and Tennessee.

In 2024, we also implemented a ML-driven renewal optimization model, which has had a measurable impact on policy retention rates. This model enabled more precise identification of policyholders at risk of non-renewal and allowed for targeted engagement strategies, driving an increase in policy retention from 84.0% for the year ended December 31, 2024, to 86.1% for the year ended December 31, 2025.

Altogether, our data science capabilities underpin the visibility of our earnings to date, driving a premium retention rate of our policies that are extended upon renewal that has exceeded 97.0% for each of the last 5 years. As our business grows, this strong retention rate has resulted in an increasing share of our portfolio consisting of tenured policyholders. As of December 31, 2025, 68.9% of our premium in force was associated with policies in a renewal term, and for the full year 2025, our revenue retention rate was 91.8% reflecting the percentage of revenue recognized in 2024 that was recognized again under the renewal terms of those same policies in 2025.



## Our Industry

### *Our Market Opportunity*

We operate in the large and growing flood insurance market. According to FEMA, flooding is the most common and costly natural disaster in the U.S., causing damages that exceed \$40 billion annually according to the Congressional Budget Office, and is expected to continue to grow with progressing climate change. Despite the growing risk, flood insurance penetration remains low.

In the U.S., there are more than 100 million residential and commercial buildings, and we believe more of these buildings are likely to be at risk of flooding than is currently identified by FEMA. According to First Street's First National Flood Risk Assessment, in 2020 there were approximately 22 million buildings at risk of flooding and over 14 million buildings at risk of substantial flooding over the following 30 years. However, only approximately 9 million buildings are identified by FEMA as being within SFHAs - regions with 1% or higher annual probability of flooding. Properties in SFHAs with federally backed mortgages are required by the FDPA and related regulations to have flood insurance. Yet FEMA has noted that flood maps that underlie the SFHA designations are outdated and require extensive updates, as they do not currently take into account key types of precipitation. This was highlighted during Hurricane Harvey (2017) when, despite lower flood insurance penetration rates than in SFHAs, 68% of reported claims in Harris County were outside SFHAs according to Harris County Flood Control District.

Outside SFHAs, we estimate that flood insurance uptake in general is inadequate, with only approximately 2% of properties being covered by flood insurance, representing vast underinsurance and what we believe is a significant and untapped addressable market for our products. Even in high-risk states such as Florida, Texas, and Louisiana, combined residential penetration is just 11% according to NFIP Residential Penetration Rates as of December 12, 2025. We believe this gap in flood insurance coverage, together with the limited designation of SFHAs, creates significant financial vulnerabilities for millions of American home and business owners and lenders and presents a substantial opportunity for innovative private-sector insurance solutions like Neptune.

### *NFIP Challenges and Developments*

Historically, the flood insurance market offered limited options, as regulated lending institutions were required to accept only policies underwritten by the NFIP to satisfy mortgage requirements. In 2012, however, Congress passed the Biggert-Waters Act, mandating that lenders also accept private flood insurance policies if written on an NFIP-equivalent form. Despite this regulatory opening, to date, the NFIP has continued to dominate the market, as private insurers have lacked the expertise, innovation, and access to historical claims data necessary to profitably underwrite flood risk. In addition, the NFIP historically received substantial government subsidies that enabled it to limit premiums to rates that were challenging for private flood insurance providers to compete with, a dynamic that is shifting with the NFIP's introduction of "Risk Rating 2.0," discussed in more detail below.

As of December 31, 2025, the NFIP insured approximately 3.6 million properties and collected approximately \$5.5 billion in total policy cost, with an average annual policy cost of \$1,546 per policy, according to FEMA. We believe the NFIP falls short in meeting the evolving needs of homeowners and businesses. For decades, its policies have provided low coverage limits that often fail to address the true costs of rebuilding. Moreover, the process of purchasing NFIP coverage can be slow and cumbersome for both policyholders and agents, in contrast to the instantaneous and accessible Neptune quote-to-issue process.

Operational and financial challenges have also persisted throughout the NFIP's history. We believe these issues stem from its subsidized and rudimentary pricing methodology, which has frequently failed to accurately reflect the underlying risk of policies. As a result, the NFIP has accumulated substantial financial losses, currently owing \$22.525 billion to the U.S. Treasury and accruing approximately \$2 million in daily interest, according to FEMA and the Congressional Research Service.

In 2021, the NFIP launched Risk Rating 2.0, a new pricing methodology aimed at better aligning premiums with the risk profile of a given property. Under Risk Rating 2.0, most policyholders will experience annual rate increases of up to 18%, the maximum allowed under congressional caps, until their premiums reach full risk-based levels. The U.S. Government Accountability Office estimates that approximately \$27 billion in additional subsidies will be required for the NFIP portfolio between 2022 and 2037 due to these price caps. While this subsidized pricing model historically allowed the NFIP to price policies at rates that limited our ability to compete for those policies, as subsidies phase out under Risk Rating 2.0, we expect the gap between NFIP rates and actual risk costs to narrow, positioning Neptune to offer more

affordable coverage to approximately 50-60% of current NFIP policyholders, representing approximately 50-70% of the NFIP's premium base.

We believe the NFIP's legacy pricing model, cumbersome processes, and limited coverage have created significant market dislocation and inefficiencies, resulting in a compelling opportunity for private flood insurers like Neptune to capture market share.

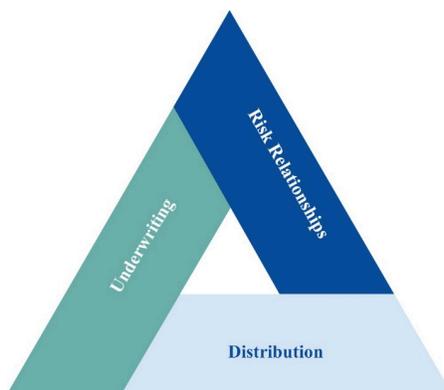
### **Industry Tailwinds**

We believe there are several additional structural shifts that will continue to drive opportunities in the flood insurance market broadly and for private providers such as Neptune, including:

- **Increased Demand Driven by Growing Natural Disaster and Flood Damage:** As climate change intensifies, areas with low perceived flood risk today (e.g., non-coastal regions) could face increased frequency and intensity of flooding due to additional rainfalls and storms. As climate change continues to intensify, associated with increasing severity of storms and resulting losses, we expect the demand for flood insurance to increase. Additionally, more areas with severe inland flooding could be designated as mandatory flood insurance zones for policyholders with federally-backed mortgages.
- **Underlying Housing Market Backdrop:** The housing market significantly influences property and flood insurance sales, as a substantial portion of policies are purchased during home acquisitions or refinancings. If housing market activity were to increase, a revitalized housing market would likely also stimulate growth in the property and flood insurance sector, presenting opportunities for insurers to expand their policyholder base and enhance market share. At the same time, with housing prices increasing above the rate of inflation, the NFIP coverage limit of \$250,000 - which was first implemented in 1994 and has remained static since - grows more outdated each year, prompting policyholders to look to the private market for excess or replacement coverage. We believe that Neptune, with its advanced technology, policyholder and agent-first approach, coverage limit of over \$7,000,000 for residential properties, and innovative products, can be at the forefront of capitalizing on this potential growth, were it to materialize, and closing the insurance gap.

### **Our Business Model**

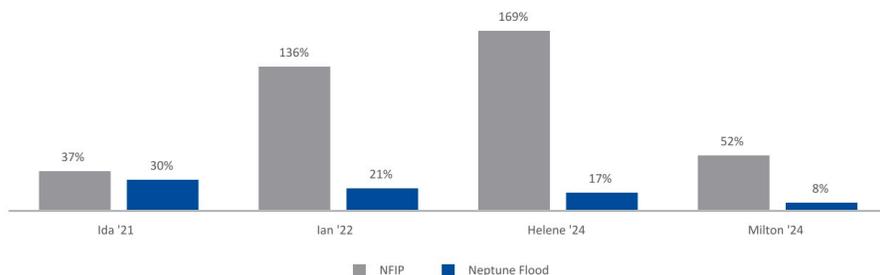
Our team's energy is focused, every day, on advancing the three pillars of our business: underwriting, risk relationships, and distribution.



## Underwriting

Our automated underwriting engine, Triton, is at the core of everything we do. Our use of the latest ML technology, advanced data science, AI, and behavioral economics allows us to execute key underwriting tasks - including risk selection, accurate risk pricing, aggregation management, and carrier assignment - in less than two seconds. This combination of speed and precision provides robust scalability and enables us to process high volumes of quotes and policies efficiently while maintaining industry-leading performance. We have no human underwriters and 100% of our underwriting is performed instantaneously by our Triton engine.

Single Storm Written Loss Ratio by Event



- (1) We had 27,021 policies in force in states with flood insurance claims related to Hurricane Ida.
- (2) We had 51,562 policies in force in states with flood insurance claims related to Hurricane Ian.
- (3) We had 102,426 policies in force in states with flood insurance claims related to Hurricane Helene.
- (4) We had 80,266 policies in force in states with flood insurance claims related to Hurricane Milton.

Our underwriting engine has delivered positive results, including a lifetime written loss ratio of just 24.7% from our inception through June 30, 2025. This performance has spanned some of the largest flooding disasters in U.S. history - including four of the ten largest flooding events in U.S. history, as measured by NFIP insured loss: Hurricane Ida (2021), Hurricane Ian (2022), Hurricane Helene (2024), and Hurricane Milton (2024). By contrast, from 2018 to 2024, the NFIP delivered an 86% written loss ratio, according to FEMA, and the U.S. property and casualty industry in general has seen an average written loss ratio of 54%, according to NAIC statutory data.

Our underwriting philosophy is generally built around three fundamental principles:

- **Risk Selection:** Our approach to risk selection is driven by data science and informed by what we believe is the most comprehensive claims dataset in the private flood insurance market, generated predominantly from our operations to date. With over a quarter billion dollars in paid claims across our portfolio since inception, and our extensive analysis of industry claims and performance data, we have developed deep insights into identifying and managing properties with the highest probability of flood losses.

We believe we can evaluate property-specific risks with exceptional accuracy. Our proprietary models identify the characteristics and factors most likely to contribute to large-scale losses, allowing us to focus on selecting risks that align with the risk tolerances of our capacity providers. This granular approach helps us avoid adverse selection and has allowed us to deliver consistent, positive underwriting results. It has also allowed us to provide quotes for 95% of all submissions, optimizing the identification of properties with the highest probability of flood losses.

Through ongoing analysis of claims data and continuous refinement of our underwriting models, we ensure that our risk selection process remains sophisticated and nimble. By focusing on selecting the right risks, we aim to deliver value to both our capacity providers and our policyholders while maintaining a sustainable and profitable portfolio.

- **Pricing:** Our pricing is a sophisticated, data-driven process that incorporates advanced ML and behavioral economics to ensure accuracy and market competitiveness. Rather than relying on static or simplistic pricing

models, we use a proprietary technology-driven framework to evaluate the unique characteristics of each property and its risk profile. Our pricing methodology is informed by a combination of flood risk data, customer behavior, and market dynamics. Behavioral economics plays a crucial role in determining how customers perceive and value coverage, and incorporating customer behavioral factors into our methodology enables us to tailor pricing to increase adoption while maintaining underwriting integrity. By understanding not only the risk, but also the behavior of customers, we believe we can optimize premium structures to drive growth and retention.

Unlike traditional insurance underwriting, our pricing does not depend on manual adjustments or broad risk groupings. Instead, it is dynamically informed by hundreds of data points to assess factors such as property characteristics, geographic exposure, and historical loss data. This property-specific, data-first approach allows us to quickly offer fair and competitive pricing while aligning with the risk tolerance of our capacity providers and continuously improving the accuracy of our Triton underwriting system.

- **Aggregation Management (Disaggregation):** Our approach to aggregation management is a key differentiator that sets us apart from industry norms. Traditional underwriting and risk assessment methods often rely on generalized risk aggregation based on administrative boundaries, such as states or counties, which serve as crude proxies for exposure to catastrophic events. In contrast, we have developed a patented technology that enables us to manage maximum loss scenarios at the individual property level through an analysis that uses radial circles to assess policy concentration in any given area in real time. This advanced methodology, which we refer to as “disaggregation,” allows us to optimize risk exposure in real time and align each policy with the specific risk appetite of our capacity providers.

By moving beyond man-made legacy geographic boundaries, we can more effectively distribute exposure to minimize concentration risk while focusing on the actual drivers of loss, such as property-specific vulnerability to flood. This precision also allows us to confidently underwrite in high-cost insurance markets, including hurricane-prone areas, while continuously informing and refining our pricing models to remain both responsive and data-driven.

Our disaggregation framework also leverages real-time data to adjust exposure dynamically as policies are written. This sophisticated approach enables us to manage risk with precision, which we believe maintains our capacity providers’ confidence in our ability to deliver consistent, positive underwriting performance. Through our patented technology and innovative methodology, we not only provide accurate risk management for our capacity providers but also ensure long-term scalability and sustainability for our business.

### ***Risk Relationships***

Neptune does not take any balance sheet insurance risk or have claims handling responsibility relating to the policies we sell. We currently contract with 8 distinct insurance programs, which are supported by 32 reinsurance providers, all of whom collectively provide underwriting capacity for the policies we sell. We refer to this panel of global insurers and reinsurers as our “capacity providers,” who bear all of the balance sheet insurance risk associated with our underwriting. Although we do not directly contract with the reinsurance providers who support our insurance programs, we engage and cultivate relationships with them, and believe that the superior written loss ratios and underwriting results we are able to deliver on the policies we sell incentivizes these reinsurance providers to provide underwriting capacity in support of our insurance programs.

Over the past 8 years, we have built and expanded a panel of 40 capacity providers, including some of the largest insurance and reinsurance companies in the world. The strength and reputation of our capacity providers underscores the market’s confidence in our ability to deliver consistent results and manage risk effectively. Our insurance carriers are high-quality international insurers with A.M. Best ratings of A- or higher and our 32 reinsurance providers, supporting 8 distinct insurance programs, diversify our risk across both program structures and ultimate risk takers. As of December 31, 2025, our largest capacity provider accounted for 15.9% of our dollar-one premium risk. In addition, all of our insurance programs are eligible to write policies in all 50 states and Washington D.C. This approach mitigates concentration risk on both a financial and geographic basis, provides stability for both our business and our capacity providers, and ensures our portfolios remain resilient with access to ample future capacity to continue to grow our business.

The relationships we have cultivated with our capacity providers are built on transparency, trust, and our unwavering commitment to delivering value. A key driver of our success is the availability of detailed data and insights, paired with our ability to deliver results with speed and efficiency. We provide real-time access to performance metrics,

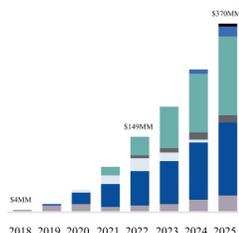
maintain an open and continuous dialogue with our capacity providers, and consistently exceed expectations with profitable underwriting results.

We have also delivered consistent and substantial premium growth for our capacity providers and our proven performance has been instrumental in driving partner confidence and growth and engagement with additional reinsurers who may wish to provide underwriting capacity for our insurance programs. Through the exceptional written loss ratios experienced by our capacity providers on policies sold by Neptune, driven by the dynamic, risk-adjusted pricing and coverage decisions made by our Triton platform, we have been able to deliver superior returns, even through some of the largest flooding events in U.S. history. As a result, we have delivered hundreds of millions of dollars of underwriting profits for our capacity providers since inception and have delivered underwriting profitability to every capacity provider in every contract year. These outcomes are a testament to our platform capabilities and our success has led to an increase in the average commission paid to us by our capacity providers of more than 4.5% between 2018 and 2025.

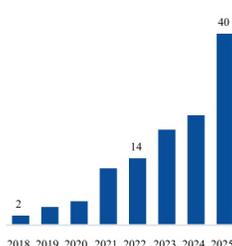
These results, combined with our ability to provide actionable insights, have attracted new capacity providers and strengthened relationships with existing ones. Our proven underwriting results have also generated meaningful goodwill with our existing capacity providers, allowing us to enhance and develop our product offerings efficiently to respond to agent and policyholder needs.

The following information showcases the expansion of our capacity relationships since inception.

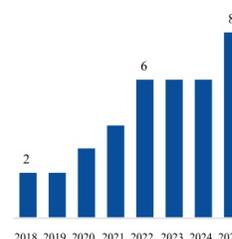
**Premium in Force by Program**  
(\$MM, colors represent each of the respective insurance programs)



**Capacity Providers**  
(#)



**Programs**  
(#)



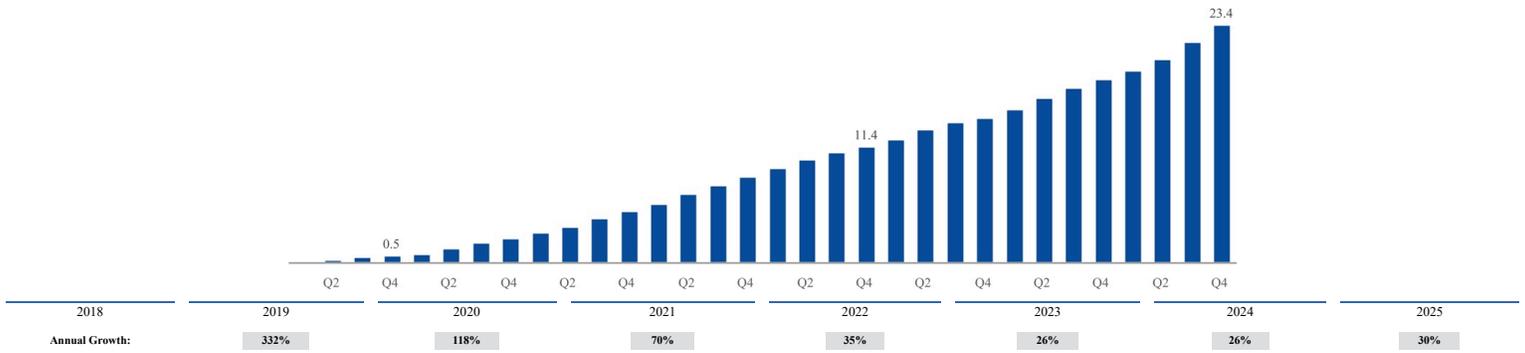
**Distribution**

Our distribution strategy is built to maximize market reach and provide seamless access to our innovative flood insurance products with diversification across distribution partnerships. Leveraging a hybrid distribution model, we utilize strong agency partnerships across the insurance industry and complement those with direct-to-customer sales to drive efficiency, reach, and scale.

**Agent and Broker Partnerships:** The cornerstone of our distribution network is our deep relationships with insurance agents and brokers. As of December 31, 2025, over 96.7% of our policies in force are driven by these partnerships, which include more than 23,000 unique agency codes that have bound a policy through Neptune and over 99,000 unique agency codes that have run a quote through our Triton platform. Since inception, we have been able to grow our distribution network tremendously and uninterrupted.

As of December 31, 2025, 23,412 cumulative agency codes have bound a policy with Neptune, an increase of 29.6% from 18,060 as of December 31, 2024.

**Unique Agency Codes with Policy Bind**  
(thousands)



We believe that Neptune delivers significant value to agents through a combination of ease of use, a superior product-market fit, high availability - made possible by our quoting of 95% of all submissions - and our ability to deepen agents' relationships with policyholders. Historically, agents have had to undergo NFIP training and engage in the cumbersome NFIP quoting process to sell flood insurance policies. With Neptune, agents can leverage our user-friendly Agent Portal to quickly enter customer data and receive instantaneous quotes, which they can relay in real-time, thereby democratizing the sale of flood insurance. To further enhance the agent experience, we have developed deep technology integrations with many of our agency partners through API links directly into their quoting systems, allowing them to quickly quote and bind flood policies alongside homeowner policies and provide comprehensive solutions for their customers. In addition, our Agent Portal provides our agents with up to date, data-driven insights about flood risk in the geographies where a quote is being sought, empowering our agents to drive further demand for our products at the time of each quote. Through these innovations, our platform enables agents to grow their business by enhancing the overall value of the policyholder relationship, while offering a product that seamlessly fits the needs of both agents and policyholders. This in turn drives increasing adoption and higher conversion rates.

We believe our deep relationships with high quality agencies are critical in maintaining our early-mover advantage. Our agency partners include carriers with large captive agent forces, wholesalers, agency networks, flood specialists, and small, independent, family-owned agencies. Our ability to offer an alternative product that better fits many customers' needs has resonated with our agents and has been essential to driving over 60.0% of our new policy sales in "non-mandatory flood zones" over the last three years. Furthermore, our policies in force are highly diversified across a network of high-quality agents, without any material concentration risk or reliance on individual agencies or agents. As of December 31, 2025, our largest agency partner contributed approximately 8.7% of our total policyholder base. We maintain a robust pipeline of potential agencies interested in partnering with Neptune, while our in-house sales team continually nurtures existing relationships, supporting strong alignment with our agency partners and mutual growth. Our agency relationships are deeply entrenched at the agent level and play an active role in both converting NFIP policyholders to Neptune and winning new customers to the flood insurance market to enable our continued expansion.

**Neptune Internal Agency:** 2.1% of our policies in force as of December 31, 2025, were attributed to our in-house agency, with a team of licensed agents managing a growing number of quotes from our website and a select few of our distribution partners. These agents are also licensed to distribute NFIP policies in certain rare cases where policies do not meet Triton's underwriting criteria.

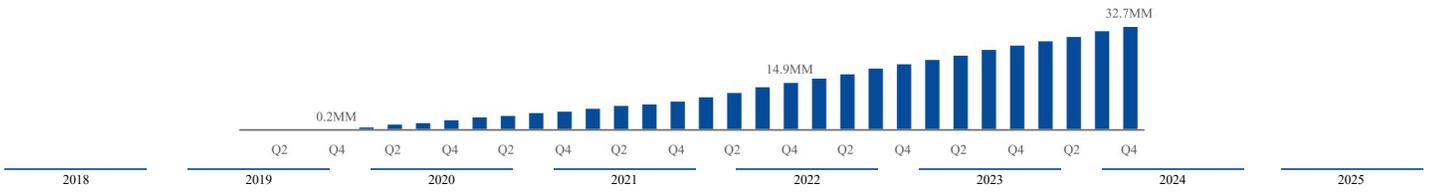
**Direct-to-Customer Sales:** 1.1% of our policies in force as of December 31, 2025, were attributed to our direct-to-customer channel. Our easy-to-use online interface allows prospective customers in select states to quote, bind, and manage policies directly. This option complements our agency partnerships and provides ease of access for all property owners seeking flood insurance solutions. We support our online interface with our third-party agencies and in-house agency able to assist when required or to otherwise finalize the sales process.

In addition to driving scalability and flexibility, as we rapidly expand into new markets and introduce additional products, our distribution infrastructure is critical in reinforcing our data advantage. Our distribution and referral partners submit over 20,000 quotes to Triton on a typical day, with approximately 32.7 million lifetime quotes and 1.3 million binds

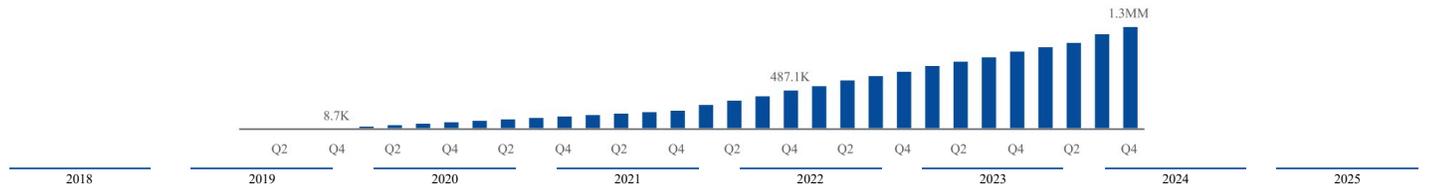
from inception through December 31, 2025. All these quotes (whether or not they lead to binds) and binds fold into and grow our proprietary dataset, allowing us to continually build the competitive advantage provided by our platform.

The following information illustrates the cumulative quotes and binds on our Triton and Poseidon systems since inception in 2018.

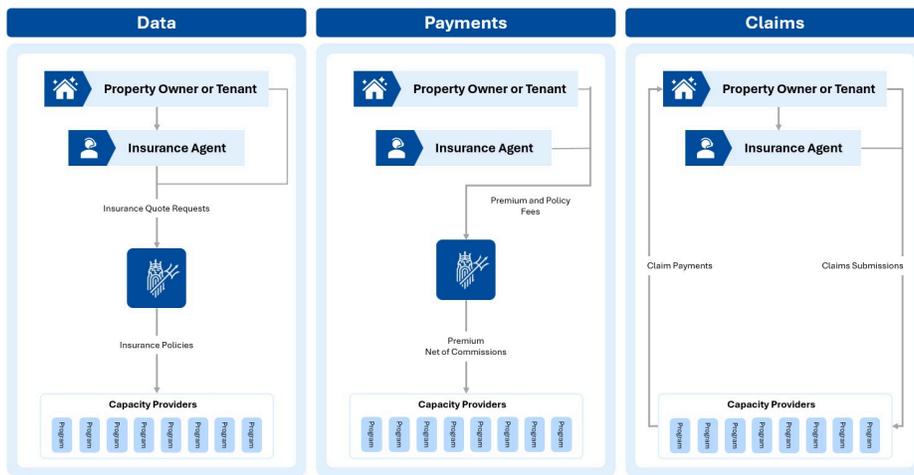
**Cumulative Triton Quotes**  
Proprietary Underwriting System



**Cumulative Poseidon Binds**  
Proprietary Policy Management System



The following chart illustrates the roles we, our capacity providers, and our distribution partners play in the flow of data and payments, and the role our capacity providers and distribution partners play in the flow of claims from policyholders:



## Our Products

We offer a range of innovative insurance products designed to address the needs of residential and commercial property owners facing flood and other natural disaster risks. As of December 31, 2025, across all of our insurance product offerings, residential properties accounted for 88.0% of our premium in force and commercial properties accounted for the remaining 12.0%. Our flagship primary residential flood insurance product accounted for 85.7% of our premium in force as of December 31, 2025. In addition to the base policy, we offer enhanced protection through expanded coverage options, which we believe make our flood insurance product a superior coverage alternative to the NFIP. We also offer an excess flood insurance product, which we introduced in 2024. This product, which is available to both residential and commercial property owners, represented 2.9% of our premium in force as of December 31, 2025. Both our primary and excess flood insurance products are structured around the NFIP form and can be used to supplement or fully replace existing NFIP coverage, as needed. In addition to our flood insurance products, we offer a parametric earthquake insurance product, launched following our acquisition of Jumpstart in September 2021, and in December 2025 we launched a beta test of an indemnity earthquake product to a small group of agencies within the state of California. While currently less than 1% of our portfolio, these earthquake insurance products allow us to collect data and expertise that we believe will allow us to eventually diversify into other perils and address additional unmet insurance needs.

**Primary Flood Insurance:** Our primary flood insurance products for both residential and commercial property owners accounted for 97.0% of our premium in force as of December 31, 2025. In addition to the base policy, we offer enhanced protection through expanded coverage options, which we believe make our flood insurance product a superior coverage alternative to the NFIP.

**Excess Flood Insurance:** In February 2024, we introduced our excess flood insurance product, to meet the needs of a significant portion of NFIP policyholders for whom transition to the private market is not economical due to continued substantial subsidies that currently support their NFIP policy premiums. This product, which is available to both residential and commercial property owners, allows policyholders to supplement their existing NFIP coverage, providing more comprehensive protection for their homes, businesses and families. The introduction of our excess insurance product has been well received in the market. Premium in force was \$10.8 million as of December 31, 2025, and the product made up 2.9% of our premium in force as of December 31, 2025. By addressing critical gaps in NFIP flood insurance, this product expands our ability to protect a broader set of property owners from significant financial risks.

Both our primary and excess flood insurance products are structured around the NFIP form and can be used to supplement or fully replace existing NFIP coverage, as needed.

**Parametric Earthquake Insurance:** In addition to our flood insurance products, we offer a parametric earthquake insurance product, launched following our acquisition of Jumpstart in September 2021. This innovative product provides predetermined payouts based on the intensity of an earthquake, ensuring fast and straightforward claims processing. While currently less than 1% of our portfolio, these earthquake insurance products allow us to collect data and

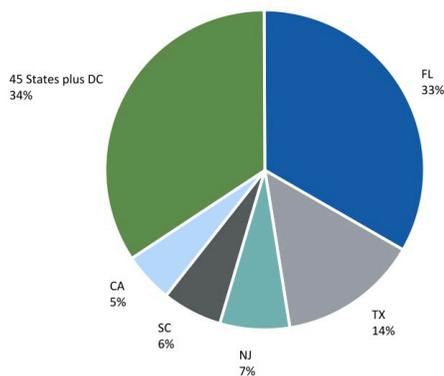
expertise that we believe will allow us to eventually diversify into other perils and address additional unmet insurance needs.

**Indemnity Earthquake Insurance:** In December 2025, we launched a beta test of an indemnity earthquake product to a small group of agencies within the state of California. This innovative product provides benefits to policyholders based on the intensity of an earthquake.

### Our Geographic Presence

We operate nationwide and actively mitigate our concentration risk by expanding and diversifying our portfolio across the country. As of December 31, 2025, Florida, Texas, and Louisiana accounted for only 48.9% of our policies in force, compared to a much heavier exposure of 59.6% for the NFIP, according to the NFIP.

Policies in Force by State



### The Neptune Advantage

We believe that Neptune’s competitive advantage is driven by the three core pillars of our business model (underwriting engine, risk relationships, and distribution) and is extended by the following:

- **Technology and Data-First Culture:** Technology is at the heart of our capabilities and success, enabling us to deliver innovative, efficient, and optimized insurance solutions in a simple and accessible way. As of December 31, 2025, 40% of our 62 employees were on our technology development team, with our proprietary and internally-developed underwriting and policy management systems forming the backbone of our operations.
- Our technology infrastructure is built to support rapid expansion into new markets and product lines. Whether adapting to regulatory changes, adding capacity relationships, or launching new offerings like our excess flood product, our systems are designed to support growth without compromising speed or reliability. We operate on a fully digital, cloud-based computing infrastructure. Leveraging cloud computing allows us to rapidly scale our underwriting, policy management, and analytics capabilities in response to market demand. This infrastructure provides seamless remote access for our distributed workforce, enhancing system reliability, and ensuring that our data science and ML models can process vast amounts of information with minimal latency.
- Our technology ecosystem is strengthened by our ML models and predictive analytics developed by the Neptune Data Science Group. These models use vast datasets from our operations, as well as geospatial mapping and real-time risk assessments, along with our proprietary data from the high volumes of transactions effected on our systems, to evaluate flood risks at the individual property level

with precision. This enables us to provide instant underwriting decisions and dynamic, risk-adjusted pricing for both residential and commercial properties, allowing us to provide coverage with exceptional accuracy that incumbents and other players struggle to do.

- We are committed to continuously refining and expanding our technology capabilities. Through constant innovation, we ensure our platforms remain at the cutting edge of the insurance industry, empowering us to stay ahead of market trends and deliver value to our capacity providers, agents and policyholders.
- **Early-Mover Advantage in a Large, Evolving Market Dominated by the NFIP:** As the first entrant in the private flood insurance market with substantial scale and geographic presence, we have accumulated proprietary datasets through our operations that continuously improve our predictive technology, designed innovative products that we believe better suit evolving customer demand, and developed an extensive distribution network with trusted relationships that ensures broad reach across the market. We believe this measurable competitive edge positions us to capture greater market share as the industry evolves following anticipated long-term structural shifts driven by NFIP risk re-rating, climate change, and growing housing demand.
- **Trusted Relationships with Capacity Providers:** Through eight challenging storm seasons, we have delivered underwriting profit to each of our capacity providers every year. This has enabled our capacity providers to deliver consistent and predictable capacity to support our current and expected growth. Additionally, as a result of our performance, our capacity providers have awarded us greater flexibility to underwrite and bind policies, a contrast to industry norms where binding authority is typically set on stricter negotiated limits and criteria. This flexibility allows us to control product design, risk aggregation, and capacity allocation, and allows us to respond to opportunities and needs from agents and our policyholders in an agile manner, continuing to reinforce our competitive advantage.
- **Robust Track Record of Financial Performance with Strong Visibility into Future Earnings:** We have consistently outperformed our internal expectations, demonstrating a disciplined and reliable approach to growth. Through 21 landfall hurricanes, we have delivered positive underwriting results and maintained strong loss performance. This operational consistency has translated into substantial revenue and Adjusted EBITDA growth since inception. Our business is supported by a high degree of recurring revenue and predictable renewal patterns, providing strong visibility into revenue growth and profitability. For the twelve months ended December 31, 2025, 67.9% of our revenue was derived from renewal business.
- **Disciplined Leadership Team:** We are a founder-led organization, with a unified strategic vision, focused on delivering superior outcomes for our stakeholders. Our disciplined approach to risk management and optimization has led to us being profitable since our second year of operation. Our lean organizational footprint of 62 employees as of December 31, 2025, allows us to prioritize efficiency, scalability, and flexibility in our operations, driving industry-leading profitability per employee.

#### Our Growth Strategy

The opportunities for growth in the Neptune portfolio are both broad and deep. We believe we will continue to maintain strong revenue growth based on:

- **Growth Across Existing Products and Geographies:** We believe the U.S. primary and excess flood insurance markets present immense growth opportunities for Neptune. Despite our significant achievements and expanding scale to date, based on data from NAIC and NFIP, we estimate that as of December 31, 2025, we accounted for just 8.2% of the U.S. primary residential flood insurance market, with an even smaller share of both the excess flood market, which we entered in 2024, and the commercial flood market. This leaves substantial room for growth given the current insurance gap, increased market awareness of flood risk, and evolving market conditions, particularly around anticipated developments related to the NFIP's implementation of Risk Rating 2.0. In addition, we believe our distribution strategy, which is primarily focused on deep partnerships across agencies with tens of thousands of agents, facilitates increased awareness of both our products and flood risk among our agents and prospective policyholders, through the ease-of-use of our automated underwriting platform, seamless API integrations, instantaneous bindable quotes, and proprietary Agent Portal. In many cases, the creation of a Neptune quote is automatic and instantaneous for agents via our API, facilitating easy cross-sell opportunities alongside standard home and business insurance quotes. In addition, our Agent Portal provides our agents with up to date, data-driven

insights they can share with prospective policyholders about flood risk in the geographies where a quote is being sought, empowering our agents to drive further demand for our products at the time of each quote. Through these innovations, we believe our platform enables agents to grow their business by delivering added value to the policyholders, while creating further awareness in support of our growth strategy.

- **Ability to Scale with Limited Incremental Cost:** Our technology infrastructure is built to support rapid expansion, allowing us to scale our business using the same cost structure without requiring us to incur material additional capital expenditures. We operate on a fully digital, cloud-based computing infrastructure, which we can leverage to rapidly scale our underwriting, policy management, and analytics capabilities in response to market demand. This infrastructure provides seamless remote access for our distributed workforce, enhancing system reliability and ensuring that our data science and ML models can process vast amounts of information with minimal latency. Further, because our entirely digital underwriting engine, Triton, uses advanced algorithms, without any human underwriters, to assess risk with speed and precision, we are able to price, quote, and bind additional policies at scale without any significant expansions to our employee base. As a result, while many of our G&A costs are expected to scale with the size of our business (for example, as the number of policyholders increases, customer support and cloud hosting costs may rise), we do not believe that growing our business or the number of policies we sell will require any material changes to our cost structure. We intend to continue to implement new technology from time to time, which we intend to build and maintain using our existing technology development team, including our Neptune Engineering Group and Neptune Data Science Group, to further improve efficiency and scalability.
- **Expansion of Product Offerings:** We have continued to innovate and broaden our product offerings to capitalize on market trends and growth opportunities. In 2024, we launched an excess flood insurance product designed to address a critical gap in coverage for policyholders who remain with the NFIP. Many NFIP policyholders are unable to transition fully into the private market due to the economic benefit provided by substantial government subsidies that limit their premiums. Our excess flood product allows these policyholders to maintain their NFIP coverage while purchasing additional protection from Neptune, providing more comprehensive protection for their homes and families. Growth within this market represents a meaningful opportunity. With our innovative primary flood product and rapidly growing excess flood offering, we are well-equipped to serve both residential and commercial property owners, providing them with comprehensive and affordable coverage. As climate change likely continues to increase the frequency and severity of flooding events, including in areas that have not historically been considered flood prone, we believe increased awareness of flood risk among the general public can drive further demand for Neptune products. As a result, we remain focused on leveraging technology and delivering tailored solutions to meet the evolving needs of our policyholders. These market dynamics play directly to Neptune's strengths and reinforce our ability to grow market share. Additionally, as part of our commitment to addressing long-standing market gaps and expanding our product portfolio, we are actively exploring opportunities in additional perils beyond flood. In December 2025, we launched a beta test of a new indemnity earthquake product in California, where there is a material insurance gap for earthquake coverage, with approximately 89% of buildings uninsured. We believe the indemnity earthquake product will provide true value to policyholders by addressing shortcomings in the options currently available on the market, including long-term affordability and ease of purchase. The development of an indemnity earthquake product builds on the expertise gained from our acquisition of Jumpstart and would respond to the growing demand from both policyholders and our agency partners for comprehensive earthquake protection. By leveraging our proprietary technology platform and underwriting capabilities, we believe we are well-positioned to develop new insurance solutions that deliver value to policyholders and close protection gaps in underserved markets.
- **International Expansion:** Flooding is a pervasive and growing global challenge, yet the flood peril remains inadequately understood and underinsured in many countries around the world. Across the globe, millions of residential and commercial properties face significant and rising flood risks, often without sufficient insurance coverage to protect property owners from financial loss. In most international markets, flood insurance penetration is minimal, with many regions relying on outdated risk models, government-backed programs, or ad hoc relief efforts to address flooding events. These approaches often leave property owners exposed to significant financial vulnerabilities, particularly as climate change likely exacerbates the frequency and severity of flood events globally. This underinsurance may create an opportunity for Neptune to expand into international markets and provide innovative, data-driven flood insurance solutions to property owners in need. Leveraging our proprietary technology platform, advanced underwriting capabilities, and experience in the U.S. market, we believe we are uniquely positioned in the coming years

to enter international markets and address the gaps left by traditional insurance providers. We expect our scalable technology infrastructure, built for rapid deployment, would enable us to adapt quickly to the regulatory requirements and unique risk profiles of different countries.

- **Inorganic Growth Opportunities:** From time to time, we may supplement our long-term organic growth with strategic acquisitions, focused on gaining expertise or expanding and complementing our existing portfolio. In recent years, we have completed a notable intellectual capital focused acquisition of Jumpstart, a leading parametric insurance company, and expanded our expertise through the strategic hiring of the employees of Charles River Data, a Boston-based data science consulting firm.

#### Potential Challenges

There are also a number of factors that we believe could present challenges to our strategic plans or limit our ability to grow our business, including:

- **Adverse NFIP Developments:** The flood insurance market is highly concentrated, with the NFIP holding approximately 80% of the market share. As the dominant provider, the NFIP benefits from strong federal backing and widespread consumer recognition. Its significant market presence and subsidized pricing in certain areas create challenges for private insurers, including Neptune, to compete effectively. If the NFIP's implementation of Risk Rating 2.0 is tolled or delayed or the Congress elects to continue to subsidize the NFIP consistent with historic levels, it could limit our potential growth opportunities relating to existing NFIP policyholders. In addition, adjustments to the NFIP's pricing, coverage options, or underwriting guidelines could also significantly alter the competitive landscape. Although we believe purchasing insurance from the NFIP is relatively burdensome and time-consuming for policyholders and agents, and that its limited product offerings often fail to meet policyholder needs, if the NFIP were to lower premiums, simplify its processes, or increase its coverage options, we could face increased difficulty in retaining or growing our policyholder base.
- **Continued Weakness in the Housing Market:** Our performance and ability to issue new policies and retain existing policies is closely tied to home sales, economic activity, construction costs, household income, and employment levels, as well as commercial property markets. Elevated mortgage rates and declining affordability have strained the housing market in recent years, leading to a decrease in first-time homebuyers and overall housing market activity. Rising interest rates from 2022 to mid-2025 contributed to a decline in home sales and elevated mortgage rates, together with higher home prices, can create affordability challenges, particularly for first-time buyers. For example, the National Association of Home Builders estimates that in 2023, when mortgage rates on a 30-year fixed mortgage rose from 6.25% to 6.5%, nearly 1.3 million households were priced out of the market for a median-priced home. While mortgage rates experienced some decrease in late 2025, continued weakness or a further decrease in housing market activity, particularly in areas where flood coverage is needed, due to adverse economic conditions or other factors, could result in a decline in the home insurance industry and reduction in the sale of our policies, reduced renewal rates, and increased cancellations of existing policies, as many flood insurance purchases are driven by mortgage requirements and a substantial portion of our flood insurance policies are purchased during home acquisitions or refinancing.
- **Access to Top Talent:** Our success depends, in large part, on our ability to attract and retain talent, which may be difficult due to the intense competition in our industry and the technology industry generally for key employees with demonstrated ability. We rely on a team of highly skilled engineers, data scientists, and other technical professionals who are responsible for the development, enhancement, and maintenance of our proprietary technology. This team's expertise in ML, geospatial analysis, and data modeling is vital to ensuring our ongoing success and our ability to remain competitive. The financial services and technology industries are highly competitive, and the demand for talented professionals in fields such as data science and ML often exceeds supply. The loss of key technical talent or critical members of our engineering and data science team, or any inability to hire additional talent as the needs of our business may require, could impair our ability to refine our risk assessment capabilities, address evolving market needs, or respond effectively to competitive pressures.

## **M&A**

### ***Jumpstart***

In September 2021, we acquired Jumpstart, a leading parametric insurance company providing parametric earthquake coverage in California, Oregon, and Washington. This acquisition allowed us to introduce a parametric earthquake insurance product, positioning us for expansion into the indemnity earthquake insurance market. The expertise and technology gained through Jumpstart served as the foundation for our beta launch of an indemnity earthquake product, targeted at further addressing the significant insurance gap in the U.S. earthquake market. This innovative approach aligns with our mission to simplify and expedite the insurance process for property owners.

### ***Charles River Data***

In May 2024, we hired all of the employees of Charles River Data, a Boston-based data science consulting firm renowned for its expertise in advanced analytics and ML, which had previously consulted on the enhancement of our AI-driven underwriting platform, Triton. The onboarding of all the employees of Charles River Data led to the formation of our Neptune Data Science Group, which is dedicated to further enhancing Triton. By integrating Charles River Data's capabilities, we have improved the precision and speed of our flood risk assessments, further solidifying our position as a technology leader in the insurance industry.

This integration demonstrated our ability to execute and our commitment to leveraging cutting-edge technology and innovative insurance solutions to meet the evolving needs of our policyholders while driving growth and market leadership.

## **Competition**

The flood insurance market is competitive, with participants ranging from government programs to private insurers. While the NFIP remains the predominant provider by far, its challenges - such as substantial debt, inadequate coverage limits, and rising premiums under Risk Rating 2.0 - create opportunities for us to compete in the future. However, to date, the U.S. government subsidization of the NFIP and resulting lower premiums have discouraged most policyholders from considering private market alternatives. Competition in the insurance business is largely based upon innovation, knowledge, terms and condition of coverage, quality of service, and price.

In the private flood insurance sector, we face competition from other MGAs, established carriers, and startups. Certain established carriers and other MGAs may have substantially greater resources and market presence than us. However, unlike these carriers and other MGAs, we believe we have successfully leveraged advanced data analytics and risk modeling, via our Triton platform, to offer competitively priced policies with comprehensive coverage options at sustainable written loss ratios, addressing the complex nature of flood risk assessment. Established carriers often do not directly originate flood insurance due to the perceived unpredictability, data gaps, and potential for catastrophic losses with traditional aggregation approaches, preferring to focus on their core risk offerings. In contrast, we have focused on solving the barriers to entry in flood insurance by using technology to drive scale, streamline underwriting processes, enhance policyholder and agent experience, and improve underwriting results through appropriate pricing and risk disaggregation.

Startup companies in the flood insurance space often struggle with brand recognition and trust, areas where we believe we have built a strong reputation and confidence among agents, policyholders, and capacity providers. Ultimately, our proprietary technology platform enables us to provide precise, scalable solutions that meet the needs of property owners. Additionally, our partnership approach and tech-enabled integrations with agencies makes us a provider of choice. Based on our analysis of State-by-State data on the private flood insurance market published by the NAIC, we believe that we currently hold more than one third of the primary residential private flood insurance market, and that our leading market share continues to grow. This leadership position reflects our early-mover advantage and our ability to outperform competitors by offering innovative products, efficient processes, and a proven track record of underwriting success. We believe our substantial market share, carrier capacity, and deep data advantages support our positioning to scale more rapidly and efficiently than competitors.

As we continue to expand across our current products and footprint, and into new insurance markets, we expect new entrants and established players to emerge. However, we believe that our commitment to technology, data science, and policyholder value will enable us to maintain and grow our competitive and early-mover advantage.

## Branding and Marketing

Our branding and marketing efforts are central to building Neptune's reputation as a trusted, innovative leader in insurance. From our headquarters in St. Petersburg, Florida, we manage all branding and marketing activities with a sharp focus on data-driven strategies that deliver measurable results.

Our marketing initiatives are primarily online, leveraging a diverse range of digital channels, including targeted advertising, social media, and agent promotions. This digital-first approach allows us to engage directly with consumers and efficiently drive demand for our products. We prioritize campaigns that we believe deliver immediate and measurable growth, ensuring our marketing efforts are accretive to financial performance.

In 2024, we underwent a comprehensive rebranding effort to prepare Neptune for its next phase of growth. This included a significant investment in updating our logo, website, and overall brand aesthetic. Our new branding reflects our commitment to innovation and excellence, resonating with stakeholders across the industry.



We believe that our brand recognition and reputation have been instrumental in driving growth through both direct-to-consumer channels and partnerships with agents and brokers. It is our view that the Neptune brand has not only attracted distribution relationships but also enhances our appeal to risk-taking partners, helping to build strong alliances that further our business objectives.

In addition to traditional branding and marketing efforts, we launched the Neptune Research Group in 2024. This initiative produces and publishes research reports aimed at increasing awareness of flood risk and fostering industry-wide discussions about flood insurance. These reports have received extensive coverage across the insurance sector for their insight and depth, further establishing Neptune as a thought leader in flood risk mitigation.

Our marketing and branding efforts are tightly aligned with our mission to simplify flood insurance and close the protection gap for homeowners and businesses. By combining innovative design, strategic messaging, and data-driven tactics, we expect to continue to strengthen our position as a leading provider of private flood insurance.

## Intellectual Property

Our intellectual property is a cornerstone of our competitive advantage, enabling us to deliver innovative solutions and maintain our position as one of the market leaders in private flood insurance. We have developed a portfolio of proprietary technologies, algorithms, and data models that are critical to our operations and growth strategy. We rely on intellectual property laws, as well as restrictions on our employees, consultants, contractors, and other third parties, including through confidentiality, invention assignment and nondisclosure agreements, license agreements, policies and procedures, and other contractual obligations, to protect our intellectual property rights, proprietary technologies and commercially valuable confidential information, and data used in our business. The success of our business depends in part on our ability to obtain, use, maintain, defend, and enforce our intellectual property in the operation of our business.

**Proprietary Technology and Platforms:** Our underwriting engine, Triton, our policy management system, Poseidon, and other core technologies have been developed entirely in-house by our Neptune Engineering Group. These platforms incorporate patented features and proprietary algorithms that enable us to evaluate flood risk with precision and efficiency.

**Machine Learning Models and Data Science Capabilities:** Developed by our Neptune Data Science Group, our advanced ML models and predictive analytics tools are essential to our ability to provide instant, accurate underwriting decisions and competitive pricing. These models are built and maintained exclusively within Neptune, ensuring we maintain full control over their development and evolution.

**Patents and Trade Secrets:** We actively protect our intellectual property through patents, trade secrets, and other intellectual property laws and legal safeguards. In the United States, we have obtained one issued patent on our disaggregation technology, an advancement in aggregation management that is a key component to the creation of efficient

and attractive portfolios for our risk-taking partners. We also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. We have measures in place designed to protect our proprietary algorithms, dynamic pricing models, and other technological innovations and to ensure they cannot be replicated by competitors, securing our unique position in the market. However, trade secrets can be difficult to protect. While we have confidence in the measures we take to protect and preserve our trade secrets, such measures can be breached, and we may not have adequate remedies for any such breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors.

**Brand and Trademarks:** The Neptune brand, including our name, logo, and other trademarks, is a valuable asset that reinforces our reputation as an industry leader. We have registered trademarks that protect the Neptune brand identity against unauthorized use by others. In the United States, we have obtained five trademark registrations. In addition, we have registered the <neptuneflood.com> domain name, which we use in connection with our platform.

**Continuous Innovation:** We are committed to ongoing investment in R&D to expand our intellectual property portfolio. This includes enhancements to existing technologies, the creation of new products, and the exploration of additional applications for our proprietary tools.

Our intellectual property is not only a key differentiator but also a critical driver of our ability to scale efficiently, expand into new markets, and deliver unmatched value to our policyholders and partners. We have procedures in place to monitor for potential infringement, misappropriation, or other violation of our intellectual property or proprietary rights, and it is our policy to take appropriate action to defend and enforce our intellectual property, taking into account the strength of our claim, likelihood of success, cost, and overall business priorities. However, the steps we take may not be adequate and could harm our reputation and could adversely affect our competitive position, financial condition, or results of operations. See “*Risk Factors - Risks Relating to Data, Intellectual Property, and Cybersecurity*.” By taking steps to safeguard and continually advance our innovations, we look to ensure Neptune remains at the forefront of the insurance industry.

## Regulatory Matters

As an MGA, we operate within a highly regulated industry, subject to state and federal laws governing various aspects of our business. Unlike traditional admitted carriers, we operate on an Excess and Surplus (“E&S”) lines basis, which provides greater flexibility in underwriting, pricing, and product offerings. This flexibility allows us to innovate and respond quickly to market demands without requiring the filing of rates and forms for state approval.

Operating on E&S lines requires compliance with specific regulatory frameworks, including maintaining proper licensure, adhering to E&S lines reporting requirements, and ensuring compliance with applicable E&S lines laws, and the payment of E&S lines taxes, in each jurisdiction where we write business. Our dedication to regulatory compliance ensures we meet these obligations while enabling us to maintain operational agility. In addition, all of our insurance programs are eligible to write policies in all 50 states and Washington D.C., facilitating the operation of our business throughout the United States. In addition to E&S regulations, we are subject to data privacy and cybersecurity laws relating to the policyholder data and other personal information we collect and must comply with stringent privacy standards, including state-level privacy laws in the United States and international data protection regulations, where applicable. However, the personally identifiable information we collect and store with respect to policyholders is limited and basic and does not include payment information, credit status, social security numbers, or dates of birth, which we believe limits our exposure to such laws and regulations, and any potential changes thereto. We strive to maintain systems and processes to safeguard policyholder information that are designed to ensure compliance with evolving legal requirements. See also “*Risk Factors - Risks Relating to Regulatory and Legal Matters - We are subject to evolving laws and regulations on data privacy, data protection, and cybersecurity, which can be complex and conflicting. We may face investigations, fines, and sanctions as a result of our or our service providers’ or partners’ actual or perceived failure to comply with such laws and regulations and incur increased operational costs in order to ensure future compliance*” and “*Risk Factors - Risks Relating to Regulatory and Legal Matters - We rely on the efficient, uninterrupted, and secure operation of complex information technology systems and networks to operate our business. Any significant system or network disruption due to an actual or perceived breach in the security of our or our vendors’ information technology systems could have a negative impact on our reputation, regulatory compliance status, operations, sales, and operating results.*”

Through our use of AI, we may also from time to time be subject to laws and regulations relating to AI, automated decision-making, and similar technologies, or may be impacted if existing or future laws and regulations are interpreted in ways that would affect or extend to the types of “machine learning models” utilized by Neptune, which use AI-driven, complex algorithms to analyze data inputs. Our models, however, predominantly use proprietary data derived from our

business operations, and are generally not trained on external or other third-party data. See also *“Risk Factors - The regulatory framework for AI technologies is rapidly evolving as many federal, state, and foreign government bodies and agencies have introduced or are currently considering additional laws and regulations; to the extent any such laws or regulations apply to our business, or existing laws and regulations are interpreted in ways that would affect the use of AI in our business, we may need to implement additional standards or practices to remain compliant and the operation of our business could be adversely affected.”*

While our regulatory environment is complex, we view compliance as essential to maintaining trust with policyholders, partners, and stakeholders. By staying proactive and adaptive in our approach, we are well-positioned to navigate the evolving regulatory landscape and support the continued growth of our business.

### **Human Capital Management**

Our employees are our most valuable asset, driving innovation, growth, and operational excellence. With a lean yet highly efficient workforce of 62 employees as of December 31, 2025, most of whom work remotely, we have built a company culture focused on talent, efficiency, and automation.

Our hiring process is rigorous, incorporating both personality and capability testing to ensure that every employee not only has the skills required to excel in their role but also aligns with our values and mission. This approach has allowed us to assemble a team of exceptionally talented individuals who are passionate about solving complex challenges and delivering value to our policyholders and partners.

Neptune was founded on the principle of automating everything. By leveraging advanced technology and data science, we have created a business model that allows our team to focus on high-value, complex tasks rather than routine operations. This mantra continues to shape our approach to innovation and efficiency, ensuring that our workforce is able to drive maximum impact with minimal resource requirements.

Forty percent of our employees are dedicated entirely to the development of our proprietary technology, including our underwriting platform, ML models, and policy management systems. This investment in technology development not only enables us to stay at the forefront of the industry but also allows us to operate at a level of efficiency and scalability that is unmatched in the insurance market.

Our remote-first workforce model provides flexibility and access to a broader talent pool, enabling us to attract and retain top talent regardless of location. We support our employees with the tools and resources they need to succeed, fostering a collaborative and innovative environment that drives both individual and company success.

By focusing on talent, efficiency, and automation, we have built a human capital management strategy that supports our mission to revolutionize flood insurance and ensures our ability to scale effectively as we continue to grow.

## Item 1A. Risk Factors.

*A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the risks and uncertainties described below, together with the other information in this Annual Report, including our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The occurrence of any of the events or developments described below could materially and adversely affect our business, financial condition, results of operations, and growth prospects. In such an event, the market price of our Class A common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently believe are not material may also impair our business, financial condition, results of operations, and growth prospects.*

### **Risks Relating to our Business and Industry**

***Our business may be harmed if one or more of our relationships with capacity providers are terminated or are reduced, if we fail to maintain good relationships with such capacity providers, if we become dependent upon a limited number of capacity providers, or if we fail to develop new capacity provider relationships.***

Neptune does not assume any balance sheet insurance risk or claims handling responsibility relating to the policies we sell, and our business depends on a carefully selected network of capacity providers that assume such balance sheet insurance risk for those policies. This risk-taking structure is fundamental to our business model and operational efficiency. Our ability to offer competitive insurance products and maintain our market position is also contingent upon the relationships with these capacity providers. Any adverse impact on these relationships or the overall financial health of our network of capacity providers could reduce our overall insurance capacity and could have an adverse effect on our financial condition and results of operations. Our contractual relationships are sometimes unique to us, but they are typically non-exclusive and terminable on short notice by either party for any reason. In many cases, capacity providers can also amend the terms of our agreements unilaterally on short notice. If we are unable to maintain profitable portfolios for our capacity providers or if our relationship with them is undermined for any reason, capacity providers may be unwilling to provide insurance capacity to us, or may seek to amend our agreements with them. This could happen for various reasons, including for competitive or regulatory reasons, because of an insurance carrier's reluctance to distribute their products through our platform, because they decide to rely on their own internal flood insurance providers or products or elect not to insure or reinsure flood risk generally, or because they decide not to distribute insurance products in individual markets, in certain geographies, or altogether. Conditions in the broader insurance and reinsurance markets can also influence the capacity of our providers. If our capacity providers were to experience liquidity problems or other financial difficulties, we may not be able to sell additional policies or renew existing ones and could encounter significant adverse impacts on our financial condition and results of operations. If any of our key capacity providers decide to terminate or reduce their relationship with us, we may face difficulties in securing alternative insurance capacity from other providers on similar terms, which could negatively impact our ability to offer insurance products and retain policyholders. Similarly, our business could be harmed if we fail to develop new capacity provider relationships to ensure a diversified portfolio of capacity providers that support our business.

In the future, whether as a result of the termination of capacity provider relationships, capacity provider consolidation or otherwise, it may become necessary for us to partner with and derive a greater portion of our revenues from a reduced and more concentrated number of capacity providers if and as our business and the flood and general insurance industry evolve, which would increase our dependence on a smaller number of capacity providers. As a result, we may become more vulnerable to adverse changes in our relationships with such capacity providers. This could reduce the volume of policies we are able to underwrite. The termination, amendment, or consolidation of our relationships with our capacity providers could harm our business, financial condition, and results of operations.

The overall financial health of our network of capacity providers is important to our success. Widespread, catastrophic flood events, such as hurricanes or severe inland flooding, could strain the financial resources of our capacity providers, reducing their ability to meet claim obligations or remain profitable. This, in turn, could lead capacity providers to reduce the capacity they allocate to flood insurance or could cause them to demand higher premiums, pay lower commissions, impose stricter underwriting criteria, or exit the flood insurance market as they choose to prioritize more profitable or less risky lines of insurance. This could result in reduced capacity or support for our flood insurance products, potentially limiting our ability to underwrite new policies or renew existing ones. Any such changes could impact our ability to offer competitive policies and secure adequate coverage for policyholders, which could expose us to reputational harm, increased regulatory scrutiny, and operational disruption and which may have a material and adverse effect on our business.

The termination or reduction of any of these key relationships could lead to a significant loss of sales and adversely affect our financial performance. It could also disrupt our operations and require us to invest additional resources in finding and establishing new partnerships; replacement capacity for our capacity providers may not be immediately available or could come at less favorable terms, leading to increased costs and reduced competitiveness. If we are not able to effectively manage our relationships with our capacity providers, resulting in the loss of one or more key capacity providers or a significant reduction in their capacity, our business, financial condition, results of operations, growth potential, reputation in the market, and ability to sustain our business could be materially and adversely impacted.

***Our distribution model depends on third-party agents and brokers, and any failure by those agents and brokers to consistently promote our products or the loss of any key agent or broker relationships could adversely affect our business.***

The third-party agents who generate the majority of our policy sales operate within a diverse network that includes independent agents, brokers, and referral partners. Our insurance agent and broker partners drive over 96% of our policy sales, supported by our in-house sales team and technology integrations. This distribution model exposes us to meaningful third-party risks relating to agent prioritization, agent attrition and sales productivity, and competition within distribution channels, as well as regulatory and reputational risks. Third-party agents have discretion over which flood insurance products they recommend to customers. If our agents choose to prioritize offerings from the NFIP or other flood insurance providers due to familiarity, perceived reliability, or regulatory incentives, or shift their focus to competing private flood insurance providers based on superior pricing, more attractive commission structures, enhanced coverage options, or for any other reason, our ability to generate new policies may be adversely affected. Similarly, a decline in agent productivity, whether due to reduced customer activity, economic factors, or lack of engagement with our products could materially reduce our revenue, and insufficient training or support for agents could result in fewer policies sold or misrepresentation of our offerings. Agents who fail to comply with regulatory standards, whether by misrepresenting policy terms or engaging in unethical practices, could also expose us to legal liabilities and reputational harm, and increased regulatory scrutiny resulting from third-party agent misconduct could lead to fines, operational disruptions, or a loss of market credibility.

Finally, high turnover among independent agents or changes in agent affiliations can lead to disruptions in our distribution network. Our ability to compete effectively depends on maintaining strong relationships with the agents distributing our products and providing them with compelling reasons to prioritize Neptune products, such as delivering a strong agent and policyholder-focused experience. Furthermore, our ability to retain and attract new agents to distribute our products to new customers may be influenced by our existing agent and policyholder relationships. We cannot be certain that any loss of a significant agent or broker relationship or the loss of business from any significant group of policyholders would be replaced by relationships with or other business from other agency partners or policyholders, existing or new. If a substantial number of agents cease to represent Neptune or choose to represent alternative MGAs due to more competitive commissions, technology, responsive support, or any other factor, our ability to generate new policies and maintain policyholder relationships would be adversely impacted. Any significant disruption in these relationships could materially and adversely affect our business, financial condition, results of operations, and growth prospects.

***Rapid advancements in AI, including the development of AGI, and ML technologies could increase competition and disrupt our business model.***

Neptune relies on proprietary AI-driven technology, including our Triton platform, to assess risk, underwrite policies, and maintain a competitive advantage in the flood insurance market. In addition, we rely on AI for certain business uses, including, for example, to help generate code and code tests. Rapid advancements in AI, including the development of AGI, could present significant challenges to our business model.

For example, AGI - if developed - and other advancements in AI could accelerate the pace of innovation, requiring us to make continuous and costly upgrades to our proprietary systems and technologies to maintain our competitiveness. AI (and possibly future AGI) technologies can also democratize access to advanced ML tools, enabling competitors to rapidly develop capabilities similar to ours. This could reduce the effectiveness of our intellectual property protections and diminish our ability to differentiate in the market. Such advancements could also lower the barriers to entry in the flood insurance market, allowing competitors to leverage new AI and AGI technologies to replicate or surpass the capabilities of our proprietary technology, potentially offering more accurate risk assessments, lower prices, or enhanced customer experiences, which could erode our competitive advantage and reduce our market share. The development of AGI could also fundamentally alter the flood insurance industry by enabling unprecedented levels of automation, personalization, and predictive accuracy. If AGI-driven solutions redefine customer expectations or market standards, our existing technology and business model could become outdated or obsolete. Further, the widespread

adoption of AGI may introduce unforeseen challenges in integrating new technologies, adapting workflows, or managing compliance with evolving regulations. These disruptions could negatively affect our operations, policyholder relationships, and financial performance. The rapid and unpredictable development of further advancements in AI, AGI, and related technologies and any failure to adapt to these advancements could materially and adversely impact our competitive position, business, financial condition and results of operations. See also “- *The regulatory framework for AI technologies is rapidly evolving as many federal, state, and foreign government bodies and agencies have introduced or are currently considering additional laws and regulations; to the extent any such laws or regulations apply to our business, or existing laws and regulations are interpreted in ways that would affect the use of AI in our business, we may need to implement additional standards or practices to remain compliant and the operation of our business could be adversely affected.*”

***The regulatory framework for AI technologies is rapidly evolving as many federal, state, and foreign government bodies and agencies have introduced or are currently considering additional laws and regulations; to the extent any such laws or regulations apply to our business, or existing laws and regulations are interpreted in ways that would affect the use of AI in our business, we may need to implement additional standards or practices to remain compliant and the operation of our business could be adversely affected.***

The regulatory framework for AI and similar technologies and automated decision-making is changing rapidly. It is possible that new laws and regulations will be adopted in the United States and in non-United States jurisdictions, or that existing laws and regulations may be interpreted in ways that would affect the operation of our products and solutions and the way in which we use AI and similar technologies. We may not be able to adequately anticipate or respond to these evolving laws and regulations, and, to the extent we expand our business to more jurisdictions, we may need to expend additional resources to adjust our offerings in certain jurisdictions if applicable legal frameworks are inconsistent across jurisdictions. Moreover, because these technologies are themselves highly complex and rapidly developing, it is not possible to predict all of the legal or regulatory risks that may arise relating to our current or future use of AI and such technologies. Further, the cost to comply with such laws or regulations could be significant and would increase our operating expenses, which could adversely affect our business, financial condition, and results of operations.

As the use of AI becomes more prevalent, we anticipate that it will continue to present new or unanticipated ethical, reputational, technical, operational, legal, competitive, and regulatory issues, among others. In addition, public and regulatory focus on ethical use and data privacy concerns regarding AI could lead to reputational damage if we fail, or are perceived to fail, to align with societal expectations or regulatory standards relating to the use of AI. Such scrutiny may result in financial or other penalties and may also erode customer trust, which is crucial for our brand and long-term success. As such, we expect that our incorporation of AI in our business will require additional resources, including the incurrence of additional costs, to develop and maintain our products and features to minimize potentially harmful or unintended consequences, to comply with applicable and emerging laws and regulations, to maintain or extend our competitive position, and to address any ethical, reputational, technical, operational, legal, competitive, or regulatory issues that may arise as a result of any of the foregoing.

Further, a number of aspects of intellectual property protection in the field of AI are currently under development and there is uncertainty and ongoing litigation in different jurisdictions as to the degree and extent of protection warranted for AI and relevant system input and outputs. If we fail to obtain protection for our intellectual property rights within our AI technologies, or later have our intellectual property rights invalidated or otherwise diminished, our competitors may be able to take advantage of our research and development efforts to develop competing products that could adversely affect our business, reputation and financial condition. See also “- *We utilize AI in a significant manner, which could expose us to liability or adversely affect our business.*”

***Errors in underwriting or data modeling could harm our reputation, competitive position, and financial results.***

Our underwriting success relies heavily on the accuracy and performance of our AI-powered Triton platform. Triton’s performance is inherently dependent on the quality of the data it processes and the algorithms driving its decision-making.

Triton’s advanced modeling relies in part on data from external sources. Inaccuracies, delays, disruptions, or other inadequacies in these data sources could lead to flawed risk assessments or mispriced policies. In addition, errors in the Triton ML model’s training process, biases in its underlying data, or flaws in the algorithm’s design could result in systemic inaccuracies. For example, “overfitting” of our model (i.e., where the model focuses on the specific details it was trained on but is unable to perform well with new data), or underestimating rare but severe events could lead to suboptimal pricing or coverage decisions, and errors or inefficiencies in Triton’s risk selection could result in us offering policies that

are less attractive than those of our competitors. If policyholders perceive that our pricing or coverage is inferior, it could lead to lower renewal rates and diminished market share.

Further, as an AI-driven system, Triton's complex algorithms may lack transparency, making it challenging to identify or correct errors before they cause significant issues. This opacity could complicate efforts to explain or defend pricing and coverage decisions to regulators, insurers, reinsurers, or policyholders, potentially leading to legal or reputational challenges. Additionally, if our cloud computing or third-party data providers change their terms of service, restrict access, or cease operations, it could impact Triton's ability to function effectively. See also “- *We utilize AI in a significant manner, which could expose us to liability or adversely affect our business.*”; “- *We rely on the efficient, uninterrupted, and secure operation of complex information technology systems and networks to operate our business. Any significant system or network disruption due to an actual or perceived breach in the security of our or our vendors' information technology systems could have a negative impact on our reputation, regulatory compliance status, operations, sales, and operating results.*”; “- *Reliance on cloud computing exposes us to technological disruptions and potential risks.*”; and “- *Reliance on third-party service providers for critical operations, such as payments and mailing, exposes us to operational and reputational risks.*”

Triton's ability to evaluate flood risks and set pricing is critical to our ability to compete with the NFIP and private flood insurance providers. If Triton's effectiveness were impaired and our policies were to generate higher-than-expected losses, it could negatively impact our relationships with our capacity providers and could result in a reduction in insurance capacity and damage to our reputation as a reliable MGA. This, in turn, could lead to significant operational and financial consequences for us and result in a material and adverse effect on our business, financial condition and results of operations.

Any such significant issues with Triton or our other products could harm our relationships with partners and standing in the marketplace and have a material and adverse effect on our business, financial condition, and results of operations.

***We utilize AI in a significant manner, which could expose us to liability or adversely affect our business.***

We rely on AI to make decisions in connection with the generation of insurance policies. Our significant use of AI exposes us to various risks, such as damage to our reputation, competitive position, and business, legal, and regulatory risks and additional costs. For example, AI has been known to produce false or “hallucinatory” inferences or output, and certain AI uses ML and predictive analytics, which can create inaccurate, incomplete, or misleading content, unintended biases and other discriminatory or unexpected results, errors, or inadequacies, any of which may not be easily detectable by us or any of our related service providers. Accordingly, while AI and ML systems may help us generate more tailored pricing and underwriting determinations with respect to a given policyholder, if the content, analyses, or recommendations produced by the AI and ML systems used in our Triton and Poseidon platforms are, or are perceived to be, deficient, inaccurate, biased, unethical, or otherwise flawed, our reputation, competitive position, and business may be materially and adversely affected. For further information on how these risks apply to our Triton platform, see “- *Errors in underwriting or data modeling could harm our reputation, competitive position, and financial results.*”

Additionally, if any of our employees, contractors, consultants, vendors, or service providers use any third-party AI-powered software in connection with our business or the services they provide to us, it may lead to the inadvertent disclosure or incorporation of our confidential information into publicly available training sets, which may impact our ability to realize the benefit of, or adequately maintain, protect, and enforce our intellectual property or confidential information, harming our competitive position and business. Any output created by us using AI tools may not be subject to copyright protection, which may adversely affect our intellectual property rights in, or our ability to commercialize or use, any such content. In the United States, a number of civil lawsuits have been initiated related to the foregoing and other concerns, any one of which may, among other things, require us to limit the ways in which our AI systems are trained and may affect our ability to continue to develop our AI-powered platforms. To the extent that we do not have sufficient rights to use any of the data or other material or content used in or produced by the AI tools we employ, or if we experience cybersecurity incidents in connection with our use of AI, it could adversely affect our reputation and expose us to legal liability or regulatory risk, including with respect to third-party intellectual property, privacy, data protection and cybersecurity, publicity, contractual, or other rights. Further, our competitors or other third parties may incorporate AI into their products, offerings or underwriting assessment more quickly or more successfully than us, which could impair our ability to compete effectively.

***Reliance on cloud computing exposes us to technological disruptions and potential risks.***

Our reliance on cloud computing infrastructure introduces several key risks that could impact our operations and competitive advantage. Any disruption, outage, or degradation in cloud computing performance - whether due to cyberattacks, technical failures, natural disasters, or other unforeseen events - could impair our ability to operate. Such incidents could result in operational delays, policyholder dissatisfaction, and reputational harm.

Our ability to handle growing volumes of policy data and transactions also depends on the reliability and capacity of cloud computing providers. If they fail to meet our evolving performance requirements, we may experience slow response times, decreased efficiency, or service interruptions, potentially affecting policyholder satisfaction and agent productivity. Our reliance on third-party cloud computing providers also means we have limited control over their operations, pricing, and service terms. Changes in pricing structure or contractual terms could increase our costs, while any service degradation or failure on their part could disrupt our operations. Transitioning to an alternative cloud provider, if required, could involve significant time, cost, and operational risk.

Any such disruption in our platform's performance due to cloud-related limitations, or failure to maintain our technological edge, could adversely impact our ability to compete effectively as rapid advancements in AI and insurance technology solutions enable our competitors to develop similar or alternative platforms or services. See also “- *Rapid advancements in AI, including the development of AGI, and ML technologies could increase competition and disrupt our business model.*”

Any significant issues with our cloud infrastructure could materially and adversely affect our business, financial condition, and results of operations. See also “- *We rely on the efficient, uninterrupted, and secure operation of complex information technology systems and networks to operate our business. Any significant system or network disruption due to an actual or perceived breach in the security of our or our vendors' information technology systems could have a negative impact on our reputation, regulatory compliance status, operations, sales, and operating results.*”

***Reliance on third-party service providers for critical operations, such as payments and mailing, exposes us to operational and reputational risks.***

We depend on third-party service providers for critical functions such as processing policyholder payments and mailing policy documents and notices. Technical failures, cyberattacks, or financial instability affecting our third-party vendors could interrupt their ability to provide services. Delays or errors in payment processing could harm policyholder trust, while issues with mailing policy documents could result in missed policyholder notifications. Failures by third-party vendors to meet service expectations or comply with regulatory standards could also be attributed to Neptune, resulting in reputational harm, regulatory scrutiny, or financial penalties. In the event of any such issues, identifying and transitioning to alternative providers, if necessary, would require significant time, cost, resources, operational risk, and could lead to temporary disruptions. Any disruption, failure, or performance issues involving these third-party providers could adversely affect our ability to operate efficiently, maintain policyholder satisfaction, and comply with regulatory requirements, which could have a material and adverse effect on our business, financial condition, and results of operations.

***Claims handling by third parties, including insurance carriers and third-party administrators (“TPAs”), could negatively impact our reputation and result in litigation risks.***

As an MGA, we neither assume insurance risk nor have claims-handling authority. Instead, the responsibility for adjudicating claims lies with the insurance carriers that underwrite the policies we sell. These carriers frequently rely on TPAs to process and manage claims on their behalf. While this model allows us to focus on policy issuance and distribution, it exposes us to reputational and operational risks tied to claims handling.

The timeliness and fairness of claims processing are critical to maintaining policyholder trust. Policyholders may not fully understand that Neptune does not handle claims directly, leading to confusion or misplaced blame when issues arise. Similarly, any operational issues at the TPAs delivering claims services for our insurance carriers, such as insufficient staffing, inadequate training, or technical failures, could impact the speed and quality of claims resolution, and any misaligned priorities between the TPAs and our insurance carriers could also exacerbate delays or disputes, further eroding policyholder trust. If a TPA or our insurance carriers deny claims, process them slowly, or fail to meet policyholder expectations, policyholders may associate claims dissatisfaction with Neptune, regardless of our lack of direct involvement in the claims process, and we may face reputational harm which can, among other things, reduce policyholder retention and deter new policy sales. In addition, disputes over claims decisions can result in lawsuits involving policyholders, insurance carriers, TPAs, and, indirectly, Neptune as an MGA. We are not responsible for claims adjudication and are indemnified by our insurance carriers for claims-related litigation matters, but our association with the policies sold can

result in legal costs, regulatory scrutiny, and reputational damage. These risks are exacerbated during catastrophic events, which often lead to heightened claims activity and increased likelihood of litigation. While we actively collaborate with our insurance carriers and their TPAs to ensure high standards in claims handling, we cannot guarantee that all claims will be processed in a manner consistent with the expectations of our policyholders and negative experiences or lawsuits related to claims handling could materially and adversely affect our business, financial condition, and results of operations.

***An overall decline in the housing market or general economic conditions could have a material adverse effect on the financial condition and results of operations of our business.***

Our performance and ability to issue new policies and retain existing policies is closely tied to home sales, economic activity, construction costs, household income, and employment levels, as well as commercial property markets. The demand for flood insurance generally rises as the overall level of household income increases and generally falls as household income decreases, affecting both premium volume and policy count, which would impact our revenue and financial condition. In addition, home and business owners often purchase flood insurance at the time of the purchase of a home or commercial property, and major slowdowns in the residential or commercial housing market could impact our ability to generate new business.

Elevated mortgage rates and declining affordability have recently strained the housing market, leading to a decrease in first-time homebuyers and overall housing market activity. Rising interest rates from 2022 to mid-2025 contributed to a decline in home sales and elevated mortgage rates, together with higher home prices, can create affordability challenges, particularly for first-time buyers. For example, the National Association of Home Builders estimates that in 2023, when mortgage rates on a 30-year fixed mortgage rose from 6.25% to 6.5%, nearly 1.3 million households were priced out of the market for a median-priced home. A decrease in housing market activity, particularly in areas where flood coverage is needed, due to adverse economic conditions - caused by inflation, tariffs, rising interest rates, geopolitical tensions, recessionary pressures, or other factors - could result in a decline in the home insurance industry and reduction in the sale of our policies, reduced renewal rates, and increased cancellations of existing policies, as many flood insurance purchases are driven by mortgage requirements (homeowners with a mortgage in FEMA designated high-risk SFHAs must obtain coverage) and a substantial portion of our flood insurance policies are purchased during home acquisitions or refinancing.

Economic downturns can also impact our existing policyholder base. Economic conditions influence consumer behavior and spending patterns. During periods of economic uncertainty or recession, consumers may prioritize other expenses over purchasing or renewing flood insurance or other E&S lines. This shift in consumer priorities can lead to a decrease in demand for our products, further impacting our sales and revenue. Homeowners facing financial difficulties may choose to cancel existing insurance policies, modify their coverage, or not renew the policies they hold with us, leading to lower renewal rates. Economic stress can also result in lower property values, which in turn can reduce the premiums we collect on existing policies. This reduction in premium income could adversely affect our revenue and profitability. Additionally, financially stressed homeowners may be more likely to file claims, and the cost of claims may rise if economic conditions, including impacts from recent tariffs, lead to increased repair and rebuilding costs. As we rely on our carrier partners to provide insurance capacity and assume the associated risk, if the incurred losses exceed any carrier's loss tolerance, we risk their reduction or withdrawal as a risk-taking partner to Neptune.

In addition, economic downturns can strain our distribution network and affect the operations and financial health of our partners, potentially leading to a reduction in their productivity or even their exit from the flood insurance market. Agents may also experience reduced customer activity, limiting their ability to sell Neptune products. This would limit our ability to reach new policyholders and maintain existing ones, thereby affecting our overall sales. Any prolonged economic downturn and long-term loss could strain our financial resources, requiring us to invest additional capital to maintain operations and support our distribution network. This could lead to increased borrowing and higher interest expenses. As a result, any extended decline in the housing market or any overall economic downturn could materially and adversely affect our business, financial condition, and results of operations.

***We may be negatively affected by the cyclicity of the markets and industry in which we operate.***

The insurance market in which we operate has historically been cyclical based on the underwriting capacity of the insurance carriers, general economic conditions, state regulatory responses to market conditions, the timing of hurricane and storm season and other natural disasters, and other social, economic, and business factors. In a period of decreasing insurance capacity or higher than typical written loss ratios across an insurance segment or segments, insurance carriers may raise premium rates. This type of market frequently is referred to as a "hard" market. In a period of increasing insurance capacity or lower than typical written loss ratios across an insurance segment or segments, insurance carriers may

reduce premium rates, and business might migrate away from the E&S lines market and into the admitted market. This type of market frequently is referred to as a “soft” market. Our results of operations are affected by this cyclical nature of the market.

The frequency and severity of natural disasters and timing of significant flood risks, other catastrophic events (such as hurricanes), social inflation, and reductions or increases in insurance capacity can affect the timing, duration, and extent of industry cycles for the product lines we distribute. For example, increasing high-profile flood events, including Hurricane Ida (2021), Hurricane Ian (2022), Hurricane Helene (2024), and Hurricane Milton (2024), tend to raise consumer awareness of flood risk and can increase demand for flood insurance in areas that have, or are believed to have, higher risk of flooding. However, significant increases in insured losses due to increasing frequency and intensity of storms could cause our capacity providers to exit from, or reduce their exposure to, significant flood events and other natural disasters. These catastrophic events can lead to significant losses for capacity providers, prompting them to adjust their risk tolerances. Such conditions can adversely affect our relationships with our capacity providers and could result in a reduction in insurance capacity which could lead to significant operational and financial consequences for us. In contrast, while slower than expected storm seasons can result in lower insured losses experienced by capacity providers, they can also limit demand for flood insurance policies, potentially decreasing our policy sales and, as a result, our commissions and fees and revenues in subsequent periods.

The unpredictability of severity, timing, or duration of these cycles makes it challenging to predict the related responses of insurance carriers and regulators and forecast their impact on our business operations and financial performance. In addition, if our capacity providers experience liquidity problems, insolvency, or other financial difficulties, or do not timely provide required information to us, we could encounter the loss of capacity provider partners, which could lead to reduced capacity and a reduction in our ability to sell our insurance products to our policyholders. These conditions may adversely affect our revenue and make it difficult for us to accurately predict our future results, which could harm our business, financial condition, and results of our operations.

***Because the revenue we earn on the sale of certain insurance products is based on premiums and commission rates set by capacity providers, any reductions, volatility, or adverse trends in these premiums or commission rates could adversely impact our revenue and profitability.***

The majority of our revenue is derived from commissions set by the capacity providers that underwrite the policies we sell. These commissions are typically calculated as a fixed percentage of the premiums charged to policyholders, making our financial performance sensitive to changes in commission rates year-over-year. As a result, any decline in commission rates, whether driven by market conditions, carrier profitability, or regulatory changes, could materially and adversely affect our business. Capacity providers may face financial challenges stemming from increased claims activity, catastrophic events, rising reinsurance costs, or regulatory changes and, in response, may look to reduce commission rates to manage expenses or may reassess their underwriting profitability, which could also lead to pricing adjustments, tighter underwriting criteria, or reductions in commissions. In addition, economic downturns that result in downward pressure on policy premiums may decrease our commission-based revenue.

Because commissions represent a key source of our income, any reduction in the amounts of these commissions could require us to identify alternative revenue streams, reduce operating expenses, or accept diminished profitability. In addition, failure to effectively adapt to changes in commission structures could hinder our ability to execute our growth strategy and maintain our competitive position in the flood insurance market. Any such impacts could have a material adverse effect on our business, financial condition, and results of operations.

***Competition in our industry may be intense, including from the NFIP, and if we are unable to compete effectively, then our ability to grow and maintain market share and financial results may be negatively affected.***

The flood insurance market is highly concentrated, with the NFIP holding approximately 80% of the market share. As the dominant provider, the NFIP benefits from strong federal backing and widespread consumer recognition. Its significant market presence and subsidized pricing in certain areas create challenges for private insurers, including Neptune, to compete effectively. In addition, the private flood insurance market is becoming increasingly competitive, with new entrants and existing players seeking to capture market share. If capacity providers adjust their commission structures to align with competitive pressures or incentivize other MGAs or distributors, we may face reduced commission rates or less favorable terms. Changes in federal or state regulations governing insurance commissions could also cap or reduce allowable commission rates. The NFIP and private competitors could expand market share more rapidly or compete more effectively through innovation, pricing strategies, or expanded distribution networks. Some of these competitors may have greater financial resources, established reputations, or strategic partnerships, which could enable them to attract

policyholders or agents at our expense. Competition in this market is driven by, among other things, pricing, technology and regulatory changes, reputation, coverage options, agent preference, and innovation. For example, the NFIP's subsidized premiums in certain areas and the potential for competitors to undercut prices can limit our ability to compete solely on cost. Alternatively, customers may perceive the NFIP as a safer or more affordable option, even in cases where private insurance offers superior coverage. Adjustments to the NFIP's pricing, coverage options, or underwriting guidelines could also significantly alter the competitive landscape. If the NFIP were to lower premiums or simplify its processes, private insurers, including Neptune, may face increased difficulty in retaining or growing their policyholder base. In addition, our competitors could differentiate themselves by offering unique or expanded policy features, which could appeal to customers seeking more tailored solutions. If other private insurers utilize advanced technologies or data-driven approaches to provide faster, more accurate risk assessments or enhanced customer experiences, such competitors could challenge our position as a leader in providing private flood insurance, and any inability to match or exceed such offerings could reduce our competitiveness. Finally, independent agents and brokers who distribute Neptune's policies also represent other insurers, including the NFIP and private competitors. Agents may prioritize insurers that offer higher commissions, simpler processes, or perceived customer benefits, impacting Neptune's ability to maintain its distribution network. See also "*- Our distribution model depends on third-party agents and brokers, and any failure by those agents and brokers to consistently promote our products or the loss of any key agent or broker relationships could adversely affect our business.*" The highly competitive nature of the flood insurance market could result in pricing pressures, reduced policy retention, increased marketing cost, or difficulty acquiring new policyholders. If we are unable to effectively compete with the NFIP or other private insurers, our market share, revenue growth, financial condition, and results of operations could be materially and adversely affected.

***Increased commission requirements from our distribution partners could have an adverse impact on our profits.***

The majority of our policy sales are generated through third-party distribution agents and brokers, who play an important role in generating sales and expanding our market reach. Most of our revenue is a function of premium volume (policy sales) and commission rates. If our distribution partners increased their commission requirements for any reason, our financial performance could be adversely affected. Several factors could lead to an increase in such commission expenses, including competitive pressures in the market, market conditions, and regulatory changes. Agents and brokers have the flexibility to promote multiple insurance providers, including both private insurers and the NFIP. To remain competitive, we may need to increase commission rates, bonuses, or incentives to retain and attract high-performing third-party partners. In addition, economic downturns or reductions in consumer demand for flood insurance could prompt agents and brokers to negotiate higher commissions to offset lower policy volumes. Finally, future regulations or industry standards could require insurers to adjust commission structures, which may lead to higher payout obligations. Any increase in commission expenses would have an adverse effect on our margins and, if we are unable to offset higher commission costs through pricing adjustments or operational efficiencies, our business, financial condition, and results of operations could be materially and adversely impacted.

***We are highly dependent on the services of our senior management team, including our Chief Executive Officer.***

The continued success of our business is highly dependent on the expertise and leadership of our senior management team, including Trevor Burgess, our Chief Executive Officer, Chairman of our board of directors, and our largest stockholder, who has been the driving force behind our success since Neptune's inception. Mr. Burgess has played, and continues to play, a critical role in shaping our strategic direction, fostering key relationships with capacity providers and distribution and agency partners, and driving innovation within our business and the flood insurance industry. Mr. Burgess and our senior management team's extensive experience in finance, insurance, and technology has been instrumental in our growth and market differentiation. The unexpected loss of Mr. Burgess or other members of our senior management team could disrupt our operations and impact our ability to continue executing our business strategy with the same level of effectiveness. Finding a successor with a comparable vision and capability to maintain the momentum and direction that Mr. Burgess and our senior management team have established for us would present a substantial challenge. Furthermore, Mr. Burgess' departure could lead to instability within Neptune, potentially affecting the morale and productivity of our team, which has been crucial in our rapid growth and innovation. The potential uncertainty surrounding such a leadership transition could also undermine confidence among our policyholders, partners, and investors as well as other stakeholders who are integral to our continued success and expansion, and any perceived weakening of our leadership could be exploited by our competitors. As a result of their instrumental role in our business, if Mr. Burgess or other members of our senior management team were to discontinue their service to Neptune due to death, disability, or for any other reason, our business, financial condition, results of operations, and growth prospects could be adversely affected.

***We may not be able to attract and retain the key employees and highly skilled people we need to support our business.***

Our success depends, in large part, on our ability to attract and retain talent, which may be difficult due to the intense competition in our industry and the technology industry generally for key employees with demonstrated ability. We rely on a team of highly skilled engineers, data scientists, and other technical professionals who are responsible for the development, enhancement, and maintenance of our proprietary technology. This team's expertise in ML, geospatial analysis, and data modeling is vital to ensuring our ongoing success and our ability to remain competitive. The loss of key technical talent or critical members of our engineering and data science team could impair our ability to refine our risk assessment capabilities, address evolving market needs, or respond effectively to competitive pressures and could disrupt operations, delay strategic initiatives, and undermine our relationships with capacity providers, agents, and policyholders. Replacing such individuals may require substantial time and resources, and there is no assurance that we could identify suitable candidates with comparable expertise. We also rely on employees with specific licenses. The departure of key licensed individuals could immediately impact our ability to place new business or service existing policies in affected states until we can obtain new individual licenses.

The financial services and technology industries are highly competitive, and the demand for talented professionals in fields such as data science and AI development often exceeds supply. To attract and retain top talent, we must offer competitive compensation, benefits, and growth opportunities or we could be required to replace certain critical employees or hire contractors to fill highly skilled roles while vacant. Rising costs in these areas could increase our operating expenses, while failure to maintain a strong leadership team or technical workforce could impede growth and innovation. Any disruption to our talent pool of key personnel or failure to attract and retain key employees could materially and adversely affect our business, financial condition, results of operations, and growth prospects.

***Reliance on the Neptune brand is critical to our success, and any failure to maintain or enhance our brand or damage to our reputation could adversely impact our business.***

Our brand is a cornerstone of our business, and our reputation is a key factor in attracting policyholders, capacity providers, agents, and other partners. Maintaining a strong and trusted brand is essential to our competitive positioning and long-term success. A weakened brand or damage to our reputation could result in reduced demand for our products, decreased agent engagement, less favorable terms from capacity providers or less desire by capacity providers to partner with us, or challenges in partnering with other key service providers. A decline in brand recognition or policyholder trust could also hinder our ability to stand out in the marketplace and make us less attractive to current and prospective employees relative to our competitors, particularly given the intensely competitive market for highly skilled employees.

Negative publicity and unfavorable opinions or reviews from policyholders, whether related to claims handling, policy terms, policyholder service, underwriting practices, data security breaches, the use of our technology for illegal or objectionable applications (including AI and ML applications that present ethical, regulatory, or other issues), or any other factors could erode trust in the Neptune brand. Also, while we do not have any claims-handling authority, negative experiences related to claims handling or policyholder service could also result in complaints, reduced policyholder retention, or unfavorable online reviews. Delays, denials, or disputes in claims adjudication by TPAs or reinsurers could also be attributed to us, harming our relationships and public image. In addition, issues such as system outages, data breaches, or errors in underwriting and pricing could undermine trust in our brand and products, and any investigations, fines, or lawsuits could damage our reputation with existing policyholders, capacity providers, agents, and other stakeholders as well as our ability to obtain new policyholders, capacity providers, and agents. Further, media coverage of any perceived shortcomings, such as allegations of unethical practices, discrimination, or unfair pricing, could erode confidence in our company. Any such adverse impacts on our brand or reputation could lead to decreased policyholder loyalty, reduced policy sales, and challenges in retaining agent and capacity provider relationships.

Moreover, repairing our brand and reputation in the case of any adverse event may be difficult, time-consuming, and expensive. Our failure to quickly respond to and address, or the appearance of our failure to respond to and address, corporate crises and other issues that give rise to reputational risk could significantly harm our brand and reputation, which could result in loss of trust from our policyholders, third-party partners, and employees and could lead to an increase in litigation claims and asserted damages or subject us to regulatory actions or restrictions.

Maintaining and enhancing our brand also requires ongoing investment in marketing, technology, and policyholder experience. If these efforts fail to produce the desired results or if competitors outperform us in brand perception, it could limit our growth opportunities. The loss of confidence in, or any failure to maintain or enhance, the Neptune brand or our reputation could materially and adversely affect our ability to attract and retain policyholders, agents, and partners, thereby negatively impacting our business, financial condition, results of operations, and growth prospects.

In addition, third parties' use of trademarks and branding similar to ours could materially harm our business or result in litigation or other expenses. We may not be able to adequately prevent such practices, which could harm the value of our business, result in the abandonment, dilution, or invalidity of trademarks associated with our business and adversely affect our results of operations or our financial condition. Heightened competitive pressures that result in a loss of policyholders or a reduction in revenues or revenue growth rates, or failure to successfully maintain, defend, enforce, and enhance our brand and substantial expenses in attempts to maintain, defend, enforce, and enhance our brand, could have a material adverse effect on our business, financial condition, and results of operations. See also “- *Failure to seek, obtain, maintain, protect, defend, or enforce our intellectual property rights, or allegations that we have infringed, misappropriated, or otherwise violated the intellectual property rights of others, could harm our reputation, ability to compete effectively, financial condition, and business.*”

***Our rapid growth may place significant demands on our resources, systems, and personnel, which could adversely impact our business.***

We have experienced rapid growth since our inaugural full year of operations in 2018. Our continued success depends on our ability to effectively manage and sustain this growth and our efforts to expand our operations, policyholder base, and geographic reach can place significant demands on our resources, systems, and personnel.

For example, rapid growth may outpace our existing technical infrastructure, technology, and processes, leading to inefficiencies, delays, or operational disruptions. Inadequate systems to manage policy issuance or agent or policyholder support could harm our reputation and policyholder satisfaction. Growth may also require attracting, hiring, and retaining skilled employees, including engineers, data scientists, and policyholder service representatives, and increased competition for talent in the technology and financial services industries may make it challenging to expand our workforce if needed to support our expansion. See also “- *We may not be able to attract and retain the key employees and highly skilled people we need to support our business.*”

Further, if we expand into new markets, the complexity of complying with diverse regulatory requirements and managing relationships with agents, capacity providers, and third-party vendors in those markets will increase. Failure to adequately scale operations to address these complexities could limit our ability to grow effectively. If we are unable to manage the demands of our growth effectively, it could result in operational inefficiencies, policyholder dissatisfaction, and financial challenges, which could materially and adversely impact our business, financial condition, results of operations, and growth prospects.

***If we cannot maintain our corporate culture as we grow, our business may be harmed.***

We believe that our culture, including our management philosophy, has been a critical component to our success and that our culture creates an environment that drives and perpetuates our overall business strategy, innovation, efficiency, and employee satisfaction. We have invested substantial time and resources in building our team and we expect to continue to hire as our business expands. As we grow and mature, we may find it difficult to maintain the valuable aspects of our culture. Rapid growth can lead to changes in organizational structure, increased complexity in operations, geographical dispersion, and the need to integrate new employees who may not be familiar with our cultural values. If we are unable to effectively communicate and instill our culture in new hires, or if the pressures of growth lead to a dilution of our cultural principles, our business may suffer.

Any failure to preserve our culture could harm our future success, including our ability to retain and recruit personnel, innovate and operate effectively, achieve efficiency, and execute on our business strategy. If we are unsuccessful in recruiting, hiring, training, managing, and integrating new employees, or retaining our existing employees, or if we fail to preserve the valuable aspects of our culture, it could materially impair our ability to attract and support new capacity providers, agent and broker partners, and policyholders, all of which would materially and adversely affect our business, financial condition, and results of operations.

***If we are unable to successfully launch additional products or expand our product offerings, including into new domestic and international markets, it may impact our ability to continue to grow revenue.***

In the future, we may choose to expand our product offerings, including into international markets. Introducing new insurance products and new or existing product offerings into new markets would allow us to diversify our revenues, attract a broader policyholder base, and increase policyholder retention. Our ability to successfully develop and launch such initiatives is subject to several risks and challenges, including market demand and adoption, regulatory approvals and compliance, competition, operational and technical challenges, and reinsurance and capital constraints.

The success of any new initiative depends on policyholder demand, agent adoption, and overall market conditions. If our new initiatives fail to attract sufficient policyholders or fail to gain traction among distribution partners, they may not generate the revenue we expect. Expanding into new insurance products and new geographies may require approval from state, federal, or other applicable regulators in such geographies, which can be a lengthy and complex process. In addition, established insurers and new market entrants may already offer similar products or introduce competing solutions, making it more difficult for us to differentiate our offerings and gain market share, and any delays, denials, or regulatory changes could also hinder our ability to bring new products to market.

Developing and launching new products and new or existing product offerings into new markets may also require enhancements to our proprietary technology, underwriting models, and policyholder service capabilities. Any shortcomings in these areas could limit the effectiveness of new offerings. New insurance products would also require support from new or existing insurance and reinsurance partners, and if we are unable to secure such additional support or new partnerships on favorable terms or at all, our ability to introduce new products or to enter into new geographies may be limited.

Additionally, if we look to expand our business internationally, we may encounter different regulatory regimes and heightened competition, whether from governmental or other private insurers, that could increase pricing pressures or inhibit our ability to implement our initiatives. As a result, we may not be able to adapt quickly enough to foreign regulatory requirements, certain markets may offer uniquely different risk profiles that we have not previously encountered, local insurers, distribution channels, and regulatory bodies may be unwilling to partner with us, and our experience in the U.S. market may not translate to allow us to effectively compete in international markets. See also “- *Changes to the E&S lines regulatory landscape, or a requirement for Neptune to file admitted rates, could have a detrimental impact to our sales, innovation, and ability to grow.*”

If we are unable to successfully develop, launch, and scale new products or to expand into new geographies, our ability to generate additional revenue and sustain growth and our business, financial conditions, and results of operations may be materially and adversely affected.

***Business or asset acquisitions and dispositions may expose us to certain risks.***

We have made acquisitions in the past and may pursue further acquisitions or other strategic transactions, including dispositions and joint ventures, in the future. The completion of any business or asset acquisition or disposition is subject to certain risks, including those relating to the receipt and terms and conditions of required regulatory approvals, including any financial accommodations required by regulators, our ability to satisfy such terms, conditions, and accommodations, the occurrence of any event, change, or other circumstances that could give rise to the termination of a transaction, and the risk that parties may not be willing or able to satisfy the conditions to a transaction. As a result, there can be no assurance that any business or asset acquisition or disposition will be completed as contemplated, or at all, and no assurance regarding the expected timing of the completion of the acquisition or disposition.

Once we complete acquisitions or dispositions, there can be no assurance that we will realize the anticipated economic, strategic, or other benefits of any transaction. For example, the integration of businesses or employees we acquire may not be as successful as we anticipate, or there may be undisclosed risks present in such businesses. Acquisitions involve a number of risks, including operational, strategic, financial, accounting, legal, compliance, and tax risks, including difficulties in assimilating and retaining employees and intermediaries, difficulties in retaining the existing policyholders of the acquired entities, difficulties in integrating acquired technologies or systems, unforeseen liabilities that arise in connection with the acquired businesses, or unfavorable market conditions that could negatively impact our expectations for the acquired businesses, as well as difficulties in integrating and realizing the projected results of acquisitions and managing the litigation and regulatory matters to which acquired entities are party. Such difficulties in integrating an acquired business may result in the acquired business performing differently than we expected (including through the loss of policyholders) or in our failure to realize anticipated expense-related efficiencies. Risks resulting from future acquisitions may have a material adverse effect on our results of operations and financial condition.

Similarly, dispositions of a business also involve a number of risks, including operational and technology risks of data loss, loss of talent, and stranded costs, which could potentially have a negative impact on our business, results of operations, financial condition, and liquidity. In connection with a business or asset disposition, we may also acquire a concentrated position in securities of the acquirer as part of the consideration, which would subject us to risks related to the price of equity securities and our ability to monetize such securities. In addition, with respect to certain dispositions, we could be subject to restrictions on our use of proceeds. If we fail to realize the benefits of any disposition, our business, financial condition, and results of operations may be adversely affected.

***Our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, reputational harm, or legal liability.***

Our operations are dependent upon our ability to protect our personnel and technology infrastructure against damage from business continuity events that could have a significant disruptive effect on our operations. Should we experience a local or regional disaster or other business continuity problem, such as an earthquake, hurricane, terrorist attack, pandemic, protest or riot, security breach, cyberattack or other similar incident, power loss, telecommunications failure, or other natural or man-made disaster, our continued success will depend, in part, on the availability of our personnel and the proper functioning of computer, telecommunication, and other related systems and operations. We could potentially lose key executives, personnel, and policyholder data, or experience material adverse interruptions to our operations or delivery of services in a disaster recovery scenario. Such disruption could also result in significant financial losses arising from the inability to process new policies or renew existing ones in a timely manner. Our inability to successfully recover should we experience a disaster or other business continuity problem, could materially interrupt our business operations and cause material financial loss, loss of human capital, regulatory actions, reputational harm, damaged policyholder relationships, or legal liability.

***Risks Relating to Data, Intellectual Property, and Cybersecurity***

***We rely on data, technology, and intellectual property, as applicable, from third parties for our pricing models, underwriting engine, and other products, the unavailability or inaccuracy of which could limit the functionality of our products and disrupt our business, and which may also impose limitations on our ability to commercialize our products.***

We use data, technology, and intellectual property licensed from unaffiliated third parties in certain of our products and we may license additional third-party data, technology, and intellectual property in the future. Any errors, delays, or defects in this third-party data, technology, and intellectual property could result in errors that could harm our brand and business. In addition, licensed data, technology, and intellectual property may not continue to be available on commercially reasonable terms, or at all. If data providers were to terminate their relationship with us, reduce the quality or quantity of data provided, or experience operational disruptions, our ability to accurately underwrite policies could be compromised, which may lead to increased insurance risk, higher written loss ratios, and reduced profitability. Also, should any third party refuse to license its proprietary information to us on the same terms that it offers to our competitors or enter into exclusive contracts with our competitors, we could be placed at a significant competitive disadvantage. Disputes may arise between us and our licensors regarding the data, technology, and intellectual property licensed to us under any license agreement, including disputes related to:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- our compliance with reporting, financial, or other obligations under the license agreement;
- the amounts of royalties or other payments due under the license agreement;
- whether and the extent to which we infringe, misappropriate, or otherwise violate intellectual property rights of the licensor that are not subject to the license agreement;
- our right to sublicense applicable rights to third parties;
- our right to transfer or assign the license; and
- the ownership of intellectual property and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners.

In addition, if regulatory bodies impose stringent requirements on the use and validation of third-party data in underwriting processes and the data provided by our vendors do not meet regulatory standards, we could face fines, penalties, or other regulatory actions. Any changes in regulations that affect the use of third-party data could require us to modify our underwriting models and processes, potentially increasing our operational costs and impacting our profitability.

Further, the loss of our right to use any of this data, technology, and intellectual property, whether due to such third parties failing, being acquired, pivoting their product offerings, or other circumstances, could result in delays in producing or delivering affected products until equivalent data, technology, or intellectual property is identified, licensed, or otherwise procured and integrated. Our business would be disrupted if any data, technology, and intellectual property we license from others were either no longer available to us or no longer offered to us on commercially reasonable terms. In

either case, we would be required to either attempt to redesign our products to function with data, technology, and intellectual property available from other parties or to develop these components ourselves, which would result in increased costs and could result in delays in product sales and the release of new product offerings. Alternatively, we might be forced to limit the features available in affected products. Any of these results could harm our business, results of operations, and financial condition.

***Our business is dependent upon information processing systems. Cybersecurity events, data breaches, cyberattacks, or other similar incidents, as well as defects, interruptions, or other failures, with respect to our or our vendors' information processing systems and data may hurt our business, damage our reputation, negatively impact policyholder retention and capacity provider relationships, and expose us to financial and legal liabilities.***

Our business is highly dependent upon the effective operation of our information processing systems. We also rely on these systems throughout our business for a variety of functions, including collecting, processing, and storing sensitive personal, financial, and policyholder data. Despite the implementation of security and back-up measures, our computer systems and those of our partners and third-party service providers may in the future be vulnerable to system failures, physical or electronic intrusions, computer viruses, social engineering, phishing, software bugs, ransomware, malware, infiltration by unauthorized persons, fraud, usage errors by their respective professionals, theft or misuse, break-ins or other attacks, programming errors, and similar disruptive problems. This is, in part, due to the increased sophistication of such cyberattacks and cyber incidents, the introduction of new technologies, and the continued expansion of the use of internet and telecommunications technologies (including mobile devices) to conduct financial and other business transactions. The failure of these systems for any reason could cause significant interruptions to our operations, which could result in a material adverse effect on our business, results of operations, and financial condition. See also “- *We rely on the efficient, uninterrupted and secure operation of complex information technology systems and networks to operate our business. Any significant system or network disruption due to an actual or perceived breach in the security of our or our vendors' information technology systems could have a negative impact on our reputation, regulatory compliance status, operations, sales, and operating results.*”

We also have arrangements in place with our partners and other third-party service providers through which we share and receive information. Our reliance on our vendors and other third-party service providers increases our exposure to cybersecurity risks outside of our direct control, which could also expose us to risk of loss, litigation, and potential liability. For example, we may have limited insight into the data privacy or cybersecurity practices of third-party vendors and providers, including as it relates to our AI algorithms. Also, even if our own security measures remain intact, cyberattacks, data breaches, security incidents, malicious internet-based activities, or other incidents or failures at one of our vendors or third-party service providers could compromise our systems and data. Further, in such a circumstance, we may not receive timely notice of, or sufficient information about, the breach or other incident or failure, or be able to exert any meaningful control of or influence over how and when the breach or other incident or failure is addressed. Any theft, loss, or misappropriation of, or access to, policyholders' or other proprietary data, or other breach of our third-party service providers' and vendors' information technology systems, could disrupt our operations, damage our reputation, result in fines, legal claims, or proceedings, including regulatory investigations and actions, liability for failure to comply with privacy and information security laws, or otherwise result in loss of revenue, fraudulent transactions, loss of policyholders, transaction errors, processing inefficiencies, service reliability, and increased costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third-party experts and consultants. Further, the costs of mitigating cybersecurity risks may be significant, including, but not limited to, retaining the services of cybersecurity providers; compliance costs arising out of existing and future cybersecurity, data protection and privacy laws and regulations; and costs related to maintaining redundant networks, data backups, and other damage-mitigation measures. Moreover, the mere perception of a security breach involving us or any part of the insurance services industry, whether or not true, could also damage our business, operations, or reputation or otherwise expose us to potential liability.

Technology continues to expand and plays an ever-increasing role in our business. While it is our goal to safeguard information assets from physical theft and cybersecurity threats, there can be no assurance that our information security will detect and protect information assets from these ever-increasing risks. Information assets include both information itself in the form of computer data, written materials, knowledge, and supporting processes, and the information technology systems, networks, other electronic devices, and storage media used to store, process, retrieve, and transmit that information. As more information is used and shared by our employees, partners and policyholders, both within and outside our company, cybersecurity threats, such as ransomware, phishing, or distributed denial-of-service attacks, become expansive in nature. A cybersecurity event could occur that would cause damage to our reputation with our policyholders and other stakeholders and could have a material adverse effect on our business, results of operations, and financial condition. Such cyberattacks could disrupt our proprietary technology or other critical systems. This could hinder our ability to underwrite policies or support our partners, policyholders, and agents, leading to financial losses and

operational downtime. Confidentiality, integrity, and availability of information are essential to maintaining our reputation, legal position, and ability to conduct our operations. Furthermore, as a company subject to privacy and data protection regulations such as the California Consumer Privacy Act, as amended by the CCPA and the GLBA, any cybersecurity incident could also result in noncompliance penalties, regulatory scrutiny, and lawsuits. See also “- *We are subject to evolving laws and regulations on data privacy, data protection, and cybersecurity, which can be complex and conflicting. We may face investigations, fines, and sanctions as a result of our or our service providers’ or partners’ actual or perceived failure to comply with such laws and regulations and incur increased operational costs in order to ensure future compliance*” and “- *Improper disclosure of confidential, personal, or proprietary data, whether due to human error, misuse of information by employees or vendors, or as a result of security breaches, cyberattacks, or other similar incidents with respect to our or our vendors’ systems, could result in regulatory scrutiny, legal liability, or reputational harm and could have an adverse effect on our business or operations.*” Our cyber liability insurance may not be sufficient to protect against all losses we may incur if we suffer significant or multiple attacks. Similarly, while in some cases a service provider may have agreed to indemnify us for certain costs, such indemnifying service provider may refuse or be unable to uphold its contractual obligations.

We rely on technologies to provide services to our policyholders. Policyholders require us to issue our policies in a secure manner, either electronically through our internet website or through direct electronic data transmissions. Accordingly, we invest resources in establishing and maintaining electronic connectivity with policyholders and, more generally, in technological advancements. If our information technology systems are inferior to our competitors’, existing and potential policyholders may choose our competitors’ products over ours. Our business would be negatively impacted if we are unable to enhance our platform when necessary to support our primary business functions, including to match or exceed the technological capabilities of our competitors. We cannot predict with certainty the cost of maintaining and improving our platform, but failure to make necessary improvements and any significant shortfall in any technology enhancements or negative variance in the timeline in which system enhancements are delivered could have an adverse effect on our business, results of operations, and financial condition. In addition, a natural or man-made disaster or a pandemic could disrupt public and private infrastructure, including our information technology systems. See also “- *Our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, reputational harm, or legal liability.*”

***We rely on the efficient, uninterrupted, and secure operation of complex information technology systems and networks to operate our business. Any significant system or network disruption due to an actual or perceived breach in the security of our or our vendors’ information technology systems could have a negative impact on our reputation, regulatory compliance status, operations, sales, and operating results.***

While we manage some of our information technology systems and some are outsourced to third parties, all information technology systems are potentially vulnerable to damage, breakdown, or interruption from a variety of sources, including but not limited to cyberattacks, ransomware, malware, security breaches, theft or misuse, unauthorized access or improper actions by insiders or employees, sophisticated nation-state and nation-state-supported actors, natural disasters, terrorism, war, telecommunication and electrical failures, or other compromise. We are at risk of attack by a growing list of adversaries through increasingly sophisticated methods. Because the techniques used to infiltrate or sabotage systems change frequently, we may be unable to anticipate these techniques or implement adequate preventative measures.

We can make no assurances that we will not experience cyberattack or that we will be successful at protecting Neptune from cyberattacks. Any such incident or resulting or other misuse of data could harm our reputation, lead to legal exposure, divert management attention and resources, increase our operating expenses due to the employment of consultants and third-party experts and the purchase of additional security infrastructure, and/or subject us to liability, resulting in increased costs and loss of revenue. Further, our reliance on cloud computing infrastructure introduces several key risks that could impact our operations and competitive advantage. In particular, our ability to handle growing volumes of policy data and transactions depends on the reliability and capacity of cloud computing providers. Any disruption, outage, or degradation in cloud computing performance - whether due to cyberattacks, technical failures, natural disasters, catastrophic events, terrorism, or other unforeseen events - could impair our ability to operate. Such incidents could result in operational delays, policyholder dissatisfaction, and reputational harm. In addition, if our cloud computing providers fail to meet our evolving performance requirements, we may experience slow response times, decreased efficiency, or service interruptions, potentially affecting policyholder satisfaction and agent productivity. Any such disruption in our platform’s performance due to cloud-related limitations, or failure to maintain our technological edge, could adversely impact our ability to compete effectively. See also “- *Reliance on cloud computing exposes us to technological disruptions and potential risks.*” In addition, any remediation efforts we undertake may not be successful. The perception that we do not adequately protect the privacy of information of our employees, partners, or policyholders could inhibit our growth and damage our reputation.

If we are unable to maintain and upgrade our system safeguards, we may incur unexpected costs and certain aspects of our systems may become more vulnerable to unauthorized access. Cyberattacks and security breaches that affect our partners and policyholders could adversely affect our ability to deliver our products and otherwise conduct our business and could put our systems at risk.

We have implemented various measures to manage our risks related to system and network security and disruptions, but a security breach or a significant and extended disruption in the functioning of our information technology systems could damage our reputation and cause us to lose policyholders, adversely impact our operations and operating results, and require us to incur significant expense to address and remediate or otherwise resolve such issues. In order to maintain the level of security, service, compliance, and reliability that our policyholders and applicable laws require, we may be required to make significant additional investments in our information technology systems on an ongoing basis.

***Infringement, misappropriation, dilution, or other violations of our intellectual property or other proprietary information by third parties could harm our business.***

We believe our intellectual property has significant value and is critical to our competitive advantage and market position. Our underwriting engine, Triton, and our policy management system, Poseidon, were built entirely in-house and form the backbone of our operations. Our Triton platform incorporates patented features. Both platforms' proprietary algorithms enable us to evaluate flood risk with precision and efficiency. Similarly, our advanced ML models and predictive analytics tools, developed entirely in-house, are essential to our ability to provide instant, accurate underwriting decisions and competitive pricing. These models are built and maintained exclusively within Neptune, ensuring we maintain full control over their development and evolution. If third parties were to infringe upon, misappropriate, or otherwise violate these systems and models, or if our proprietary technology or processes were compromised or became publicly accessible, it could compromise our ability to offer differentiated products and services in the flood insurance market, diminish the value of our brand, undermine our competitive position, reduce our market shares, and adversely affect our business, particularly against well-funded competitors or emerging flood insurance companies.

The effectiveness of intellectual property protections, such as patents, trademarks, and copyrights, depends on the legal systems of the jurisdictions where we operate. If we expand our operations into additional jurisdictions, including internationally, certain regions may have limited or inconsistent enforcement, or otherwise fail to provide the same level of protection of our proprietary and confidential information as do the laws of the United States, increasing the risk of unauthorized use or disclosure, infringement, misappropriation, or other violation of our intellectual property, even if contractual restrictions exist surrounding use of our intellectual property. Additionally, we cannot guarantee that future patent, copyright, trademark, or service mark registrations for any pending or future applications will issue, or that any registered patents, copyrights, trademarks, or service marks will be valid, enforceable, sufficiently broad in scope, or provide adequate protection of our intellectual property and other proprietary rights. The United States Patent and Trademark Office requires compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent and trademark registration process and after a registration has issued. For example, there are situations in which noncompliance can result in abandonment or cancellation of a trademark filing, resulting in partial or complete loss of trademark rights in the relevant jurisdiction. If this occurs, our competitors might be able to enter the market under or acquire identical or similar brands, trademarks, service marks, or other intellectual property or other proprietary rights, or otherwise violate or diminish the value of our trademarks and our other intellectual property and proprietary rights. Failure to adequately protect our intellectual property rights could damage our brand and impair our ability to compete effectively.

Even where we have effectively secured statutory protection for our trademarks and other intellectual property, our competitors and other third parties may infringe on, misappropriate, or otherwise violate our intellectual property, which could weaken our competitive position and erode our market share. Detecting and addressing intellectual property infringement may require costly litigation or enforcement actions, with no guarantee of favorable outcomes, and, in the course of litigation, such competitors and other third parties may attempt to challenge the breadth of our rights or ability to prevent others from using similar marks or designs or invalidate our intellectual property. If such challenges were to be successful, having less ability to prevent others from using similar marks or designs may ultimately result in a reduced distinctiveness of our brand in the minds of consumers. Defending or enforcing our trademark rights, branding practices and other intellectual property could result in the expenditure of significant resources and divert the attention of management, which in turn may materially and adversely affect our business and operating results, even if such defense or enforcement is ultimately successful. Even though competitors occasionally may attempt to challenge our ability to prevent infringers from using our marks, we are not aware of any challenges to our right to use.

Furthermore, as we continue to innovate and expand, there is a risk that third parties may assert claims that our proprietary technology or other aspects of our business infringe on their intellectual property rights. Defending against such claims, even if unfounded, could result in costly litigation, operational disruptions, or the need to modify or cease using certain technologies. An unfavorable ruling could lead to monetary damages or licensing fees, negatively impacting our financial position.

***Failure to seek, obtain, maintain, protect, defend, or enforce our intellectual property rights, or allegations that we have infringed, misappropriated, or otherwise violated the intellectual property rights of others, could harm our reputation, ability to compete effectively, financial condition, and business.***

Our success and ability to compete depends in part on our ability to seek, obtain, maintain, protect, defend, and enforce our intellectual property rights, including with respect to our proprietary technology and our brand. To protect our intellectual property rights, we rely on a combination of trademark laws, copyright laws, patent protection, trade secret protection, confidentiality agreements, and other contractual arrangements with our affiliates, employees, policyholders, strategic partners, and others. It is our policy to enter into agreements containing obligations of confidentiality with each party that has or may have had access to proprietary information, know-how or trade secrets owned or held by us, including confidentiality and invention assignment agreements with our employees, consultants, and contractors. Such protective steps may be ineffective or inadequate to deter infringement, misappropriation, or other violations of our proprietary information or other intellectual property. For example, our competitors and other third parties may design around our intellectual property, independently develop similar or superior intellectual property, or otherwise duplicate or mimic our platform or products in a manner that does not violate our intellectual property rights, such that we would not be able to successfully assert our intellectual property rights or other proprietary rights against them. In addition, we may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. Policing unauthorized use of our intellectual property is difficult, expensive, and time-consuming, and we may be required to spend significant resources to monitor and protect our intellectual property rights. Failure to protect our intellectual property adequately could harm our reputation and affect our ability to compete effectively.

In addition, even if we initiate litigation against third parties such as suits alleging infringement, misappropriation, or other violations of our intellectual property, we may not prevail. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Additionally, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. An adverse determination of any litigation proceedings could put our intellectual property at risk of being invalidated or interpreted narrowly and could put our related intellectual property at risk of not issuing or being canceled. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock. Any of the foregoing could adversely affect our business, financial condition, and results of operations. See also “- *Infringement, misappropriation, dilution, or other violations of our intellectual property or other proprietary information by third parties could harm our business.*”

Our trademarks are valuable assets that support our brand and perception of our platform and products and distinguish our platform and products from those of our competitors. We have registered or applied to register many of these trademarks. Third parties may also oppose our trademark applications or otherwise challenge our use of such trademarks, and our trademarks may be circumvented or declared generic. Further, there can be no assurance that competitors will not infringe our trademarks or that we will have adequate resources to enforce our trademarks. Third parties may file for registration of trademarks similar or identical to our trademarks, thereby impeding our ability to build brand identity and possibly leading to market confusion. Moreover, third parties may file first for our trademarks in certain countries. If they succeed in registering or developing common law rights in such trademarks, and if we are not successful in challenging such third-party rights, we may not be able to use these trademarks to develop brand recognition in those jurisdictions. If we are unable to protect our trademarks as well as our internet domain names in the United States or in other jurisdictions in which we may ultimately seek to operate, our brand recognition and reputation would suffer, we would incur significant re-branding expenses, and our results of operations could be adversely impacted.

Moreover, third parties may challenge, invalidate, or circumvent our intellectual property and other proprietary rights, or otherwise assert rights therein or ownership thereof, including through administrative processes or litigation, and we may be unable to successfully resolve any such conflicts in our favor or to our satisfaction. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management. Furthermore, third parties may assert intellectual property-related claims against us, including claims of infringement, misappropriation,

or other violation of their intellectual property, which may be costly to defend, could require the payment of damages, legal fees, settlement payments, royalty payments, and other costs or damages, including treble damages if we are found to have willfully infringed certain types of intellectual property, and could limit our ability to use or offer certain technologies, products, or other intellectual property. Any intellectual property claims, with or without merit, could be expensive, take significant time, and divert management's resources, time, and attention from other business concerns. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock. Any of the foregoing could adversely affect our business, financial condition, and results of operations. Furthermore, successful challenges against us could require us to modify or discontinue our use of technology or business processes where such use is found to infringe, misappropriate, or otherwise violate the rights of others, or require us to purchase licenses from third parties, which may not be available on commercially reasonable terms, or at all. Even if a license is available to us, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us, or we may be required to pay significant licensing payments or royalties, which would increase our operating expenses, or require us to redesign our platform or other products, or functionality therein, any of which could adversely affect our business, financial condition, and results of operations.

***Improper disclosure of confidential, personal, or proprietary data, whether due to human error, misuse of information by employees or vendors, or as a result of security breaches, cyberattacks, or other similar incidents with respect to our or our vendors' systems, could result in regulatory scrutiny, legal liability, or reputational harm and could have an adverse effect on our business or operations.***

We maintain confidential, personal, and proprietary information relating to policyholders and agents, including their names, addresses, phone numbers, and emails. We are subject to laws and regulations relating to the collection, use, retention, security, and transfer of this information. These laws apply to transfers of information among our affiliates, as well as to transactions we enter into with third-party vendors. Any improper disclosure, data breach, or failure to comply with privacy and data protection laws could expose us to significant risks, including regulatory penalties, legal liabilities, and reputational damage. Cybersecurity breaches, such as computer viruses, unauthorized parties gaining access to our information technology systems, and similar incidents could disrupt the security of our internal systems and business applications, impair our ability to provide our products to our policyholders and protect the privacy of their data, compromise confidential business information, or result in intellectual property or other confidential or proprietary information being lost or stolen, including partner, policyholder, employee, or company data, which could harm our competitive position or otherwise adversely affect our business. Cyber threats are constantly evolving, which makes it more difficult to detect cybersecurity incidents, assess their severity or impact in a timely manner, and successfully defend against them.

We maintain policies, procedures, and technical safeguards designed to protect the security and privacy of confidential, personal, and proprietary information. Nonetheless, we cannot eliminate the risk of human error or guarantee our safeguards against employee, vendor, or third-party malfeasance. It is possible that the steps we follow, including our security controls over personal data and training of employees on data security, may not prevent improper access to, disclosure of, or misuse of confidential, personal, or proprietary information. Policyholders, agents, and partners trust us to protect their data. Moreover, while we strive to publish and prominently display privacy policies that are accurate, comprehensive, and compliant with applicable laws, rules, regulations, and industry standards, we cannot ensure that our privacy policies and other statements regarding our practices will be sufficient to protect us from claims, proceedings, liability, or adverse publicity. If our public statements about our use, collection, disclosure, and other processing of personal information - whether made through our privacy policies, information provided on our website, press statements, or otherwise - are alleged to be deceptive, unfair, or misrepresentative of our actual practices, we may be subject to potential government investigations and enforcement actions, including by the FTC or relevant state attorneys general. Any incident involving improper disclosure or misuse of confidential, personal, or proprietary information - whether due to cyberattacks, internal errors, or third-party service provider failures - could erode confidence in our brand, create legal exposure, subject us to legal liability, reduce policyholder retention, and attract negative media attention. See also “- Our business is dependent upon information processing systems. Cybersecurity events, data breaches, cyberattacks, or other similar incidents, as well as defects, interruptions, or other failures, with respect to our or our vendors' information processing systems and data may hurt our business, damage our reputation, negatively impact policyholder retention and capacity provider relationships, and expose us to financial and legal liabilities” and “- We rely on the efficient, uninterrupted, and secure operation of complex information technology systems and networks to operate our business. Any significant system or network disruption due to an actual or perceived breach in the security of our or our vendors' information technology systems could have a negative impact on our reputation, regulatory compliance status, operations, sales, and operating results.”

Data privacy is subject to frequently changing laws, rules, and regulations in the various jurisdictions in which we operate. We are subject to an evolving, and sometimes conflicting, landscape of privacy regulations, including the CCPA and the GLBA, which impose stringent requirements on data handling or other processing, security, and transparency. Noncompliance with these laws, and other laws, rules, and regulations to which we are subject, could result in fines, penalties, enforcement actions, or costly litigation. Additionally, legislators in the U.S. are proposing new and more robust cybersecurity legislation in light of the recent broad-based cyberattacks at a number of companies. Continuing to maintain compliance with evolving privacy and data protection laws and regulations requires significant time, resources, and expense, as will the effort to monitor whether additional changes to our business practices and our backend configuration are needed, all of which may increase operating costs, or limit our ability to operate or expand our business. Our actual or perceived failure to adhere to, or successfully implement processes in response to, changing legal or regulatory requirements in this area could result in financial losses, legal liability, or damage to our reputation in the marketplace. See also “- *We are subject to evolving laws and regulations on data privacy, data protection, and cybersecurity, which can be complex and conflicting. We may face investigations, fines, and sanctions as a result of our or our service providers’ or partners’ actual or perceived failure to comply with such laws and regulations and incur increased operational costs in order to ensure future compliance.*”

Finally, because the interpretation and application of many privacy and data protection laws, commercial frameworks, and standards are uncertain, it is possible that these laws, frameworks, and standards may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our products. If so, in addition to the possibility of fines, lawsuits, breach of contract claims, criminal penalties, and other claims and penalties, we could be required to fundamentally change our business activities and practices or modify our products and features, which could have an adverse effect on our business. Furthermore, we may also be required to disclose personal information pursuant to demands from individuals, regulators, government authorities, and law enforcement agencies in a variety of jurisdictions with conflicting laws and regulations. Such disclosure may result in adverse media coverage and harm our brand and reputation, leading to loss of policyholders, which can result in adverse impact on our business, financial condition, and share price.

***The confidentiality and invention assignment agreements that we enter into with our employees, consultants, and contractors involved in the development of intellectual property may not provide meaningful protection for our trade secrets or other confidential information, and if we are unable to protect the confidentiality of our trade secrets or other confidential information, the value of our platform and products and our business and competitive position could be materially adversely affected.***

We rely heavily on trade secret laws and confidentiality agreements to protect our unpatented know-how, technology, and other proprietary information, including our platform and products and to maintain our competitive position. With respect to our platform and products, we consider trade secrets and know-how to be one of our primary sources of intellectual property. Trade secrets and know-how can be difficult to protect. We seek to protect these trade secrets and other confidential information in part by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, outside contractors, advisors, and other third parties. We also enter into confidentiality and invention assignment agreements with our employees, contractors, consultants, and other third parties who develop intellectual property on our behalf or who may have access to our proprietary information, know-how, or trade secrets. These confidentiality agreements are designed to protect our proprietary information and, in the case of agreements or clauses containing invention assignment, to grant us ownership of technologies that are developed through a relationship with employees or third parties. These agreements may not be self-executing or otherwise sufficient and may not provide meaningful protection against the unauthorized use or disclosure of our trade secrets or other confidential information, and adequate remedies may not exist if unauthorized use or disclosure were to occur, or we may not have executed, or may in the future fail to execute, invention assignment agreements with employees, contractors, consultants, and third parties who may be involved in the development of our intellectual property. The exposure of our trade secrets and other proprietary information would impair our competitive advantages and could have a material adverse effect on our business, results of operations, and financial condition. In particular, a failure to protect our confidential information may allow competitors to copy our technology, which could adversely affect our pricing and market share. Further, other parties may independently develop substantially equivalent know-how and technology.

Furthermore, individuals executing agreements with us may have preexisting or competing obligations to third parties, and thus an agreement with us may be ineffective in perfecting ownership of intellectual property developed by those individuals. We may in the future become subject to claims that we or our employees have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, we may be forced to pay monetary damages or be enjoined from

using certain technology, aspects of our platforms, aspects of our programs, or knowledge. Even if we are successful in defending against these claims, litigation could result in substantial costs and demand on management resources.

In addition to contractual measures, we seek to protect the confidential nature of our proprietary information using commonly accepted physical and technological security measures. Such measures may not, for example, in the case of misappropriation of a trade secret by an employee, consultant, or other third party with authorized access, provide adequate protection for our proprietary information. Our security measures may not prevent an employee, consultant, contractor, or other third party from misappropriating our trade secrets and providing them to a competitor, and the recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our intellectual property, trade secrets, or confidential information will be effective. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our platform and programs that we consider proprietary. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive, and time-consuming, and the outcome is unpredictable. Trade secret violations are often a matter of state law, and the criteria for protection of trade secrets can vary among different jurisdictions. In addition, trade secrets may otherwise become known or be independently developed by others, including our competitors, in a manner that could prevent legal recourse by us.

***Our platform contains third-party open-source software components, which may entail greater operational risks than use of third-party commercial software.***

Our platform contains software modules licensed by third-party providers and authors under “open-source” licenses. Use and distribution of open-source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide support, warranties, indemnification, or other contractual protections regarding infringement claims or the quality of the code. In addition, the public availability of such software may make it easier for others to compromise our platform, leading to greater cybersecurity risks.

Some open-source licenses contain requirements that the licensee makes available source code for modifications or derivative works we create based upon the type of open-source software we use or grant other licenses to our intellectual property. If we combine our proprietary software with open-source software in a certain manner, we could, under certain open-source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar products with lower development effort and time and ultimately could result in a loss of our competitive advantages. Alternatively, to avoid the public release of the affected portions of our source code, we could be required to expend substantial time and resources to re-engineer some or all of our software.

We expect that we will monitor our use of open-source software to avoid subjecting our platform to conditions we do not intend, but we cannot provide assurance that our processes for controlling our use of open-source software will be effective. If we are held to have breached or failed to fully comply with all the terms and conditions of an open source software license, we could face litigation, infringement, or other liability, or be required to seek costly licenses from third-parties to continue providing our offerings on terms that are not economically feasible, to re-engineer our platform, to discontinue or delay the provision of our offerings if re-engineering could not be accomplished on a timely basis, or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business and operations. Moreover, the terms of many open-source licenses have not been interpreted by U.S. or foreign courts. As a result, there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to operate our platform. From time to time, there have been claims challenging the ownership of open-source software against companies that incorporate open-source software into their solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open-source software. The risks associated with our use of open-source software described above can result in adverse impact on our reputation, business, and operations.

***Intellectual property rights do not necessarily address all potential threats.***

The degree of future protection afforded by our intellectual property and other proprietary rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to develop a platform or other technology that is similar to our Triton platform, but that is not covered by the claims of our issued patent;
- others may independently develop similar or alternative technologies or otherwise circumvent any of our technologies without infringing our intellectual property rights;

- we might not have been the first to invent the inventions covered by our issued patent;
- we might not have been the first to file the patent application covering our issued patent or future patents;
- it is possible that any patent applications we may file in the future will not lead to issued patents;
- others may have access to the same intellectual property rights licensed to us on a non-exclusive basis in the future;
- our issued patent or any future patents we own may not provide us with any competitive advantage, or may be held invalid or unenforceable as a result of legal challenges by our competitors;
- our competitors might conduct research and development (“R&D”) activities in countries where we do not have patent rights, or in countries where R&D safe harbor laws exist, and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- ownership, validity, or enforceability of our issued patent may be challenged by third parties;
- patent enforcement is expensive and time-consuming and difficult to predict, thus we may not be able to enforce our issued patent or future patents against a competitor;
- we may choose not to file a patent for certain inventions, instead choosing to rely on trade secret protection or know-how, and a third party may subsequently file a patent covering such intellectual property; and
- the patents of third parties or pending or future applications of third parties, if issued, may have an adverse effect on our business.

Should any of these events occur, it could significantly harm our business, financial condition, and results of operations.

#### ***Risks Relating to Regulatory and Legal Matters***

##### ***The insurance business is extensively regulated, and changes in regulation may reduce our profitability and limit our growth.***

We operate in a highly regulated industry, subject to regulatory oversight in the 50 states and Washington, D.C., where we are qualified to do business, and regulatory factors at the federal and state level may impact our ability to sell insurance policies. This extensive regulatory framework governs consumer protections and data security, exposing our business to significant litigation and compliance risks. Any failure to meet these requirements as a result of our or our service providers’ or partners’ actual or perceived failure to comply with such laws and regulations or allegations of noncompliance can result in fines, penalties, or operational restrictions. Regulators and members of other governmental agencies or instrumentalities may scrutinize the underwriting and pricing decisions made by our proprietary Triton platform, potentially raising concerns about transparency, accuracy, or adherence to applicable laws. For example, we have in the past, and may in the future, receive inquiries from regulators and members of the U.S. Congress relating to our business model, use of technology and other business practices and activities. Failure to comply with applicable regulations or to obtain or maintain appropriate authorizations or exemptions under any applicable laws, and any investigations, inquiries or examinations by regulators or other governmental agencies or instrumentalities, could result in adverse publicity, restrictions on our ability to conduct business or engage in activities regulated in one or more jurisdictions in which we operate and could subject us to reputational damage, fines, injunctions, or other sanctions that could have a material adverse effect on our business, results of operations, and financial condition. In addition, the nature and extent of regulation could materially change, which may result in additional costs associated with compliance with any such changes, or changes to our operations that may be necessary to comply, any of which may have a material adverse effect on our business. State insurance regulatory authorities have broad administrative powers, which at times are coordinated and communicated across regulatory bodies. These administrative powers include, but are not limited to:

- licensing companies and agents to transact business;
- regulating certain premium rates;
- reviewing and approving policy forms;
- regulating discrimination in pricing, coverage terms, and unfair trade and claims practices, including payment of inducements;

- establishing and revising statutory capital and reserve requirements and solvency standards;
- evaluating enterprise risk to an insurance company;
- approving changes in control of insurance companies;
- restricting the payment of dividends and other transactions between affiliates;
- regulating the types, amounts, and valuation of investments; and
- restricting, pursuant to state monoline restrictions, the types of insurance products that may be offered.

State insurance regulators and the National Association of Insurance Commissioners regularly re-examine existing laws and regulations, which may lead to modifications to statutory accounting principles, interpretations of existing laws, and the development of new laws and regulations applicable to insurance companies and their products. Changes in regulations or heightened scrutiny of underwriting practices or E&S lines could materially and adversely affect our business, financial condition, results of operations, and growth prospects.

Litigation often arises from claims activity. Even though we do not directly handle or adjudicate claims, legal disputes related to denied or delayed claims under policies sold through our platform may incorrectly name us as a party, resulting in reputational damage and legal expenses. Litigation may also involve underwriting decisions, where Triton's algorithms could be challenged for perceived inaccuracies, discrimination, or noncompliance with regulatory standards. Such disputes can lead to court-mandated changes to our processes, financial liabilities, and reputational harm. The scale and reach of our business can also expose us to the risk of class-action lawsuits or consumer protection claims alleging unfair practices or misleading disclosures. Legal proceedings tied to these allegations, whether substantiated or not, can result in significant financial liabilities, disruption to operations, and erosion of policyholder trust.

While we operate as a private flood insurer, changes in NFIP regulations can impact our business. For example, the implementation of Risk Rating 2.0 by the NFIP aims to align premiums more closely with actuarial accuracy by increasing rates for most policyholders. Similar changes could affect the competitive landscape and influence policyholder behavior, potentially impacting our market share and profitability.

As a provider of flood insurance, we are particularly sensitive to regulations related to climate change and natural disasters. Due to the frequency and intensity of the natural disasters related to climate change, government and regulatory bodies may introduce new regulations aimed at mitigating the impact of natural disasters. These regulations could include stricter building codes, mandatory insurance requirements, or incentives for risk mitigation measures. Such regulations could increase our service providers' or partners' compliance costs and operational complexity. Further, a substantial legal liability or a significant regulatory action against us could have a material adverse effect on our business, results of operations, and financial condition. It is possible that we could become subject to future investigations, regulatory actions, lawsuits, or enforcement actions, which could cause us to incur legal costs and, if we were found to have violated any laws or regulations, require us to pay fines and damages, perhaps in material amounts, and result in injunctions and other sanctions. Increased regulatory scrutiny and any resulting investigations or legal proceedings could result in new legal precedents and industry-wide regulations or practices that could have a material adverse effect on our business, results of operations, and financial condition. Moreover, even if we ultimately prevail in such litigation, regulatory action, or investigation, we could suffer significant reputational harm and incur significant legal expenses, which could have a material adverse effect on our business, results of operations, and financial condition. We cannot predict the ultimate outcomes of any future investigations, regulatory actions, or legal proceedings. Additionally, our carrier partners are regulated by state insurance departments for solvency issues and are subject to reserve requirements. We cannot guarantee that all carriers with which we do business comply with regulations instituted by state insurance departments. For example, if our carrier partners are perceived as unstable or financially weak, they may face increased regulatory scrutiny, which could result in restrictions on their operations or additional compliance requirements. This could further impact their ability to support our business and lead to operational disruptions. If our carriers are unable to adapt to these regulatory changes, it could lead to a reduction in their capacity or willingness to partner with us, thereby affecting our ability to operate and expand our business and maintain existing policies. We may need to expend resources to address questions or concerns regarding our relationships with these insurers, diverting management resources away from operating our business, which could have an adverse impact on our business.

***Reform or repeal of the Biggert-Waters Act could materially reduce sales.***

The Biggert-Waters Act of 2012 defined “private flood insurance” as an insurance policy that meets certain criteria and mandated that the NFIP establish actuarially sound premium rates; following its adoption, the NFIP’s premium rates increased. Thereafter, as part of the Consolidated Appropriations Act of 2014, Congress prohibited FEMA from implementing section 207 of the Biggert-Waters Act, effectively stopping certain rate increases while new law was developed to address concerns about increased rates. In 2014, Congress passed the Homeowner Flood Insurance Affordability Act of 2014, which repealed certain provisions of the Biggert-Waters Act, thereby restoring certain subsidies and “grandfathering” of certain properties, and also implemented limits on certain NFIP rate increases, implemented an annual surcharge on all policyholders, and mandated FEMA conduct an affordability study to explore ways to make flood insurance more affordable for policyholders. In addition to the mandates relating to NFIP rates, the Biggert-Waters Act and the related regulations required federally-regulated lending institutions to accept private flood insurance policies that meet certain criteria in satisfaction of flood regulations governing a federally-related mortgage loan secured by a building located in an SFHA.

Subsequently, in 2021, FEMA continued to modify NFIP’s approach to pricing by launching Risk Rating 2.0, a pricing methodology aimed at better aligning premiums with the risk profile of a given property. Under Risk Rating 2.0, NFIP policyholders became subject to limits on annual rate increases of up to 18%, the maximum allowed under congressional caps, until their premiums reach full risk-based levels. In addition, certain executive orders have been adopted in 2025 that have rescinded the Federal Flood Risk Management Standard Policy and established a bipartisan FEMA Review Council tasked with reforming and streamlining the U.S. emergency management and disaster response system. To date, these developments have not had any impact on the provisions of the Biggert-Waters Act that established the private flood insurance market, but a weakening or repeal of, or future legislation or executive action addressing, the mandatory acceptance provisions included in the Biggert-Waters Act or the related regulations could result in fewer sales if lending institutions subsequently choose not to accept private flood policies in satisfaction of the regulation. Further, if NFIP’s implementation of Risk Rating 2.0 is tolled or delayed or Congress elects to continue to subsidize the NFIP consistent with historic levels, it could limit our potential growth opportunities relating to existing NFIP policyholders. In addition, adjustments to NFIP’s pricing, coverage options, or underwriting guidelines, whether through amendments or modifications to the Biggert-Waters-Act or otherwise, could also significantly alter the competitive landscape. If any of such developments occur, it could materially and adversely affect our business, financial condition, and results of operations.

***Changes to the E&S lines regulatory landscape, or a requirement for Neptune to file admitted rates, could have a detrimental impact to our sales, innovation, and ability to grow.***

We operate in the E&S lines market, which allows for greater flexibility in underwriting, pricing, and product innovation compared to the admitted insurance market. E&S insurers are not required to file rates and forms with state regulators in the same manner as admitted carriers, enabling us to adapt quickly to market conditions and policyholder needs.

Regulatory changes affecting the E&S market or the imposition of admitted-market requirements on Neptune could have a material and adverse impact on our business. If we are required to file and receive approval for our rates and policy forms in certain states, it could significantly slow our ability to adjust pricing based on evolving risk factors and our proprietary models and technology platform. This would limit our flexibility and responsiveness to competitive and climate-related changes and could require us to make changes to our pricing structure. In addition, the E&S market’s ability to rapidly introduce new coverage options and adjust terms is a key advantage. If regulatory changes require us to comply with admitted-market filing processes, our product development cycles could be delayed, reducing our ability to respond to emerging policyholder needs. Further, many of our competitors and potential competitors operate within the admitted insurance market and have already built compliance frameworks for rate and form filings. If we are required to transition to an admitted structure, we may face increased operational costs and administrative burdens that could reduce our competitive advantage. Some states may also introduce new regulations limiting the use of E&S carriers or requiring E&S lines insurers to meet additional compliance thresholds. If states impose restrictions that force more policies into the admitted market, our ability to underwrite and sell flood insurance through the E&S structure could be limited. Changes in E&S regulations may also affect how insurance and reinsurance partners evaluate risk-taking arrangements. Stricter regulatory oversight could lead to increased capital requirements or changes in reinsurance terms, impacting our ability to secure or grow risk-taking partnerships. If regulatory changes restrict the advantages of the E&S market or require Neptune to file admitted rates, it could hinder our ability to innovate, slow our sales growth, and impose additional costs that could materially and adversely affect our business, financial condition, and results of operations.

***Compliance with insurance licensing requirements for MGAs and E&S lines agencies and individual producers is critical to our operations, and any failure to maintain required licenses could disrupt our business.***

As an MGA, we are subject to licensing requirements and must maintain insurance licenses in each of the jurisdictions in which we operate. These licenses are subject to periodic renewal and compliance with jurisdiction-specific regulations, including recordkeeping, tax reporting, and E&S lines filing requirements. Any failure to meet these obligations could result in fines, penalties, or suspension of our licenses, which would impair our ability to operate in affected jurisdictions.

Our operations as both an MGA and E&S lines broker subject us to complex, overlapping licensing requirements that could have an adverse impact on our business if not maintained. This dual role subjects us to distinct but overlapping regulatory frameworks, increasing both compliance complexity and operational risk. Some states require separate licenses for MGA and E&S lines activities, while others may combine these authorities under different licensing structures.

Additionally, certain employees who provide customer service or interact with policyholders are required to obtain and maintain individual insurance producer licenses in compliance with state regulations. These licenses require passing state examinations, completing continuing education courses, and adhering to ethical standards. Many states also restrict E&S lines broker licenses to individuals rather than agencies. Our ability to operate in these jurisdictions depends entirely on maintaining employed individuals who hold these personal licenses. The departure of key licensed individuals could immediately impact our ability to place new business or service existing policies in affected states until we can obtain new individual licenses. This creates operational risk, as the process of obtaining new individual licenses can be time-consuming, potentially creating business interruptions. As a result, failure by any of our licensed employees to meet these requirements could limit our ability to provide customer service or result in regulatory action.

The variation in licensing requirements across states increases administrative complexity and costs. Monitoring and managing compliance for both agency and individual licenses requires significant investment in resources and systems. Any oversight, such as missed renewal deadlines or failure to meet state-specific reporting requirements, could result in lapses or disciplinary action. Loss or suspension of licenses in key markets could significantly impact our revenue and growth prospects, particularly in states that represent a substantial portion of our business. Additionally, lapses in individual licensing could expose Neptune to liability if unlicensed employees inadvertently engage in regulated activities.

The regulatory landscape governing insurance licensing is continually evolving, and new or modified requirements could impose additional compliance burdens or restrict our ability to operate in certain jurisdictions. Maintaining licensing compliance requires significant ongoing investment in personnel, training, and systems, and these costs may increase as regulations evolve or our business expands. We also depend on third-party service providers to assist with certain aspects of our licensing compliance and any failures by these providers could result in inadvertent non-compliance with licensing requirements. In addition, as we expand into new markets or offer new products, we may face additional licensing requirements or heightened regulatory scrutiny, which could impede our growth strategies.

Finally, as an MGA, we must verify that our third-party agent and brokers maintain required licenses and comply with the conditions of our delegated binding authorities. Failure to oversee the license status of these agents and brokers could result in termination of carrier relationships and/or increased regulatory risk.

These licensing requirements are complex, vary by state, and impose ongoing obligations that are critical to maintaining our ability to conduct business. While we strive to maintain all required licenses, we cannot ensure that we will be able to maintain them in the future or obtain additional licenses as needed, and any such failure or lapses in compliance could materially and adversely affect our business, financial condition, results of operations, and growth prospects.

***Our role in collecting and paying E&S lines taxes exposes us to financial, operational, and regulatory risks.***

As an E&S lines broker, we are responsible for collecting and remitting E&S lines taxes on behalf of our policyholders to various state authorities. This process requires strict compliance with state-specific tax laws, accurate recordkeeping, and timely payments.

Any errors, delays, or omissions in the collection or payment of E&S lines taxes could result in penalties, fines, or interest charges. State regulators may also audit our tax compliance practices, and any findings of noncompliance could lead to further penalties or reputational harm. E&S lines tax requirements also vary by state, adding complexity to our operations. Misinterpretation of state laws, calculation errors, or failures in tracking transactions across jurisdictions could result in underpayment or overpayment of taxes, disrupting cash flow and increasing administrative burdens.

Our role in handling funds for E&S lines taxes could make us liable for any unpaid taxes. Disputes with policyholders or state authorities over tax amounts or remittance could result in financial losses and damage to our reputation. Proper management of E&S lines taxes is critical to maintaining compliance and avoiding financial and operational disruptions. Any failure to do so could materially and adversely affect our business, financial condition, and results of operations.

***Regulatory and licensing requirement changes could disrupt operations or increase compliance costs and restrict our ability to conduct our business.***

The flood insurance industry operates within a complex and evolving regulatory environment, encompassing federal, state, and local laws. Changes to these regulations could significantly impact our business model, operational costs, and competitive position.

Dramatic policy changes to the NFIP are possible. Any modifications to the NFIP's pricing structure, underwriting guidelines, or subsidy programs could alter the competitive landscape in which we operate. For example, if the administration were to implement measures to lower NFIP premiums or expand coverage options, private flood insurance providers like Neptune could face heightened competitive pressures. Conversely, reductions in NFIP subsidies could drive more customers to seek private market solutions, creating both opportunities and operational challenges.

Regulatory changes at the federal level, including those affecting floodplain mapping, risk assessment standards, and lender requirements, could also create uncertainty for private insurers. For example, changes to FEMA's flood zone designations or its risk rating methodologies could affect how we evaluate and price flood risk, necessitating costly updates to our proprietary technology. Additionally, prolonged regulatory uncertainty could discourage banks or other lenders from accepting private flood insurance policies, further limiting market growth. Changes to Standard Flood Insurance Policy forms or requirements could also necessitate swift adjustments to our processes and systems, potentially increasing compliance costs and operational risks. These dependencies make our business sensitive to potential federal policy shifts. Further, while federal policies dominate the flood insurance market, state regulators also play a significant role in governing private insurers. Variability in state-level requirements for rate filings, consumer protections, and policy approvals can add complexity and cost to our operations.

Additionally, we are subject to licensing requirements and must maintain insurance licenses in each of the jurisdictions where we operate. These licenses are subject to periodic renewal and compliance with state-and jurisdiction-specific regulations, including recordkeeping, tax reporting, and E&S lines filing requirements. For example, a significant portion of our business is concentrated in Florida, Texas, and Louisiana, collectively representing 48.9% of our policies in force as of December 31, 2025. The insurance business is primarily a state-regulated industry, and therefore, state legislatures may enact laws that adversely affect the insurance industry. Because our business is concentrated in these states, we face greater exposure to unfavorable changes in regulatory conditions in Florida, Texas, and Louisiana than insurance intermediaries whose operations are more diversified through a greater number of states. Unfavorable changes to regulatory conditions in Florida, Texas, and Louisiana could harm our business, financial condition, and results of operations. See also “- *Compliance with insurance licensing requirements for MGAs and E&S lines agencies and individual producers is critical to our operations, and any failure to maintain required licenses could disrupt our business*” for further discussion.

As a result, any significant shifts in federal or state regulations - particularly those related to the NFIP - could materially and adversely affect our business, financial condition, and results of operations.

***Changes in federal and state tax laws, or interpretations thereof, could materially and adversely affect our financial performance.***

Neptune is subject to federal and state income taxes, including in Florida where our headquarters are located and in numerous other states where we sell policies. The complexity and variability of tax regulations, combined with the potential for legislative or administrative changes, expose our business to significant tax-related risks.

Federal and state governments periodically enact changes to income tax rates, tax deductions, credits, and other provisions. Increases in corporate income tax rates or reductions in available deductions could materially increase our tax obligations. For example, legislative proposals to raise federal corporate tax rates or broaden the tax base could significantly impact our profitability.

In addition, as we operate in multiple states, Neptune is subject to varying tax regimes and reporting requirements. States may impose additional taxes, which could increase our compliance burden and tax liabilities. Changes in Florida's

tax laws or in other key states where we sell policies could disproportionately affect our financial results. Differences in state tax laws and interpretations can also result in disputes with tax authorities, audits, and potential assessments for unpaid taxes, penalties, or interest. Additionally, changes in enforcement practices or increased scrutiny from federal or state tax agencies could lead to greater compliance costs and risks of financial penalties. Further, changes to tax laws or regulations may be enacted with retroactive effect, resulting in unexpected liabilities. Similarly, unanticipated changes in tax policy could disrupt our financial planning and operational strategies, potentially impacting cash flow and investment decisions.

The need to comply with diverse tax laws across multiple jurisdictions adds administrative complexity and costs and we must allocate resources to ensure compliance with filing requirements, tax payments, and reporting standards, diverting attention and resources from core business activities. The dynamic and often unpredictable nature of tax regulation increases the risk of adverse impacts, particularly as we continue to look to expand our operations into additional jurisdictions. As a result, tax policy changes or increased tax liabilities could materially and adversely affect our business, financial condition, and results of operations.

*We are subject to evolving laws and regulations on data privacy, data protection, and cybersecurity, which can be complex and conflicting. We may face investigations, fines, and sanctions as a result of our or our service providers' or partners' actual or perceived failure to comply with such laws and regulations and incur increased operational costs in order to ensure future compliance.*

Our collection, use, retention, protection, disclosure, transfer, and other processing of personal data subject us to laws and regulations on data protection in multiple jurisdictions, which are often evolving and sometimes conflicting. There is uncertainty and inconsistency in how these data protection and privacy laws and regulations are interpreted and applied, and they continue to evolve in ways that could adversely impact our business. These laws have a substantial impact on our operations in the United States. Further, we are subject to certain federal, state, and international regulations related to cybersecurity, including the NYDFS 23 NYCRR Part 500 Cybersecurity Requirements for Financial Services Companies.

We may also be considered a financial institution under the GLBA. The GLBA regulates, among other things, the use of personal information (“non-public personal information” under the GLBA) in the context of the provision of financial services, including by banks and other financial institutions. The GLBA includes both a “Privacy Rule,” which imposes obligations on financial institutions relating to the use or disclosure of non-public personal information, and a “Safeguards Rule,” which imposes obligations on financial institutions and, indirectly, their service providers, to implement and maintain physical, administrative, and technological measures to protect the security of non-public personal information.

Furthermore, in the United States, federal and state lawmakers and regulatory authorities have increased their attention to the collection and use of consumer data. For example, certain states in the United States have enacted stringent privacy and data protection legislation and regulations, such as the CCPA, which gives California residents the right to access and request deletion of their personal data, opt out of the sale of personal data, and receive detailed information about how their personal data is processed, and which provides a private right of action for certain data breaches involving the loss of personal data. The California Privacy Rights Act modified the CCPA by expanding consumers’ rights with respect to certain personal data and creating a new state agency to oversee implementation and enforcement efforts. Another example is the Virginia Consumer Data Protection Act, which regulates how businesses collect and share personal information. Several other states have passed comprehensive privacy laws similar to the CCPA. Like the CCPA, these laws create obligations related to the processing of personal information, as well as special obligations for the processing of “sensitive” data. Some of the provisions of these laws may apply to our business activities. Additionally, state laws are changing rapidly and there is discussion in Congress of a new comprehensive federal data privacy law to which we may become subject, if enacted, which may add additional complexity, conflicting requirements, additional restrictions, and potential legal risk. The existence of comprehensive privacy laws in various jurisdictions will make our compliance obligations more complex and costly and may increase the likelihood that we may be subject to enforcement actions or otherwise incur liability for noncompliance.

We also send marketing messages via email and are subject to the Controlling the Assault of Non-Solicited Pornography And Marketing Act (the “CAN-SPAM Act”). The CAN-SPAM Act imposes certain obligations regarding the content of emails and providing opt-outs (with the corresponding requirement to honor such opt-outs promptly). While we strive to ensure that all of our marketing communications comply with the requirements set forth in the CAN-SPAM Act, any violations could result in the FTC and/or state regulators and attorneys general seeking civil penalties against us.

Additionally, depending on the nature of the information compromised, in the event of a data breach or other unauthorized access to our policyholder data, we may also have obligations to notify policyholders and regulators about the incident, and we may need to provide some form of remedy, such as a subscription to credit monitoring services, pay significant fines to one or more regulators, or pay compensation in connection with a class action settlement. Furthermore, we may be required to disclose personal data pursuant to demands from individuals, regulators, government agencies, and law enforcement agencies in various jurisdictions with conflicting privacy and security laws, which could result in a breach of privacy and data protection policies, notices, laws, rules, court orders, and regulations. Although we may have contractual protections with our vendors, any actual or perceived security breach, incident, or compromise could harm our reputation and brand, expose us to potential liability, or require us to expend significant resources on cybersecurity and in responding to any such actual or perceived breach, incident, or compromise. Any contractual protections we may have from our vendors may not be sufficient to adequately protect us from any such liabilities and losses, and we may be unable to enforce any such contractual protections. Moreover, changes in the laws and regulations that govern our collection, use, and disclosure of policyholder data and offering of products to new jurisdictions could impose additional requirements with respect to the retention and security of policyholder data and could limit marketing activities. Complying with these obligations could cause us to incur substantial costs and could increase negative publicity surrounding any incident that compromises policyholder data. Our failure to comply with data protection laws or the improper disclosure of our own confidential business information or sensitive policyholder information could have an adverse effect on our reputation, business, operating results, financial condition, and share price.

***Our business is subject to risks related to legal, governmental, and regulatory proceedings.***

In the normal course of business, we may be subject to regulatory and governmental investigations and civil actions, litigation, and other forms of dispute resolution. In addition, we may become involved in litigation and arbitration concerning our rights and obligations under insurance policies issued by our capacity providers to third parties. Additionally, from time to time, various regulatory and governmental agencies may review our transactions and practices in connection with industry-wide and other inquiries. Such investigations, inquiries, or examinations could in the future develop into administrative, civil, or criminal proceedings or enforcement actions, in which remedies could include fines, penalties, restitution, or alterations in our business practices, and could result in additional expenses, limitations on certain business activities, and reputational damage.

We and our officers and directors may also become subject to a variety of additional types of legal disputes brought by holders of our securities, policyholders, employees and others, alleging, among other things, breach of contractual or fiduciary duties, bad faith, indemnification, and violations of federal and state statutes and regulations. Certain of these matters may also involve potentially significant risk of loss due to the possibility of significant jury awards and settlements, punitive damages, or other penalties. These matters could be highly complex and seek recovery on behalf of a class or similarly large number of plaintiffs. It is therefore inherently difficult to predict the size or scope of potential future losses arising from them, and developments in these matters could have a material adverse effect on our financial condition or results of operations.

***Risks Related to Financial and Accounting Matters***

***We will incur significant costs and management resources as a result of operating as a public company.***

As a public company, we are subject to the information and reporting requirements of the Securities Act, the Exchange Act, and other federal securities laws, rules and regulations related thereto, including compliance with the Sarbanes-Oxley Act and the Dodd-Frank Act. In addition, the NYSE listing requirements and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have significantly increased our legal and financial compliance costs and made some activities more time-consuming and costly. Among other things, as a public company we are required to:

- maintain and evaluate a system of internal controls over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act and the related rules and regulations of the Commission and the Public Company Accounting Oversight Board;
- maintain policies relating to disclosure controls and procedures;
- prepare and distribute periodic reports in compliance with our obligations under federal securities laws;
- institute a comprehensive compliance function, including with respect to corporate governance; and

- involve, to a greater degree, our outside legal counsel and accountants in the above activities.

The costs of preparing and filing annual and quarterly reports, proxy statements, and other information with the Commission and furnishing audited reports to stockholders is expensive and much greater than that of a privately-held company. Compliance with these rules and regulations will require us to hire additional financial reporting, internal controls, and other finance personnel, and has involved a material increase in regulatory, legal, and accounting expenses and the attention of our board of directors and management. In addition, being a public company makes it more expensive for us to obtain and maintain director and officer liability insurance. These factors could also make it more difficult for us to attract and retain qualified executives and members of our board of directors. We expect a substantial increase in legal, accounting, insurance, and certain other expenses incurred to comply with these additional regulatory and other requirements in the future, which will negatively impact our business, results of operations, and financial condition.

***Changes in accounting principles and financial reporting requirements could impact our consolidated results of operations and financial condition.***

Our financial statements are prepared in accordance with GAAP, which are periodically revised. Changes in accounting principles and financial reporting requirements could significantly impact our consolidated results of operations and financial condition. From time to time, we are required to adopt new or revised accounting standards issued by the Financial Accounting Standards Board, which may require us to modify our accounting policies, procedures, and systems. These changes could result in significant variations in our reported financial results and may affect our financial condition. See Note 2, "Significant Accounting Policies," to our audited financial statements included elsewhere in this Annual Report for a discussion of any accounting developments that have been issued but not yet implemented.

***We could be subject to additional tax liabilities.***

We are subject to U.S. federal, state, and local income taxes, sales, and other taxes in the United States. Significant judgment is required in evaluating our tax positions, and the ultimate tax outcome may be uncertain. In addition, our provision for income taxes is subject to volatility and could be adversely affected by many factors, including, among other things, changes to our operating or holding structure, changes in the amounts of earnings in jurisdictions with differing statutory tax rates, and changes in the valuation of deferred tax assets and liabilities. In addition, our future income tax obligations could be adversely affected by changes in, or interpretations of, tax laws in the United States. Tax authorities may disagree with our calculation of R&D tax credits, cross-jurisdictional transfer pricing, or other matters and assess additional taxes, interest, or penalties. While we regularly assess the likely outcomes of these examinations to determine the adequacy of our provision for income taxes and we believe that our financial statements reflect adequate reserves to cover any such contingencies, there can be no assurance that the outcomes of such examinations will not have a material impact on our results of operations and cash flows. If tax authorities change applicable tax laws, our overall taxes could increase, and our financial condition or results of operations may be adversely impacted.

***If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in the market price of our stock.***

We prepare our consolidated financial statements in accordance with GAAP. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue, and expenses, as well as the disclosure of contingent assets and liabilities at the date of our financial statements. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources. If our assumptions change or actual circumstances differ from those in our assumptions, our results could differ from these estimates, which could materially affect our consolidated financial statements. This could cause our results of operations to fall below expectations of securities analysts and investors, and result in a decline in the market price of our common stock. Future changes in accounting standards or accounting guidance generally could also have an adverse impact on our results of operations and financial condition. Further, the design and effectiveness of our disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements, or misrepresentations.

***We are exposed to the risk of failure by banks where we hold uninsured deposits exceeding Federal Deposit Insurance Corporation ("FDIC") limits.***

We currently maintain cash deposits at JPMorgan Chase Bank, N.A., with balances that often exceed the \$250,000 per-depositor limit insured by the FDIC. Any failure of a bank where we hold deposits above this insured threshold could

result in the loss of uninsured funds, leading to financial losses, liquidity constraints, and operational disruptions. For example, in early 2023, substantially all of our cash and cash equivalents were held in accounts with Silicon Valley Bank (“SVB”) at the time it was closed by state regulators, and the FDIC was appointed as its receiver. As a result, we were unable to access funds needed for working capital and operating expenses during the suspension of SVB’s banking services. While the FDIC eventually created a successor bridge bank for SVB and all of our funds held at SVB were subsequently transferred to the bridge bank under a systemic risk exception approved by the U.S. Treasury, the Federal Reserve, and the FDIC, there can be no guarantee that we would be able to recover our uninsured deposits from any other banking institution with which we hold funds if such institution were to fail.

Economic instability, financial market volatility, or stress in the banking sector could increase the likelihood of bank failures. If a bank holding our uninsured deposits fails and we are unable to recover those funds, it could materially and adversely affect our financial condition, liquidity, results of operations, and ability to execute our business strategy.

#### ***Risks Relating to our Indebtedness***

***We have debt outstanding that could adversely affect our financial flexibility and subjects us to restrictions and limitations that could significantly impact our ability to operate our business.***

As of December 31, 2025, we had total consolidated debt outstanding with a principal balance of \$240.0 million. Our outstanding debt is collateralized by substantially all of our assets. For the year ended December 31, 2025, we incurred debt servicing costs of \$18.2 million, all of which were attributable to interest expense. The level of debt we have outstanding during any period could adversely affect our financial flexibility. We also bear risk at the time our debt matures and related to the floating nature of the interest rate on our debt. Our ability to make interest and principal payments, to refinance our debt obligations, and to fund any planned capital expenditures will depend on our ability to generate cash from operations. Our ability to generate cash from operations is, to a certain extent, subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control, such as an environment of rising interest rates. The need to service our indebtedness will also reduce our ability to use cash for other purposes, including working capital, dividends to stockholders, acquisitions, capital expenditures, share repurchases, and general corporate purposes. If we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional equity, or reducing or delaying capital expenditures, strategic acquisitions, and investments, any of which could impede the implementation of our business strategy or prevent us from entering into transactions that would otherwise benefit our business. Additionally, we may not be able to effect such actions, if necessary, on favorable terms, or at all. We may not be able to refinance any of our indebtedness on favorable terms, or at all.

The Amended Credit Agreement governing our debt contains covenants that, among other things, restrict our ability to make certain restricted payments, incur additional debt, engage in certain asset sales, mergers, acquisitions, or similar transactions, create liens on assets, engage in certain transactions with affiliates, change our business, or make investments, and require us to comply with certain financial covenants. The restrictions in the Amended Credit Agreement governing our debt may prevent us from taking actions that we believe would be in the best interest of our business and our stockholders and may make it difficult for us to execute our business strategy successfully or effectively compete with companies that are not similarly restricted. We may also incur future debt obligations that might subject us to additional or more restrictive covenants that could affect our financial and operational flexibility, including our ability to pay dividends. We cannot make any assurances that we will be able to refinance our debt or obtain additional financing on terms acceptable to us, or at all. A failure to comply with the restrictions under the Amended Credit Agreement could result in a default under the financing obligations or could require us to obtain waivers from our lenders for failure to comply with these restrictions. If we were unable to make payments or refinance our debt or obtain new financing under these circumstances, we would have to consider other options, such as sales of assets, sales of equity, or negotiations to restructure the debt. The occurrence of a default that remains uncured or the inability to secure a necessary consent or waiver could cause our obligations with respect to our debt to be accelerated and have a material adverse effect on our business, financial condition, and results of operations.

***We may seek additional debt financing in the future, which may not be available or may be available only on unfavorable terms.***

We may need to raise additional funds through debt financings or access funds through new or existing credit facilities, including the Amended Credit Agreement. Any debt financing or refinancing, if available at all, may be on terms that are not favorable to us. Our access to additional funds under the Amended Credit Agreement is dependent on the ability of the banks that are parties to the Amended Credit Agreement to meet their funding commitments. If we cannot

obtain adequate capital or sources of credit on favorable terms, or at all, our business, results of operations, and financial condition could be adversely affected.

***Our business, and therefore our results of operations and financial condition, may be adversely affected by further changes in the U.S.-based credit markets.***

We utilize the credit markets to finance our operations and support our growth initiatives. For example, in 2023, we undertook a recapitalization that significantly increased our debt levels, in June 2024, we refinanced our long-term debt, in April 2025, we undertook another recapitalization through our entry into the 2025 Amended and Restated Credit Agreement that further increased our debt levels and in November 2025, we entered into the First Amendment and drew funds under our amended revolving credit facility to repay in full the previously outstanding term loans under the 2025 Amended and Restated Credit Agreement. These transactions were dependent on favorable credit market conditions. If the credit markets were to deteriorate, it could become more difficult or expensive for us to obtain financing on favorable terms. This could limit our ability to invest in technology, expand our operations, or pursue strategic initiatives, thereby impacting our growth and profitability. Tightening conditions in the credit markets could adversely affect the availability and terms of future borrowings or renewals or refinancing.

#### ***Risks Relating to our Organizational Structure***

***The concentration of our share ownership with those stockholders who held our stock prior to our IPO, including our executive officers, directors, and holders of more than 5% of our capital stock, may limit your ability to influence corporate matters.***

Stockholders who held our stock prior to our IPO, including our executive officers, directors, and holders of more than 5% of our capital stock, beneficially owned at least 84.7% of our outstanding common stock, including 96.5% of the voting power of our outstanding common stock, after the IPO. As a result, stockholders who held our stock prior to our IPO control all matters requiring a stockholder vote, including: the election of directors; mergers, consolidations and acquisitions; the sale of all or substantially all of our assets and other decisions affecting our capital structure; the amendment of our amended and restated certificate of incorporation and our amended and restated bylaws; and our winding up and dissolution. This concentration of ownership may delay, deter, or prevent acts that would be favored by our other stockholders. The interests of stockholders who held our stock prior to our IPO may not always coincide with our interests or the interests of our other stockholders. This concentration of ownership may also have the effect of delaying, preventing, or deterring a change in control of our company. Also, stockholders who held our stock prior to our IPO may seek to cause us to take courses of action that, in their judgment, could enhance their investment in us, but which might involve risks to our other stockholders or adversely affect us or our other stockholders. As a result, the market price of our Class A common stock could decline or stockholders might not receive a premium over the then-current market price of our Class A common stock upon a change in control. In addition, this concentration of share ownership may adversely affect the trading price of our Class A common stock because investors may perceive disadvantages in owning shares in a company with significant stockholders.

***We are a “controlled company” within the meaning of the NYSE rules and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements that provide protection to the stockholders of companies that are subject to such corporate governance requirements.***

We are a “controlled company” as defined under the NYSE corporate governance rules. A “controlled company” is one in which more than 50% of the voting power is held by a single entity or a group of entities acting together. As a result, we qualify for, and have chosen to rely on, exemptions from certain corporate governance requirements, including:

- Independent Board Requirements: We are not required to have a majority of independent directors on our board of directors.
- Independent Committees: We are exempt from requirements to have a fully independent nominating and corporate governance committee, or a fully independent compensation committee.
- Governance Oversight: The exemptions may reduce the level of oversight typically provided by independent directors over management decisions, executive compensation, and director nominations.

While we believe that our governance structure and the composition of our board of directors serves the best interests of Neptune and its stockholders, reliance on these exemptions means that minority stockholders may have limited

influence over corporate governance matters. This could result in decisions that favor the interests of our controlling stockholder(s) at the expense of other stockholders.

The implications of being a controlled company could materially and adversely affect the perception of our corporate governance practices, stockholder confidence, and the market value of our common stock.

***We are a holding company, and our only material asset is our equity interest in Neptune Flood. As a result, we depend on the ability of our subsidiaries to pay dividends and make other payments and distributions to us in order to meet our obligations.***

Neptune Holdings was incorporated in Delaware on March 20, 2025, to implement a holding company organizational structure for Neptune Flood. Neptune Holdings currently has no material assets other than ownership of the outstanding equity of Neptune Flood. As such, Neptune Holdings has no independent means of generating revenue or cash flow, and its ability to pay taxes and operating expenses or declare and pay dividends in the future, if any, will be dependent upon the results of operations and cash flows of Neptune Flood and its subsidiaries. Its direct and indirect subsidiaries may not generate sufficient cash flow to distribute funds to Neptune Holdings and applicable law and contractual restrictions, such as negative covenants in any debt instruments, such as the Amended Credit Agreement, may not permit such distributions. In addition, in the event that the board of directors and stockholders of Neptune Holdings were to approve a sale of all of the equity in its direct or indirect subsidiaries, your shares of Class A common stock would be in a holding company with no material assets other than those assets and other consideration received in such transaction.

#### ***Risks Relating to Ownership of our Common Stock***

***Our failure to maintain proper and effective internal controls over financial reporting could result in material weaknesses, impact investor confidence in us, and adversely affect the value of our common stock.***

As a public company, we are required to design, implement, and maintain internal controls over financial reporting to comply with the requirements of the Sarbanes-Oxley Act, including Section 404. This process requires us to document and test our internal control procedures, remediate any deficiencies identified, and undergo an annual audit of these controls by our independent registered public accounting firm.

Developing and maintaining proper and effective internal controls has and may continue to involve substantial costs, significant management time and resources, and potential disruption to our financial reporting processes. We may encounter challenges in completing our assessment of internal controls over financial reporting in a timely manner, or we may identify material weaknesses or significant deficiencies that require remediation.

If we fail to maintain adequate internal controls or if our auditors identify material weaknesses, it could result in:

- **Inaccurate Financial Reporting:** Ineffective internal controls could lead to errors or inaccuracies in our financial statements, potentially requiring restatements or impairing investor confidence.
- **Regulatory Noncompliance:** Failure to comply with Section 404 could result in regulatory scrutiny, fines, or penalties, further impacting our business and reputation.
- **Loss of Investor Confidence:** Material weaknesses or perceived weaknesses in our internal controls may reduce investor confidence in our financial reporting, adversely affecting the market price of our common stock.
- **Operational Disruptions:** Addressing control deficiencies could divert management's attention and resources from other strategic priorities, negatively impacting our operations and growth.

Ensuring ongoing compliance with Section 404 of the Sarbanes-Oxley Act is critical to maintaining the integrity of our financial reporting and investor confidence. Any failure to establish or maintain effective internal controls could materially and adversely affect our business, financial condition, and the value of our common stock.

***The dual class structure of our common stock has the effect of concentrating voting control with our Chief Executive Officer; this will limit or preclude your ability to influence corporate matters.***

Our Class B common stock has ten votes per share, and our Class A common stock has one vote per share. Our Chief Executive Officer and Chairman of our board of directors, Mr. Burgess, beneficially owns all of our outstanding shares of Class B common stock, constituting approximately 82.1% of the voting power of our outstanding capital stock

following our IPO. In addition, we and Mr. Burgess are party to an equity exchange right agreement (the “Class B Equity Exchange Agreement”), which gives Mr. Burgess a right (but not an obligation) to require us to exchange any shares of Class A common stock received by Mr. Burgess upon the exercise, vesting, and/or settlement of certain equity awards held by Mr. Burgess for an equivalent number of shares of Class B common stock. If Mr. Burgess exercises his rights under the Class B Equity Exchange Agreement with respect to all equity awards subject to such agreement as of the completion of our IPO, Mr. Burgess will have approximately 84.5% of the voting power of our outstanding capital stock. Because of the ten-to-one voting ratio between our Class B common stock and Class A common stock, Mr. Burgess controls, and will continue to control, a majority of the combined voting power of our common stock and therefore is able to control all matters submitted to our stockholders for approval so long as the shares of Class B common stock represent approximately at least 9.1% of all outstanding shares of our Class A common stock and Class B common stock. Mr. Burgess may have conflicting interests with holders of shares of our Class A common stock. Mr. Burgess’ concentrated control will limit or preclude your ability to influence corporate matters for the foreseeable future. For example, during such period of time, Mr. Burgess will have significant influence with respect to our management, business plans, and policies, including the appointment and removal of our officers, decisions on whether to raise future capital, and whether to amend our charter and bylaws, which govern the rights attached to our common stock. In particular, for so long as Mr. Burgess continues to own a significant percentage of our common stock, Mr. Burgess will be able to cause or prevent a change of control of Neptune or a change in the composition of our board of directors and could preclude any unsolicited acquisition of us. The concentration of ownership could deprive you of an opportunity to receive a premium for your shares of Class A common stock as part of a sale of us and ultimately might affect the market price of our Class A common stock.

Each outstanding share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain permitted transfers, as further described in our amended and restated certificate of incorporation. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon the earlier of (i) twelve months following the death or disability of Mr. Burgess or (ii) upon the first trading day on or after such date that the outstanding shares of Class B common stock represent less than 5% of the then-outstanding Class A and Class B common stock, which, in either instance, may be extended to 18 months upon affirmative approval of a majority of our independent directors. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of the remaining outstanding shares of Class B common stock.

***Some provisions of Delaware law and our amended and restated certificate of incorporation and amended and restated bylaws may deter third parties from acquiring us and diminish the value of our Class A common stock.***

Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors who are not nominated by current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions:

- establish a classified board of directors so that not all members of our board of directors are elected at one time;
- permit only the board of directors to establish the number of directors and fill vacancies on the board;
- provide that directors may only be removed “for cause” and only with the approval of two-thirds of our stockholders;
- following the first date after the date on which the outstanding shares of our Class B common stock represent less than a majority of the combined voting power of our then-outstanding Class A common stock and Class B common stock entitled to vote generally in the election of directors (the “Voting Threshold Date”), require super-majority voting to amend some provisions in our amended and restated certificate of incorporation and amended and restated bylaws;
- authorize the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan;
- prohibit cumulative voting;
- following the Voting Threshold Date, provide that our stockholders will only be able to take action at a meeting of stockholders and not by written consent;

- provide that only the chairperson of our board of directors, the chief executive officer, or our board of directors acting pursuant to a resolution adopted by a majority of the whole board of directors will be authorized to call a special meeting of stockholders; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

These and other provisions in our amended and restated certificate of incorporation, our amended and restated bylaws, and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by our then-current board of directors, including actions to delay or impede a merger, tender offer, or proxy contest involving Neptune. The existence of these provisions could negatively affect the price of our Class A common stock and limit opportunities for you to realize value in a corporate transaction.

In addition, until the Voting Threshold Date, we have opted out of Section 203 of the DGCL, which prohibits a publicly held Delaware corporation from engaging in a business combination transaction with an interested stockholder for a period of three years after the interested stockholder became such unless the transaction fits within an applicable exemption, such as board approval of the business combination or the transaction which resulted in such stockholder becoming an interested stockholder.

***Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders and the federal district courts of the U.S. as the exclusive forum for litigation arising under the Securities Act, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.***

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum (or, if, and only if, the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if, and only if, all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) for the following types of actions or proceedings under Delaware statutory or common law: any derivative action, suit, or proceeding brought on our behalf; any action, suit, or proceeding asserting a breach of a fiduciary duty; any action, suit, or proceeding asserting a claim against us arising pursuant to the DGCL, our amended and restated certificate of incorporation, or bylaws; any action, suit, or proceeding as to which the DGCL confers jurisdiction; or any action, suit, or proceeding asserting a claim against us that is governed by the internal affairs doctrine. The provisions would not apply to suits brought to enforce a duty or liability created by the Securities Act, the Exchange Act, or any other claim for which the U.S. federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Accordingly, given the provision in Section 22 of the Securities Act for concurrent jurisdiction by federal and state courts, there is uncertainty as to whether a court would enforce this forum selection provision with respect to claims arising under the Securities Act.

We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, who are particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring such a claim arising under the Securities Act against us, our directors, officers, or other employees in a venue other than in the federal district courts of the United States of America. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions, and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

***If a substantial number of shares become available for sale and are sold in a short period of time, the market price of our Class A common stock could decline.***

Following our IPO, we had 94,600,000 shares of Class A common stock outstanding, and 13,080,678 shares of Class A common stock issuable upon exercise of outstanding equity awards. Of these shares, 21,184,210 shares of our Class A common stock sold in the IPO are freely tradable without further restriction or registration under the Securities Act.

The 43,435,000 outstanding shares of our Class B common stock and the remaining 73,415,790 outstanding shares of our Class A common stock are deemed “restricted securities,” as that term is defined under Rule 144 of the Securities Act. In connection with our IPO, stockholders owning substantially all of our common stock entered into lock-up agreements with the underwriters under which they agreed, subject to specific exceptions, not to sell any of their stock for at least an initial 180-day lock-up period following our IPO. In addition, we are party to agreements with holders of substantially all of our outstanding options that contain market standoff provisions imposing restrictions on the ability of such security holders to offer, sell, or transfer our equity securities issuable upon the exercise thereof for a period of 180 days following the date of our Final Prospectus, which we have agreed to enforce during the lock-up period.

Following the expiration of the lock-up period, all of the shares of our common stock that are restricted securities will be eligible for sale in the public market, subject to compliance with Rule 144 under the Securities Act. Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are subject to certain manner of sale, volume limitation, and notice provisions, and to the availability of current public information about us. See the section titled “Shares Eligible for Future Sale” in our Final Prospectus for additional information regarding shares of our common stock that are eligible for resale after our IPO.

Further, pursuant to our registration rights agreement, dated October 2, 2025, certain holders of our Class A common stock can, following the expiration of the lock-up and subject to certain conditions, require us to file registration statements for the public resale of shares of our Class A common stock or to include such shares in registration statements that we may file for us or other stockholders. See the section titled “Description of Capital Stock - Registration Rights” in our Final Prospectus for additional information regarding these registration rights.

Sales of a substantial number of shares of our common stock upon the expiration of lock-up restrictions or pursuant to the exercise of registration rights, or the perception that such sales may occur, could cause the market price of our Class A common stock to decline or make it more difficult for you to sell your Class A common stock at a time and price that you deem appropriate.

***If our institutional or other investors continue holding the shares they acquired in our IPO, it may reduce the liquidity and adversely affect the trading price of our Class A common stock.***

A portion of the shares of our Class A common stock sold in the IPO were acquired by certain institutional and other large investors. If these or any other investors elect not to sell the shares they acquired in our IPO, it could reduce the number of shares of our Class A common stock available for trading in the public market. A limited public float and lower trading volumes can make it more difficult for investors to buy or sell shares without materially affecting the market price of our shares, may result in price volatility, and could impair the liquidity of our Class A common stock.

Lower liquidity and heightened volatility may also reduce our Class A common stock’s attractiveness to certain investors. These factors could adversely affect the trading price of our Class A common stock, independent of our operating performance, and could negatively impact our ability to raise additional equity capital on acceptable terms. In addition, if these investors later elect to sell significant amounts of our Class A common stock, or are perceived as likely to do so, the trading price of our Class A common stock could also decline. See also “- *If a substantial number of shares become available for sale and are sold in a short period of time, the market price of our Class A common stock could decline.*”

***If securities analysts cease to publish research or reports about our business or if they publish negative evaluations of our common stock, the price of our Class A common stock could decline.***

The trading market for our Class A common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business, as well as the way analysts and investors interpret our financial information and other disclosures. Securities and industry analysts may cease to publish research on our business. If few or no securities or industry analysts cover us, our stock price could be negatively affected. If securities or industry analysts downgrade our common stock, or publish negative reports about our business, our stock price would likely decline. If one

or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Class A common stock could decrease, which might cause our stock price to decline and could decrease the trading volume of our Class A common stock.

***We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common stock, which could depress the price of our common stock.***

Our amended and restated certificate of incorporation authorizes us to issue one or more series of preferred stock. Our board of directors has the authority to determine the preferences, limitations, and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend, and other rights superior to the rights of our Class A common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our Class A common stock at a premium to the market price, and materially adversely affect the market price and the voting and other rights of the holders of our Class A common stock.

***For as long as we are an emerging growth company, we will not be required to comply with certain reporting requirements, including those relating to accounting standards and disclosure about our executive compensation, that apply to other public companies, which may make our Class A common stock less attractive to investors.***

We are an emerging growth company, as defined in the JOBS Act, and, for as long as we continue to be an EGC, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to EGCs, including:

- not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act;
- reduced disclosure obligations regarding executive compensation in our periodic reports and annual report on Form 10-K; and
- exemptions from the requirements to obtain nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Our status as an EGC will end as soon as any of the following takes place:

- the last day of the fiscal year in which we have more than \$1.235 billion in annual revenues;
- the date we qualify as a “large accelerated filer,” with at least \$700 million of equity securities held by non-affiliates;
- the date on which we have issued, in any three-year period, more than \$1.00 billion in non-convertible debt securities; or
- the end of the fiscal year following the fifth anniversary of the completion of our IPO.

We cannot predict if investors will find our Class A common stock less attractive if we rely on the exemptions afforded EGCs. If some investors find our Class A common stock less attractive because we rely on any of these exemptions, there may be a less active trading market for our Class A common stock and the market price of our Class A common stock may be more volatile.

Under the JOBS Act, EGCs can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this provision of the JOBS Act. As a result, we will not be subject to new or revised accounting standards at the same time as other public companies that are not EGCs. Therefore, our consolidated financial statements may not be comparable to those of companies that comply with new or revised accounting pronouncements as of public company effective dates.

***We do not intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our Class A common stock.***

While we have paid dividends in the past, we do not currently intend to pay any cash dividends for the foreseeable future. We expect to retain future earnings, if any, to repay debt and to fund the development and growth of our business.

As a result, you may only receive a return on your investment in our Class A common stock if the market price of our Class A common stock increases.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 1C. Cybersecurity.**

*Cybersecurity Risk Management*

Protecting the sensitive data of our policyholders, partners, and organization is a top priority. As a technology-first company, we recognize that maintaining cybersecurity practices and safeguards is essential to ensuring the integrity of our systems and the trust of our stakeholders.

Our cybersecurity strategy is designed to address both current and emerging threats and leverage best practices, advanced tools, and ongoing vigilance. Key components of our approach include:

1. **Comprehensive Security Framework:** We employ a multi-layered cybersecurity framework that includes firewalls, intrusion detection systems, endpoint protection, and encryption protocols to safeguard data and systems. Our infrastructure is regularly updated to ensure alignment with the latest security standards and regulatory requirements.
2. **Cybersecurity Oversight:** The board of directors has delegated oversight responsibility for cybersecurity risks to the Audit Committee. As established in the Audit Committee charter, the Audit Committee periodically receives information from management regarding cybersecurity matters. Our management, including our Chief Technology Officer and Chief Information Security Officer (CTO/CISO), a role held by a single executive, is responsible for day-to-day cybersecurity risk management, including oversight of third-party service providers and responding to potential cybersecurity incidents. Our CTO/CISO, who reports to our Chief Executive Officer, has 15 years of experience in various cybersecurity related roles.
3. **Data Protection:** Policyholder and partner data is stored securely within our systems, with access strictly controlled and monitored. Sensitive information is encrypted both in transit and at rest, ensuring protection against unauthorized access.
4. **Proactive Threat Monitoring and Response:** We utilize threat monitoring tools to identify and mitigate potential vulnerabilities in real time. Our dedicated cybersecurity team conducts regular audits, vulnerability assessments, and penetration testing to proactively address risks.
5. **Employee Awareness and Training:** Cybersecurity is a shared responsibility across our organization. We provide regular training to employees on identifying and mitigating cybersecurity risks, ensuring that our team is equipped to recognize phishing, social engineering, and other common attack vectors.
6. **Incident Response Plan:** In the event of a cybersecurity incident, we have a detailed incident response plan in place to contain, investigate, and resolve the issue promptly. Our team conducts post-incident reviews to continuously improve our defenses and reduce the likelihood of future occurrences.
7. **Third-Party Risk Management:** As part of our commitment to cybersecurity, we carefully vet all third-party vendors and partners to ensure they meet our security standards. We maintain contractual agreements and conduct periodic assessments to confirm compliance.
8. **Regulatory Compliance:** We have policies and procedures in place designed to adhere to all applicable data privacy and security regulations, including state, federal, and international standards, where applicable. Compliance is regularly reviewed to ensure our practices remain current with evolving regulatory landscapes.

Cybersecurity risk management is an ongoing process, and we remain committed to staying ahead of emerging threats. By continuously investing in advanced technologies, fostering a culture of security awareness, and prioritizing proactive measures, we strive to protect our policyholders, partners, and business from potential risks while maintaining the integrity

of our operations. For further information, please see the section entitled *"Risk Factors - Risks Relating to Data, Intellectual Property and Cybersecurity:"*

**Item 2. Properties.**

Our corporate headquarters is located in St. Petersburg, Florida, where we currently lease approximately 2,000 square feet of office space on a month-to-month basis. This facility serves as the central hub for our operations, supporting key functions such as technology development, sales, and corporate administration.

As a remote-first company, the majority of our workforce operates remotely, leveraging our advanced technology infrastructure to collaborate seamlessly across locations. This model enables us to attract top talent from a broad geographic pool while maintaining operational flexibility and efficiency.

In 2027, we plan to transition to a new corporate headquarters, also located in St. Petersburg, Florida. This new facility is designed to support our continued growth. We believe that our facilities, combined with our remote-first workforce strategy, provide the resources and flexibility needed to support our business objectives as we scale.

**Item 3. Legal Proceedings.**

From time to time, we may be involved in various legal proceedings and subject to claims that arise in the ordinary course of business. Although the results of litigation and claims are inherently unpredictable and uncertain, we are not presently a party to any litigation the outcome of which, we believe, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows, or financial condition.

**Item 4. Mine Safety Disclosures.**

Not applicable

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

#### *Market Information and Holders*

Our Class A common stock is listed on the New York Stock Exchange under the symbol "NP." Our Class B common stock is not listed nor traded on any stock exchange.

On February 24, 2026, there were 16 stockholders of record of our Class A common stock and 3 stockholders of record of our Class B common stock. The number of record holders does not include persons who held shares of our Class A common stock in nominee or "street name" accounts through brokers.

#### *Dividends*

While we have paid dividends in the past, we do not currently intend to pay any cash dividends for the foreseeable future and we currently expect to retain future earnings, if any, to repay debt and to fund the development and growth of our business. Any future determination to pay dividends on our common stock will be at the discretion of our board of directors and will depend upon, among other factors, our financial condition, operating results, earnings, current and anticipated liquidity and capital requirements, plans for expansion, level of indebtedness, contractual restrictions with respect to payment of dividends, restrictions imposed by Delaware law, general business conditions, and other factors that our board of directors may deem relevant in making such a determination.

#### *Recent Sales of Unregistered Securities*

Set forth below is information regarding shares of capital stock issued by us since January 1, 2025, that were not registered under the Securities Act. Also included is the consideration, if any, received by us for such shares and information relating to the sections of the Securities Act or Commission rule under which exemption from registration was claimed. All information below has been adjusted for the 10-for-1 stock split of our capital stock that was effected on September 9, 2025.

- On April 10, 2025, pursuant to our corporate reorganization, Neptune Holdings issued 93,350,000 shares of its common stock and 41,850,000 shares of its convertible preferred stock to the prior holders of shares of common stock and convertible preferred stock, respectively, of Neptune Flood. Pursuant to the reorganization, (i) each issued and outstanding share of common stock of Neptune Flood was converted into one share of common stock of Neptune Holdings, (ii) each issued and outstanding share of convertible preferred stock of Neptune Flood was converted into one share of convertible preferred stock of Neptune Holdings, and (iii) the issued, outstanding and unexercised portions, whether or not vested or exercisable, of all options to purchase Neptune Flood common stock granted under the Neptune Flood stock plan were assumed by Neptune Holdings and therefore became exercisable for the same number of shares of common stock of Neptune Holdings.
- From August 28, 2025, through August 29, 2025, the Company issued an aggregate of 2,835,000 shares of its common stock to certain employees, officers, and directors upon the exercise of stock options at an exercise price of \$5.495 per share, for aggregate consideration of approximately \$15.6 million.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. The sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act (or of Regulation D promulgated thereunder) or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701.

#### *Use of Proceeds*

On October 2, 2025, we closed our initial public offering, in which our selling stockholders sold 21,184,210 shares of our Class A common stock, including 2,763,157 shares of Class A common stock sold pursuant to the underwriters' full exercise of their 30-day option, at a public offering price of \$20.00 per share. The offer and sale of all of the shares in the IPO were registered under the Securities Act pursuant to our Registration Statement.

We did not receive any proceeds from the sale of our Class A common stock by the selling stockholders in our initial public offering. The selling stockholders received all of the proceeds from the sale of shares of our Class A common stock by such selling stockholders. The selling stockholders reimbursed us for certain of our expenses relating to our initial public offering, in an aggregate amount not to exceed 2% of the gross proceeds of our IPO received by the selling stockholders.

**Item 6. [Reserved]**

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

*The following is a discussion and analysis of our financial condition and results of operations as of, and for, the periods presented. The following discussion and analysis should be read in conjunction with the sections entitled "Risk Factors" and "Special Note Regarding Forward-Looking Statements" included in this Annual Report and in our other reports filed with the Commission, and with the consolidated financial statements and accompanying notes included in Item 8 hereto. Certain information contained in this discussion and analysis includes forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the sections entitled "Risk Factors" and "Special Note Regarding Forward-Looking Statements" included in this Annual Report.*

*Our historical results are not necessarily indicative of the results that may be expected for any period in the future.*

### Overview

Neptune is a leading, high-growth, highly profitable, data-driven MGA that is revolutionizing the way homeowners and businesses protect against the growing risks of flooding. We offer a range of easy-to-purchase residential and commercial insurance products - including primary flood insurance, excess flood insurance, and parametric earthquake insurance - distributed through a nationwide network of agencies. Neptune does not take any balance sheet insurance risk or have claims handling responsibility relating to the policies we sell. We underwrite and administer the issuance of insurance policies on behalf of a diverse panel of insurance and reinsurance companies, whom we refer to as capacity providers, that manage both this risk and the associated claims handling. From day one, we have built our business on a foundation of advanced data science and AI, leveraging proprietary ML algorithms, which has led to superior underwriting results, outsized growth, recurring revenue, and robust margins.

Technology and data science are the foundation of Neptune's business model, driving our three core pillars:

- **Our Underwriting Engine:** Our entirely digital underwriting engine, Triton, uses advanced technology, including proprietary AI and ML models, without any human underwriters, to assess risk with speed and precision. Powered by predictive analytics and loss estimation, Triton has enabled our policies to consistently outperform the NFIP in written loss ratio despite 21 landfall hurricanes - including 4 of the 10 largest flood events in U.S. history - taking place since Neptune's founding.
- **Our Risk Relationships:** Our risk relationships are built on performance and trust, and as of December 31, 2025, we had 40 capacity providers, including 32 reinsurance providers, backing 8 distinct insurance programs to help minimize concentration risk while delivering consistent returns. In turn, the accuracy of our risk assessment and our precision pricing have delivered hundreds of millions of dollars of underwriting profit for our capacity providers since inception, leading to high rates of capacity renewals and increases in committed capacity.
- **Our Distribution:** Our distribution strategy is primarily focused on deep partnerships across agencies with tens of thousands of agents who benefit from the ease-of-use of our automated underwriting platform, seamless API integrations, instantaneous bindable quotes, and proprietary Agent Portal. We believe this is a meaningful departure from industry norms and makes our approach to distribution attractive to the agents with whom we work.

The three pillars above interlock, creating a powerful and reinforcing loop. Unlike traditional insurance underwriting that historically relied on humans, static models, and infrequent adjustments, we leverage an iterative approach that allows us to consistently and rapidly integrate new data and models into our underwriting engine, thereby refining our processes and adapting to evolving market and environmental conditions. As our models constantly evolve and improve, they are able to deliver superior results that minimize losses for our capacity providers, which in turn grant us additional underwriting capacity. With more capacity available, we can offer coverages our policyholders want, enhancing the ability for our agency partners to easily sell policies while expanding our distribution and reach. The resulting increase in quoted and bound policies provides us with access to more data, enhancing the predictive capabilities of our underlying models.

We operate as an MGA, with a highly attractive, recurring, fee-based revenue model derived from two primary sources: commissions paid by capacity providers, and fees paid by policyholders. Commissions are calculated as a negotiated percentage of premium for each policy. Given our high retention rates to date, we believe that we have a high

degree of visibility into our future revenue streams. For the year ended December 31, 2025, our eligible policy rates at renewal were 86%, and premium retention rates at renewal were 98%. The difference between policy and premium retention rates reflects increases to the rates charged to renewing policyholders.

We are organized as a single operating and reportable segment.

### **Factors Affecting Our Results of Operations**

Our financial results and operating performance are influenced by a number of macroeconomic, industry-specific, and company-specific factors, the most significant of which we believe include:

#### **Reliance on Relationships with Capacity Providers, Third-Party Agents and Brokers**

We do not bear the balance sheet insurance risk or claims handling responsibility relating to the policies sold and, as a result, our ability to support and service the policies we provide is dependent on the capacity and appetite of our capacity providers to assume flood risk. If we are unable to maintain profitable portfolios for our capacity providers or if our relationship with them is undermined for any reason, capacity providers may be unwilling to provide insurance capacity to us, or our insurance carriers may seek to amend our agreements with them. This could happen for various reasons, including for competitive or regulatory reasons, because of an insurance carrier's reluctance to distribute their products through our platform, because they decide to rely on their own internal flood insurance providers or products or elect not to insure or reinsure flood risk generally, or because they decide not to distribute insurance products in individual markets in certain geographies or altogether. Additionally, conditions in the broader insurance and reinsurance markets may influence the ability or willingness of our capacity providers to underwrite flood insurance risk and in turn impact the capacity we receive or the commissions and other terms we are able to negotiate with our capacity providers. For example, in 2023, significant insured losses and increasing demand for reinsurance led the property catastrophe reinsurance market to experience price increases, heightened "attachment points" where primary insurers became responsible for a greater portion of initial losses before reinsurance coverage became available to them, and stricter terms and conditions for reinsurance coverage. These changes were driven by factors such as significant insured losses and increased demand for reinsurance, leading to fewer participants in the property catastrophe reinsurance market. Although this development did not impact the underwriting capacity we were able to secure from our capacity providers in the flood insurance market, industry-wide constraints could limit our growth in the future if capacity providers elect to exit the flood insurance market, limit the capacity they provide, or become more selective in providing insurance or reinsurance coverage. See "*Risk Factors - An overall decline in the housing market or general economic conditions could have a material adverse effect on the financial condition and results of operations of our business.*" Our results benefit from stable, long-term relationships with our capacity providers - currently, we place our policies through a panel of highly rated insurers and reinsurers who have committed significant capital to our program. If we are not able to effectively manage our relationships with our key capacity providers, if one of our key capacity providers were to reduce its desired exposure or if reinsurance costs spike dramatically or we were to otherwise lose one or more of our key capacity providers or were to experience a significant reduction in such provider's capacity, it might require us to shift business to alternative capacity providers, if any are available, or potentially accept lower commission rates to maintain coverage availability or might otherwise materially and adversely impact our business, financial condition, results of operations, growth potential, reputation in the market, and our ability to sustain our business. See "*Risk Factors - Our business may be harmed if one or more of our relationships with capacity providers are terminated or are reduced, if we fail to maintain good relationships with such capacity providers, if we become dependent upon a limited number of capacity providers, or if we fail to develop new capacity provider relationships.*" We mitigate this risk by diversifying our capacity provider panel and through our ability to continually demonstrate profitable results through our data-driven underwriting. In addition, we have expanded our panel of capacity providers from 2 capacity providers as of December 31, 2018, to 40 capacity providers as of the date of this Annual Report.

Additionally, our ability to distribute the policies we offer is dependent on our distribution model, which relies on third-party agents and brokers. As of December 31, 2025, our insurance agent and broker partners drove over 96% of our policy sales, supported by our in-house sales team and technology integrations. This distribution model exposes us to meaningful third-party risks. Any failure by our agents and brokers to consistently promote our products or the loss of any key agent or broker relationships could adversely affect our business. See "*Risk Factors - Our distribution model depends on third-party agents and brokers, and any failure by those agents and brokers to consistently promote our products or the loss of any key agent or broker relationships could adversely affect our business.*" We mitigate this risk by diversifying the third-party agents and brokers that we use in our distribution model.

## **Impact of Climate and Catastrophic Events on Demand for Flood Insurance**

Our growth and success are dependent on property owners and tenants continuing to purchase flood insurance from us, in turn increasing the revenue we generate from commissions and policy fees. High-profile flood events, including Hurricane Ida (2021), Hurricane Ian (2022), Hurricane Helene (2024), and Hurricane Milton (2024), tend to raise consumer awareness and demand for flood insurance, potentially increasing our policy sales and, as a result, our commissions and fees in subsequent periods. Increases in flood risk, or the perception of increases in flood risk, in areas believed to have lower flood risk today (e.g., non-coastal regions that have not historically been considered to be flood-prone) could also increase demand for flood insurance in those areas. Alternatively, significant increases in insured losses due to increasing frequency and intensity of storms could result in additional governmental regulation aimed at mitigating the impact of natural disasters, including stricter building codes or incentives for risk mitigation measures, that could change the dynamics of the housing markets in which we provide flood insurance or incentives for homeowners to seek private flood insurance coverage, or could cause our capacity providers to exit from, or reduce their exposure to, significant flood events and other natural disasters. In contrast, slower than expected storm seasons can limit demand for new flood insurance policies, potentially decreasing our policy sales and, as a result, our commissions and fees and revenues in subsequent periods. However, slower than expected storm seasons are also likely to result in lower insured losses experienced by our capacity providers, which would allow us to deliver further improved written loss ratios for our capacity providers. See also “- *Reliance on Capacity Relationships.*”

## **Economic Environment Impact on Demand for Flood Insurance**

Macroeconomic conditions that affect the housing market influence our policy sales. Many flood insurance purchases are driven by mortgage requirements (e.g., homeowners with a government-backed mortgage in FEMA designated SFHAs are required to obtain flood insurance coverage). As a result, a high volume of home sales or new housing starts in coastal and flood-prone areas can lead to more policies written by Neptune. If rising interest rates, economic downturns, or a persistent inflationary environment slow home purchase or construction activity, particularly in areas where flood coverage is required, the growth of our new policy sales could slow. Conversely, lower home sales may lead to fewer mid-term cancellations as policy holders stay in their current home longer and could result in a positive impact to renewal rates. We also monitor property value inflation and construction cost trends, as these can increase insured values and premiums (and, thereby, our commission income) on existing policies at renewal. Alternatively, if homeowners experience higher prices generally, whether due to inflationary pressure, tariffs, or other macroeconomic factors, it may lead to a decrease in our renewal acceptance rates as homeowners seek lower cost alternatives, such as the NFIP, or elect not to maintain flood insurance in areas where it is not federally required. See “*Risk Factors - Risks Relating to our Business and Industry - An overall decline in the housing market or general economic conditions could have a material adverse effect on the financial condition and results of operations of our business.*”

## **Seasonality of Our Business**

Our business is seasonal, as hurricanes typically occur during the period from June 1 through November 30 each year. Hurricane season drives sales awareness of the need for flood insurance. This has historically resulted in an increase in total sales in our second and third quarters of each fiscal year, as compared to the first and fourth quarters.

## **Competition from the National Flood Insurance Program and Private Market (Including New Entrants)**

The flood insurance market is dominated by the U.S. government’s NFIP, which historically has provided the vast majority of flood insurance policies for American properties. Changes in NFIP policies or pricing can affect our growth. For instance, the implementation of NFIP’s Risk Rating 2.0, a new pricing methodology that could lead to regular premium increases for NFIP policyholders, may drive price-sensitive policyholders to seek private alternatives like Neptune. Conversely, if the NFIP were to reduce rates or expand coverage limits, it could potentially attract policyholders back to the NFIP program and away from private alternatives like Neptune.

Additionally, periodic lapses or uncertainties in the NFIP’s federal authorization could boost demand for private flood insurance. For example, for 43 days beginning on October 1, 2025, the U.S. federal government experienced a lapse in appropriations. During the shutdown, the NFIP was not authorized to issue new policies or renew existing policies until reauthorization by Congress, leaving the private flood insurance market as the sole source for new flood insurance policies. However, concurrently with the start of the shutdown, the federal financial institution regulatory agencies reminded lenders that, during a period when the NFIP is unavailable, lenders may continue to make loans subject to the federal flood insurance statutes without requiring federal flood insurance, while continuing to meet other regulatory obligations. This pronouncement had the effect of mitigating any prospective increase in demand for private flood insurance driven by the shutdown.

Further, we also face competition from other private insurers and MGAs in the flood market. Increased competition in the private flood insurance market could put pressure on, and require us to increase, the commission rates we pay to agents that distribute our products or require higher marketing spend in order for us to maintain market share.

### **Underwriting Profitable Portfolios**

We rely on our capacity providers to provide insurance capacity and to assume the associated balance sheet insurance risk of the flood insurance policies we sell to policyholders. While higher claims frequency or severity bears no direct risk to our financial results, given we do not bear the insurance risk associated with claims, if incurred losses exceed any capacity partner's loss tolerance, we face the risk of their reduction or withdrawal as a risk-taking partner to Neptune and as a result may need to seek additional capacity from other capacity providers, or new capacity providers, in order to support our continued growth. See *"Risk Factors - Risks Relating to our Business and Industry - Our business may be harmed if one or more of our relationships with capacity providers are terminated or are reduced, if we fail to maintain good relationships with such capacity providers, if we become dependent upon a limited number of capacity providers, or if we fail to develop new capacity provider relationships."* Historically, we have been able to produce portfolios that perform exceptionally well for our capacity providers, and we believe our investments into our Triton system will help deliver continued outperformance versus our peers. If we continue to outperform through large scale flood events, this could lead to increased access to insurance capacity or improvement in ceding commissions, which could positively impact our economics and ability to grow.

### **Investments in Technology**

Our success is due in large part to our data science-driven approach to our underwriting technology platform. Our results of operations are favorably impacted by automation in policy quoting, binding, and administration, which allows us to handle a growing book of business with relatively low incremental operating expense. Continued investment in our platform, including the integration of our recently acquired data science capabilities, is important to maintain the efficiency edge we see as a key competitive advantage. However, these investments also lead to higher amortization expense over time as we capitalize software development costs. We expect to continue balancing operating expense growth with revenue growth, and periods of heavy investment in technology or hiring can increase our cost base.

### **Regulatory Changes**

We operate in a highly regulated industry, subject to regulatory oversight in the 50 states and Washington, D.C., where we are qualified to do business, and regulatory factors at the federal and state level may impact our ability to sell insurance policies. This extensive regulatory framework governs consumer protections and data security, exposing our business to significant litigation and compliance risks. See *"Risk Factors - Risks Relating to Regulatory and Legal Matters - The insurance business is extensively regulated, and changes in regulation may reduce our profitability and limit our growth."* In addition, as an MGA, we are subject to licensing requirements and must maintain insurance licenses in each of the jurisdictions in which we operate. These licenses are subject to periodic renewal and compliance with jurisdiction-specific regulations, including recordkeeping, tax reporting, and E&S lines filing requirements. Any failure to meet these obligations could result in fines, penalties, or suspension of our licenses, which would impair our ability to operate in affected jurisdictions. We must also verify that our third-party agents and brokers maintain required licenses and comply with the conditions of our delegated binding authorities. Failure to monitor and verify the licensing status of these agents and brokers could result in the termination of carrier binding authorities and/or increased regulatory risk. See *"Risk Factors - Risks Relating to Regulatory and Legal Matters - Compliance with insurance licensing requirements for MGAs and E&S lines agencies and individual producers is critical to our operations, and any failure to maintain required licenses could disrupt our business"* and *"Risk Factors - Risks Relating to Regulatory and Legal Matters - Regulatory and licensing requirement changes could disrupt operations or increase compliance costs and restrict our ability to conduct our business."*

Regulatory changes at the federal and state levels, including those affecting floodplain mapping, risk assessment standards, and lender requirements, could also impact private insurers like Neptune. For example, changes to FEMA's flood zone designations or its risk rating methodologies could affect how we evaluate and price flood risk, necessitating costly updates to our proprietary technology. Prolonged uncertainty about potential regulatory changes could also discourage banks or other lenders from accepting private flood insurance policies, further limiting market growth. However, regulatory changes can also have a positive impact on our business. For example, state insurance regulations related to the placement of E&S policies can influence our ability to sell private flood products within a particular state; in 2021, Florida removed the requirement for insurance agents to complete a diligent search of the admitted market prior to placing personal lines flood insurance policies with surplus lines insurers. This change simplified the sales process for

agents distributing our products by no longer requiring them to seek admitted insurance options before completing a Neptune sale. Although recent updates to state insurance regulations have generally supported the growth of the private flood insurance market, there can be no assurance that future federal or state regulatory changes would be similarly favorable. Any unfavorable changes could materially restrict our ability to place private flood insurance policies and could have a material adverse effect on our business, results of operations, and/or financial condition. We closely monitor policymaking efforts that may expand or inhibit the further development of the private flood and E&S markets

#### **Cost of Being a Public Company**

As a public company, we are required to continue to implement changes in certain aspects of our business and develop, manage, and train management-level and other employees to comply with ongoing public company requirements. We will continue to incur new expenses as a public company, including those relating to public reporting obligations, proxy statements, stockholder meetings, stock exchange fees, transfer agent fees, Commission and FINRA filing fees, and expenses associated with any public offering we may engage in from time to time.

#### **Certain Income Statement Line Items**

The following is an overview of certain key income statement items which management believes are important to an understanding of our results of operations in accordance with GAAP.

#### **Revenue**

Our revenue is primarily comprised of commission income and fee income, discussed in more detail below.

##### *Commission Income*

The largest component of our revenue is commission income, which is derived from the placement of insurance contracts between our insurance carriers and policyholders who acquire our flood insurance policies. Our commissions are established by the carrier agreement between Neptune and the insurance carrier and are calculated as a negotiated percentage of premiums for the underlying insurance contract. Commission rates and terms vary across insurance carriers.

Our main performance obligation under our agreements with our insurance carriers is selecting, pricing, and placing policyholders' insurance contracts with our carrier partners. Each underlying insurance contract is a separate and distinct contract between the policyholder and the insurance carrier. We recognize commission income at a point in time upon the effective date of the insurance policy we have placed with the insurance carrier, at which point we have satisfied our performance obligation.

Each policyholder's insurance contract is for a period of one year and can only be canceled by the policyholder prior to expiration for a limited set of reasons, most often in conjunction with the sale of the underlying insured property. Prior to the expiration of the insurance contract, the risk is re-underwritten using the then-current version of Triton. If the risk still qualifies for an insurance contract, we present the policyholder with a renewal offer. For the year ended December 31, 2025, 86% of the eligible renewal offers presented to policyholders were accepted, respectively, and the policyholder began a new one-year insurance contract. Upon the effective date of the renewal policy, commission is recognized. As Neptune receives its commission for the full policy year up front, we estimate a cancellation reserve for commissions for those policies that are expected to cancel during the term.

The majority of our commission income is the base commissions on premium described above. Although there is a small component of revenue share commission paid by our carriers' reinsurance broker, this additional revenue share commission is similar to the base commissions, in that it is a set percentage of the premium paid by the policyholder.

We also maintain a small internal agency which sells Neptune's policies to direct inbound policyholders sourced via our website. Along with Neptune's policies, the internal agency is appointed to sell NFIP policies when a risk does not meet the underwriting criteria for Neptune. We collect the agent commission that is paid by the NFIP for any NFIP policies sold by our internal agency.

##### *Fee Income*

In addition to commission income on premium, we earn fee income directly from our policyholders. This fee, which represents the administrative and operational costs associated with Neptune's issuance of the policy, is retained 100% by Neptune.

Fees can vary by product type, underlying risk, and location of the insured property. The fee is non-refundable should the policy be canceled due to mid-term home sale or any other type of acceptable mid-term cancellation reason, therefore, fee income is treated as fully earned once a policy has become effective. Similar to the commission income described above, fees are recognized at a point in time upon the effective date of bound insurance coverage, at which point the performance obligation has been met as no performance obligation exists after coverage is bound.

## **Operating Expenses**

### *Agent Commissions*

Agent commission is our largest expense. We pay agent commissions to our distribution partners, such as independent agents, brokers, or referral partners, for bringing business to Neptune. It is a variable cost directly linked to premium placed with our insurance carriers via our distribution partners.

### *Employee Compensation and Benefits and Share-based Compensation*

Employee compensation and benefits consist of salaries, benefits, bonuses, and payroll taxes for our employees, as well as share-based compensation expense. We expense share-based compensation over the vesting period based on the grant-date fair value of the awards.

### *General and Administrative*

G&A expenses include all other operating costs - e.g., marketing and advertising, technology infrastructure and cloud services, office lease expenses, professional fees (legal, accounting, consulting), licensing and regulatory fees, travel, and other overhead. This category also includes certain one-time costs, such as transaction-related expenses. While many G&A costs scale with the size of our business (for example, as the number of policyholders increases, customer support and cloud hosting costs may rise), we implement new technology from time to time to improve efficiency.

### *Amortization Expense*

Our amortization expense primarily relates to capitalized software development costs for our proprietary technology platform. We capitalize the direct labor and software costs for developing new features or capabilities of our platform and amortize those costs, typically over a three-year useful life. Amortization expense has increased in recent years as we have continued to invest in our software, with significant additions in 2024 and 2025. These expenses will likely continue to grow modestly as we deploy new technology enhancements.

### *Transaction Costs*

Transaction costs include professional fees and other expenses related to the IPO, which was completed in October 2025.

## **Consolidated Results of Operations**

The following is a discussion of our consolidated results of operations for the periods presented. This information is derived from our accompanying consolidated financial statements prepared in accordance with GAAP.

### **Comparison of the Year Ended December 31, 2025 and 2024**

For a discussion of our 2023 financial results and a comparison of financial results for the years ended December 31, 2024 to 2023, refer to Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Registration Statement on Form S-1/A filed with the SEC on September 26, 2025.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements as of December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024, and 2023, and the related notes and other financial information included in Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under Item 1A. Risk Factors.

The following table provides an overview of our consolidated results of operations for the years ended December 31, 2025 and 2024:

(\$ in thousands)	Years Ended December 31,	
	2025	2024
<b>Revenues:</b>		
Commissions and fees	\$ 159,551	\$ 119,299
<b>Operating expenses:</b>		
Agent commissions	\$ 49,065	\$ 35,317
Employee compensation and benefits	\$ 5,462	\$ 4,456
Share-based compensation	\$ 11,420	\$ 296
General and administrative	\$ 10,023	\$ 7,757
Amortization expense	\$ 3,713	\$ 3,027
Transaction costs	\$ 8,913	\$ —
Total operating expenses	\$ 88,596	\$ 50,853
Income from operations	\$ 70,955	\$ 68,446
<b>Other income (expense):</b>		
Interest income	\$ 923	\$ 880
Interest expense	\$ (18,243)	\$ (17,520)
Loss on extinguishment of debt	\$ —	\$ (5,426)
Income tax expense	\$ 16,222	\$ 11,788
Net income	\$ 37,413	\$ 34,592

#### Revenues

(\$ in thousands)	Years Ended December 31,		Change	
	2025	2024	Amount	Percentage
<b>Revenues:</b>				
Commission income	\$ 122,003	\$ 90,098	\$ 31,905	35.4 %
Fee income	\$ 37,548	\$ 29,201	\$ 8,347	28.6 %
Total revenues	\$ 159,551	\$ 119,299	\$ 40,252	33.7 %

Revenue increased to \$159.6 million for the year ended December 31, 2025, from \$119.3 million for the year ended December 31, 2024, representing an increase of \$40.3 million, or 33.7%. The increase was primarily driven by higher policy counts and premium volume, supported by policy renewals and new policy sales.

Commission income was \$122.0 million for the year ended December 31, 2025, compared to \$90.1 million for the year ended December 31, 2024, representing an increase of 35.4%. The increase was primarily due to growth in written premium.

Fee income was \$37.5 million for the year ended December 31, 2025, compared to \$29.2 million for the year ended December 31, 2024, representing an increase of 28.6%. Although the average policy fee remained relatively stable, increased volumes of new business and higher renewal acceptance rates drove overall growth in fee income.

Of the total revenue recognized on policies during the year ended December 31, 2024, 91.7% was recognized under the renewal terms of those same policies during the year ended December 31, 2025. Of the total revenue recognized on policies during the year ended December 31, 2023, 90.7% was recognized under the renewal terms of those same policies during the year ended December 31, 2024. We believe this improvement reflects the impact of ML models we have deployed to optimize renewal offers for revenue retention.

## Operating Expenses

(\$ in thousands)	Years Ended December 31,		Change	
	2025	2024	Amount	Percentage
<b>Operating expenses:</b>				
Agent commissions	\$ 49,065	\$ 35,317	\$ 13,748	38.9 %
Employee compensation and benefits	\$ 5,462	\$ 4,456	\$ 1,006	22.6 %
Share-based compensation	\$ 11,420	\$ 296	\$ 11,124	NM
General and administrative	\$ 10,023	\$ 7,757	\$ 2,266	29.2 %
Amortization expense	\$ 3,713	\$ 3,027	\$ 686	22.7 %
IPO transaction costs	\$ 8,913	\$ —	\$ 8,913	NM
Total operating expenses	\$ 88,596	\$ 50,853	\$ 37,743	74.2 %

NM - not meaningful

Total operating expenses were \$88.6 million for the year ended December 31, 2025, compared to \$50.9 million for the year ended December 31, 2024, representing an increase of 74.2%. The primary drivers of these increases were higher agent commission costs, which are directly correlated with growth in our policy portfolio, higher share-based compensation costs, and elevated professional fees incurred in preparation for our IPO, a substantial portion of which were reimbursed by the selling stockholders in our IPO upon the consummation of our IPO on October 2, 2025.

Agent commission expenses were \$49.1 million for the year ended December 31, 2025, compared to \$35.3 million for the year ended December 31, 2024, representing an increase of 38.9%. The increase in commission expenses for the year ended December 31, 2025, was primarily volume-driven, resulting from higher policy sales. Commission rates remained consistent year-over-year, and the increase aligns with our overall revenue growth.

Employee compensation and benefits expenses were \$5.5 million for the year ended December 31, 2025, compared to \$4.5 million for the year ended December 31, 2024, representing an increase of 22.6%. The increase was primarily attributable to a full year of compensation for employees hired from Charles River Data, compared to a partial year in the prior period. For the year ended December 31, 2025, share-based compensation expense increased to \$11.4 million, compared to \$0.3 million for the year ended December 31, 2024.

General and administrative expenses were \$10.0 million for the year ended December 31, 2025, compared to \$7.8 million for the year ended December 31, 2024, representing an increase of 29.2%. These increases were primarily driven by year-over-year increases in our professional fees, due to increased costs relating to accounting and legal expenses in preparation for our IPO.

Amortization expense was \$3.7 million for the year ended December 31, 2025, compared to \$3.0 million for the year ended December 31, 2024, representing an increase of 22.7%. The increase is attributable to higher amortization of capitalized software development costs, reflecting continued investment in our proprietary technology platform.

IPO transaction costs recorded during the year ended December 31, 2025, reflect professional fees and other expenses incurred in connection with our initial public offering, which was completed on October 2, 2025. No IPO-related activities or costs were incurred during the year ended December 31, 2024.

## Interest Income (Expense) and Other

(\$ in thousands)	Years Ended December 31,		Change	
	2025	2024	Amount	Percentage
<b>Other income (expense):</b>				
Interest income	\$ 923	\$ 880	\$ 43	4.9 %
Interest expense	\$ (18,243)	\$ (17,520)	\$ (723)	4.1 %
Loss on extinguishment of debt	\$ —	\$ (5,426)	\$ 5,426	(100.0)%

Interest income was \$0.9 million for both the years ended December 31, 2025 and 2024. Interest expense increased to \$18.2 million for the year ended December 31, 2025, from \$17.5 million for the year ended December 31,

2024. The increase was due to higher average debt outstanding during 2025, partially offset by lower average interest rates. For the year ended December 31, 2024, the refinancing of our debt facilities resulted in a \$5.4 million loss on extinguishment of debt, attributed to the write-off of unamortized capitalized loan costs and a prepayment penalty.

#### Income Tax Expense

Income tax expense was \$16.2 million for the year ended December 31, 2025, compared to \$11.8 million for the year ended December 31, 2024, representing an increase of 37.6%. The increase in income tax expense was primarily attributable to higher pre-tax income for the period. To a lesser extent, the increase was also driven by a higher effective tax rate of 30.2% for the year ended December 31, 2025, compared to 25.4% in the same period of 2024. The increase in the effective tax rate was due to the impact of non-deductible executive compensation and IPO transaction costs, partially offset by share-based compensation.

#### **Key Performance Indicators**

In managing our business, our management regularly reviews certain KPIs, to evaluate our operations, guide decision-making, and measure progress. We utilize a variety of operational metrics to understand growth and retention and ultimately to drive profitability.

- **Premium in force** is the annualized premium of all active policies at a given date. Premium in force is an insurance industry indication of scale and a leading indicator of future renewal commissions.
- **Policies in force** is the number of active policies at a given point in time. This is monitored to gauge scale and penetration and is a strong indicator of future renewal opportunities and their related revenue.
- **Policy Retention Rate** is a key performance indicator defined as the percentage of our policyholders who receive renewal offers that accept the offered renewal term. We monitor the acceptance of renewal offers as an early indicator of price elasticity.
- **Premium Retention Rate** is a key performance indicator defined as the premium associated with those accepted renewal offers, as a percentage of the total premium from expiring policies for which renewal offers were made.
- **Revenue Retention Rate** is the percentage of revenue recognized on policies in a given period that is recognized under the renewal terms of those same policies in the subsequent period. We monitor this metric as a comprehensive indicator of renewal performance and the long-term stability of our revenue base, as it reflects the combined effect of policy retention, premium changes, and policy fee income.
- **Written Premium** is the total premium we placed with insurance programs during a reporting period, less “return premiums” refunded to policyholders due to cancellations, endorsement of policies, or otherwise. We believe written premium is an appropriate measure of operating performance because it is the primary driver of our commission revenue.
- **Average number of employees** is the daily weighted average number of full-time equivalent employees during the trailing four quarters.
- **Revenue per Employee** is a key performance indicator defined as revenue for the trailing four quarters, determined in accordance with GAAP, divided by the average number of our employees during the trailing four quarters. We monitor this as a metric of scaling growth and believe it to be a leading indicator of sustained profitability and efficiency.
- **Adjusted EBITDA per Employee** is a key performance indicator defined as Adjusted EBITDA, a non-GAAP metric, for the trailing four quarters divided by the average number of our employees during the trailing four quarters. We monitor this as a metric of scaling growth and believe it to be a leading indicator of sustained profitability and efficiency. For further discussion on our calculation of Adjusted EBITDA, see “*Non-GAAP Financial Measures*” below.
- **Organic revenue and organic revenue growth:** We define organic revenue as total revenue determined in accordance with GAAP, adjusted to remove the impact of any acquisitions or divestitures. We define organic revenue growth as the year-over-year growth in our organic revenue. However, as of the date of this Annual Report and for the relevant periods presented herein, we have not completed any relevant acquisitions or

divestitures, therefore our organic revenue and organic revenue growth reflect our total revenue and total revenue growth, respectively, as determined in accordance with GAAP. Organic revenue and organic revenue growth are also non-GAAP financial measures which are commonly reported by others in the insurance industry. We use “organic revenue” and “organic revenue growth” in this Annual Report to facilitate investors’ understanding of our operating performance and comparison with our peers.

The tables below compare certain of our KPIs as of and for the three months and years ended December 31, 2025 and 2024:

(\$ in thousands)	Three Months Ended December 31,			Years Ended December 31,		
	2025	2024	Change %/pp	2025	2024	Change %/pp
Premium in force (year-end)	\$ 370,210	\$ 277,595	33.4 %	\$ 370,210	\$ 277,595	33.4%
Policies in force (year-end)	280,200	220,964	26.8 %	280,200	220,964	26.8%
Policy retention rate (1)	86.0 %	86.0 %	—	86.1%	84.3%	1.8
Premium retention rate (1)	96.3 %	97.4 %	(1.1)	98.0%	97.1%	0.9
Revenue retention rate (1)	90.2 %	93.7 %	(3.5)	91.8%	90.7%	1.1
Written Premium	\$ 100,304	\$ 70,993	41.3 %	\$ 367,309	\$ 273,917	34.1%
Organic revenue	\$ 43,767	\$ 31,503	38.9 %	\$ 159,551	\$ 119,299	33.7%
Organic revenue growth (1)	38.9 %	41.0 %	(2.1)	33.7%	40.6%	(6.9)

(1) Year-over-year changes in percentages are reported in percentage points (pp).

#### Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared in conformity with GAAP, we use certain financial measures, including Adjusted EBITDA and Adjusted EBITDA margin, Adjusted net income and Adjusted earnings (basic and diluted) per share, which are not required by, or prepared in accordance with, GAAP. We refer to these measures as “non-GAAP” financial measures. We use these non-GAAP financial measures when planning, monitoring, and evaluating our performance. We consider these non-GAAP financial measures to be useful metrics for management and investors to facilitate operating performance comparisons from period to period and to assess our financial and operating performance. These non-GAAP financial measures should not be considered as substitutes for, or superior to, the financial statements and financial information prepared in accordance with GAAP. In addition, the non-GAAP financial information presented below may be determined or calculated differently by other companies and may not be directly comparable to that of other companies. See below for a description of these non-GAAP financial measures, as well as for more information about the limitations of these non-GAAP financial measures and for reconciliations to their most directly comparable measure reported under GAAP.

**Adjusted EBITDA and Adjusted EBITDA margin:** We define Adjusted EBITDA as net income (the most directly comparable GAAP measure) adjusted to exclude interest expense (net of interest income), income taxes, depreciation and amortization, and further adjusted for other non-cash or non-recurring items, including share-based compensation. By removing these expenses, we believe Adjusted EBITDA provides a clearer representation of operating performance.

We regard Adjusted EBITDA as an important measure for several reasons:

- It excludes the impact of financing decisions (debt vs. equity) by adding back interest, thus focusing on the performance of the underlying operations.
- It excludes loss on extinguishment of debt, which we do not consider indicative of our core operating performance.
- It excludes non-cash charges like amortization and share-based compensation (which depends on equity grant timing and valuation assumptions).
- It removes any other non-recurring, one-time expenses, most often related to corporate finance activities such as the debt refinancing we conducted in 2024 and expenses associated with our IPO in 2025.
- This measure is also useful for management and investors to compare our performance with that of other insurance technology or MGA companies that may have differing depreciation or financing structures.

In conjunction with Adjusted EBITDA, we also calculate Adjusted EBITDA margin, or Adjusted EBITDA as a percentage of total revenue. We believe that Adjusted EBITDA margin is a useful measurement of operating profitability for the same reasons we find Adjusted EBITDA useful and also because it provides a period-to-period comparison of our operating performance. Below is a reconciliation of Adjusted EBITDA to net income (the most directly comparable GAAP measure), as well as our Adjusted EBITDA margin to net income margin (the most directly comparable GAAP measure), for the years ended December 31, 2025 and 2024:

(\$ in thousands)	Years Ended December 31,		Change %/pp
	2025	2024	
Total revenues	\$ 159,551	\$ 119,299	33.7%
Net income	\$ 37,413	\$ 34,592	8.2%
Interest expense (net of interest income)	\$ 17,320	\$ 16,640	4.1%
Income tax expense	\$ 16,222	\$ 11,788	37.6%
Loss on extinguishment of debt	\$ —	\$ 5,426	(100.0%)
Amortization expense	\$ 3,713	\$ 3,027	22.7%
Share-based compensation	\$ 11,420	\$ 296	3758.1%
Corporate transaction related <sup>(1)</sup>	\$ 8,913	\$ 100	8813.0%
One-time expenses <sup>(2)</sup>	\$ —	\$ 230	(100.0%)
<b>Adjusted EBITDA</b>	<b>\$ 95,001</b>	<b>\$ 72,099</b>	<b>31.8%</b>
Net income margin <sup>(3)</sup>	23.4%	29.0%	(5.6)
<b>Adjusted EBITDA margin<sup>(3)</sup></b>	<b>59.5%</b>	<b>60.4%</b>	<b>(0.9)</b>

- (1) Corporate transaction expenses during the year ended December 31, 2025, were comprised of accounting and legal fees and other expenses related to the preparation for and execution of our IPO. Corporate transaction expenses during the year ended December 31, 2024, were related to an administrative fee incurred in connection with the refinancing and extinguishment of our prior credit facility.
- (2) One-time expenses during the year ended December 31, 2024, were entirely related to the corporate rebrand that was completed in that period.
- (3) Year-over-year changes in percentages are reported in percentage points (pp).

Adjusted EBITDA was \$95.0 million for the year ended December 31, 2025, an increase of \$22.9 million, or 31.8%, from \$72.1 million for the year ended December 31, 2024. Adjusted EBITDA margin for the year ended December 31, 2025 was 59.5%, compared to 60.4% for the year ended December 31, 2024.

(\$ in thousands)	Years Ended December 31,		Change	
	2025	2024	Amount	Change %/pp
Average number of employees	58.0	51.2	6.8	13.2%
Total revenues	\$ 159,551	\$ 119,299	\$ 40,252	33.7%
Revenue per employee	\$ 2,750	\$ 2,328	\$ 422	18.1%
Adjusted EBITDA	\$ 95,001	\$ 72,099	\$ 22,902	31.8%
Adjusted EBITDA per employee	\$ 1,638	\$ 1,407	\$ 230	16.3%
Adjusted EBITDA margin	59.5%	60.4%	(0.9)	(0.9)

While our revenue and Adjusted EBITDA grew 33.7% and 31.8%, respectively, for the year ended December 31, 2025 compared to the year ended December 31, 2024, our headcount increased by approximately 13.2% over the same period. The accelerated growth in revenue and Adjusted EBITDA relative to our growth in employees illustrates the scalability of our existing platform and emphasis on efficient growth.

#### Adjusted Net Income and Adjusted Earnings (Basic and Diluted) Per Share:

We define Adjusted net income as net income (the most directly comparable GAAP measure), adjusted to exclude loss on extinguishment of debt, amortization expense, share-based compensation, corporate transaction related expenses, and other one-time expenses, and the related tax effect of those adjustments. By removing these expenses, we believe Adjusted net income provides a clearer representation of operating performance.

We regard Adjusted net income as an important measure for several reasons:

- It excludes loss on extinguishment of debt, which we do not consider indicative of our core operating performance.
- It excludes non-cash charges like amortization and share-based compensation (which depends on equity grant timing and valuation assumptions)
- It removes any other non-recurring, one-time expenses, most often related to corporate finance activities such as the debt refinancing we conducted in 2024 and expenses associated with our IPO in 2025.

We define Adjusted diluted earnings per share as Adjusted net income divided by diluted weighted average shares outstanding, assuming the full conversion of all outstanding shares of Redeemable Convertible Preferred Stock into an equivalent number of shares of common stock, which occurred upon the consummation of our IPO. Similarly, we define Adjusted basic earnings per share as Adjusted net income divided by basic weighted average shares outstanding, also assuming the conversion of all outstanding Redeemable Convertible Preferred Stock into an equivalent number of shares of common stock, which occurred upon the consummation of our IPO. We believe that Adjusted earnings per share (basic and diluted) is a useful measurement for the same reasons we find Adjusted net income useful and also because, by implementing the conversion of the Redeemable Convertible Preferred Stock, we believe Adjusted earnings (basic and diluted) per share provides a clearer representation of operating performance. The most directly comparable GAAP measures are diluted earnings per share and basic earnings per share, respectively.

The table below presents a reconciliation of Adjusted net income to net income (the most directly comparable GAAP measure), as well as our Adjusted earnings (basic and diluted) per share to basic earnings (loss) and diluted earnings

(loss) per share of common stock, respectively (the most directly comparable GAAP measure), for each of the years ended December 31, 2025 and 2024.

<i>(In thousands, except share and per share data)</i>	Years ended December 31,		Change %
	2025	2024	
Adjusted diluted and basic earnings per share			
Net income	37,413	34,592	8.2 %
Income tax expense	16,222	11,788	
Loss on extinguishment of debt	-	5,426	
Amortization expense	3,713	3,027	
Share-based compensation	11,420	296	
Corporate transaction related	8,913	100	
One-time expenses <sup>(1)</sup>	-	230	
Adjusted Income before income tax expense	\$ 77,681	\$ 55,459	40.1 %
Adjusted income taxes <sup>(2)</sup>	\$ (20,749)	\$ (14,096)	
Adjusted net income	\$ 56,932	\$ 41,363	37.6 %
Weighted average Common Stock outstanding - Basic	104,502,838	93,350,000	
Plus: Impact of conversion of redeemable, convertible preferred stock <sup>(3)</sup>	31,330,328	41,850,000	
Adjusted Weighted average Common Stock outstanding - Basic	135,833,166	135,200,000	
Basic earnings (loss) per share	\$ (0.26)	\$ 0.16	
Effect of conversion of redeemable, convertible preferred stock and net loss attributable to preferred stock holders <sup>(4)</sup>	0.66	0.18	
Other adjustments to earnings (loss) per share <sup>(6)</sup>	0.18	0.07	
Adjusted income taxes per share	(0.15)	(0.10)	
Adjusted basic earnings per share	\$ 0.42	\$ 0.31	35.5 %
Weighted average Common Stock outstanding - Diluted	104,502,838	93,350,000	
Plus: Impact of dilutive RSUs and stock options <sup>(5)</sup>	4,208,597	-	
Plus: Impact of conversion of redeemable, convertible preferred stock <sup>(2)</sup>	31,330,328	41,850,000	
Adjusted weighted average Common Stock outstanding - Diluted	140,041,763	135,200,000	
Diluted earnings (loss) per share	\$ (0.26)	\$ 0.16	
Effect of conversion of redeemable, convertible preferred stock <sup>(4)</sup>	0.65	0.18	
Other adjustments to earnings (loss) per share <sup>(6)</sup>	0.17	0.07	
Adjusted income taxes per share	(0.15)	(0.10)	
Adjusted diluted earnings per share	\$ 0.41	\$ 0.31	32.3 %

(1) One-time expenses during the year ended December 31, 2024, were entirely related to the corporate rebrand that was completed in that period.

(2) This represents the tax impact using effective tax rates of 30.2% and 25.4% for the years ended December 31, 2025 and 2024, respectively, excluding items that are non-deductible/non-taxable or subject to a specific tax treatment.

(3) Assumes the conversion of all shares of Redeemable Convertible Preferred Stock into an equivalent number of shares of common stock.

(4) For comparability purposes, this calculation reflects net income that would be distributable to holders of common stock, assuming all redeemable preferred shares had been converted and therefore no longer impacted the numerator. For the year ended December 31, 2025, \$10.4 million of accretion adjustments and \$54.2 million of cash dividends paid on redeemable preferred stock were added back, totaling \$64.6 million. For the year ended December 31, 2024, \$13.3 million of accretion and \$6.6 million of allocations to participating preferred stock were added back, totaling

\$19.9 million. These adjustments were divided by the weighted-average shares outstanding for the year ended December 31, 2025 and December 31, 2024 to calculate Adjusted earnings (basic and diluted) per share.

- (5) Represents the impact of 3,531,938 stock options and 676,659 RSUs that were considered anti-dilutive in the GAAP diluted weighted-average common stock outstanding calculation but are included for purposes of Adjusted diluted earnings per share, for the year ended December 31, 2025.
- (6) Other adjustments to earnings (loss) represent loss on extinguishment of debt, amortization expense, share-based compensation, corporate transaction related expenses, and one-time expenses.

## Summary of Changes in Outstanding Shares and Equity Awards in Connection with the IPO

The following table presents a summary of our outstanding equity interests as of December 31, 2025, and the cumulative changes since September 30, 2025, to illustrate the impact of our IPO on October 2, 2025 and subsequent activity through year end. This table is provided to illustrate the impact of the IPO-related events, including the conversion of preferred stock and the vesting of equity awards, on our post-IPO share capitalization.

	Date	Pre-IPO		Post-IPO			Shares issued and outstanding
		Preferred	Common	Preferred	Class A Common	Class B Common	
Beginning shares outstanding (Common)	9/30/2025	41,850,000	93,350,000	-	-	-	135,200,000
Add: Vesting of early exercised options at IPO	10/2/2025	-	2,835,000	-	-	-	138,035,000
Add: Conversion of preferred stock to common (1:1)	10/2/2025	(41,850,000)	41,850,000	-	-	-	138,035,000
Reclassification to Class A common	10/2/2025	-	(138,035,000)	-	138,035,000	-	138,035,000
Exchange of Class A to Class B (1-for-1)	10/2/2025	-	-	-	(43,435,000)	43,435,000	138,035,000
Add: Exercise of options	Multiple dates <sup>(1)</sup>	-	-	-	118,530	-	138,153,530
Ending shares outstanding	12/31/2025	-	-	-	94,718,530	43,435,000	138,153,530

	Date	Pre-IPO		Post-IPO			Dilutive awards outstanding
		Preferred	Common	Preferred	Class A Common	Class B Common	
Beginning unvested options, net of forfeitures	9/30/2025	-	17,640,000	-	-	-	17,640,000
Restricted Stock Unit grants	9/30/2025	-	4,155,678	-	-	-	21,795,678
Less: Cancellation of unvested options at IPO	10/2/2025	-	(5,880,000)	-	-	-	15,915,678
Less: Vesting of early exercised options at IPO	10/2/2025	-	(2,835,000)	-	-	-	13,080,678
Reclassification to Class A and Class B common RSU	10/2/2025	-	(4,155,678)	-	2,172,714	1,982,964	13,080,678
Reclassification to Class A and Class B common option	10/2/2025	-	(8,925,000)	-	2,765,000	6,160,000	13,080,678
Less: Exercise of options	Multiple dates <sup>(1)</sup>	-	-	-	(146,615)	-	12,934,063
Plus: Restricted Stock Unit grants	12/22/2025	-	-	-	21,810	-	12,955,873
Ending awards outstanding	12/31/2025	-	-	-	4,812,909	8,142,964	12,955,873

(1) Represents the total number of options exercised during the fourth quarter of 2025, which occurred over multiple days during the period.

## Limitations of Non-GAAP Financial Measures

Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as substitutes for financial information presented under GAAP. There are a number of limitations related to the use of non-GAAP financial measures versus comparable financial measures determined under GAAP. For example, the non-GAAP financial information presented above may be determined or calculated differently by other companies and may not be directly comparable to that of other companies.

In addition, while we find Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDA per share, Adjusted net income and Adjusted earnings (basic and diluted) per share to be useful measures, they have limitations. Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDA per share, Adjusted net income, and Adjusted earnings (basic and diluted) per share do not reflect cash needs for capital expenditures. They also do not reflect changes in working capital. Therefore, they should not be considered in isolation or as a substitute for net income or cash flow metrics.

All of these limitations could reduce the usefulness of these non-GAAP financial measures as analytical tools. Investors are encouraged to review the related GAAP financial measures and the reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures and to not rely on any single financial measure to evaluate our business. We provide this non-GAAP measure as supplemental information and encourage review of the reconciliation to understand the adjustments made.

## Liquidity and Capital Resources

### Liquidity and Capital Resources

Liquidity is a measure of a company's ability to generate cash flows sufficient to meet the short-term and long-term cash requirements of its business operations. Our principal sources of liquidity are cash generated from operating activities and available borrowing capacity under our credit facilities. Our principal liquidity requirements include operating expenses, debt service obligations (interest and scheduled principal repayments), capital expenditures (primarily capitalized software development), and working capital.

As of December 31, 2025, and December 31, 2024, we had \$40.5 million and \$28.1 million of cash and cash equivalents and fiduciary cash on the balance sheet, respectively. This consisted of \$8.0 million and \$7.1 million of cash and cash equivalents, respectively, and \$32.5 million and \$21.0 million of fiduciary cash, respectively. In our capacity as an insurance agent, we typically collect premiums from policyholders and, after deducting the authorized commissions, remit the net premiums to the appropriate insurance company or companies. Accordingly, premiums receivable from policyholders are reported as fiduciary receivables and premiums payable to insurance companies are reported as insurance company payables. Unremitted net insurance premiums are held in a fiduciary capacity until we distribute them. Net insurance premiums payable to insurance companies, together with premium deposits received from policyholders, are held as fiduciary cash on the balance sheet. Cash and cash equivalents held in excess of the amounts required to meet our fiduciary obligations are recognized as cash and cash equivalents. We had operating cash flows of \$51.7 million and \$49.9 million for the year ended December 31, 2025 and 2024, respectively. We have historically used our cash provided by operations to pre-pay portions of the principal amount of our then-outstanding loans, while retaining sufficient liquidity for working capital needs.

As of December 31, 2025, the Company was allowed to borrow up to \$20.0 million under our \$260.0 million revolving credit facility effected pursuant to our Amended Credit Agreement.

As of December 31, 2024, the Company was allowed to borrow up to \$10.0 million under a then undrawn revolving credit facility, which was effected under that certain Credit Agreement, dated as of June 13, 2024 (the "2024 Credit Agreement"). On April 10, 2025, in connection with our corporate reorganization, the 2024 Credit Agreement was amended and restated in its entirety in the form of the 2025 Amended and Restated Credit Agreement to, among other things, increase the aggregate principal amount of term loans outstanding under the facility to \$301.0 million, including \$170.0 million in principal amount of new term loans, and extend the maturity date of all outstanding loans under the facility to April 10, 2030. We also maintained a revolving credit facility of up to \$10.0 million as part of the 2025 Amended and Restated Credit Agreement.

On November 10, 2025, we entered into the First Amendment to the 2025 Amended and Restated Credit Agreement which, among other things, (i) increased the "Revolving Commitments" (as defined in the 2025 Amended and Restated Credit Agreement) from \$10.0 million to \$260.0 million, (ii) extended the maturity date of the revolving credit facility from April 10, 2030, to November 10, 2030, and (iii) lowered the applicable margin for interest accruing on

borrowings under the Revolving Credit Facility by 0.50% per annum. At the closing of the First Amendment, Neptune Flood borrowed \$251.0 million of the increased Revolving Commitments and used the proceeds to repay in full the term loans outstanding under the 2025 Amended and Restated Credit Agreement immediately prior to the First Amendment.

As of December 31, 2025, \$240.0 million in revolving loans were outstanding under our \$260.0 million revolving credit facility pursuant to the Amended Credit Agreement, leaving \$20.0 million available for future borrowing. The remaining undrawn portion of our revolving credit facility provides flexibility for short-term funding needs or working capital requirements.

We believe our current cash and cash equivalents and the undrawn amounts available under our Amended Credit Agreement will be sufficient to meet our working capital and capital expenditure requirements for at least the next twelve months and beyond. Over the longer term, we may explore additional refinancing options to reduce interest costs or raise equity to accelerate growth or reduce leverage and, depending on interest rates and market conditions, may from time to time consider distributing dividends or engaging in stock repurchases.

#### Cash Flows

#### Comparison of the Year Ended December 31, 2025 and 2024

The following table shows a summary of our cash flows for the periods presented:

(\$ in thousands)	Years Ended December 31,	
	2025	2024
Net cash provided by operating activities	\$ 51,670	\$ 49,926
Net cash used in investing activities	\$ (3,977)	\$ (3,713)
Net cash used in financing activities	\$ (35,210)	\$ (42,468)

#### *Operating Activities*

For the year ended December 31, 2025, net cash provided by operating activities was \$51.7 million, primarily consisting of our net income of \$37.4 million, adjusted for share-based compensation of \$11.4 million, amortization of intangible assets of \$3.7 million, and amortization of deferred financing costs of \$0.6 million. These amounts were partially offset by a \$3.5 million increase in operating assets and \$2.0 million decrease in deferred tax assets. Accounts payable and accrued expenses grew as the Company's operations expanded, contributing to cash flow.

For the year ended December 31, 2024, net cash provided by operating activities was \$49.9 million, primarily consisting of our net income of \$34.6 million, adjusted for amortization of intangible assets of \$3.0 million, amortization of deferred financing costs of \$0.9 million, loss on the extinguishment of debt of \$5.4 million, \$0.3 million in share-based compensation, and an increase in operating liabilities of \$7.4 million. These amounts were partially offset by a \$1.1 million increase in operating assets and a \$0.6 million decrease in deferred tax assets.

#### *Investing Activities*

For the year ended December 31, 2025, net cash used in investing activities was \$4.0 million, compared to \$3.7 million for the year ended December 31, 2024. For both years, the cash used in investing activities all related to capital expenditures for internally developed software. The increase in year-over-year net cash used in investing activities for the year ended December 31, 2025, was primarily driven by the increase in the capitalization of software development cost, reflecting additions to headcount in the technology and data science teams. We expect to continue investing in software development at a similar or slightly greater pace in the future, which is a use of cash that we believe yields high returns in terms of functionality and accretion to future growth.

#### *Financing Activities*

For the year ended December 31, 2025, net cash used in financing activities was \$35.2 million, which was primarily due to cash dividends paid of \$175.0 million, \$436.0 million of repayments of our long-term debt, \$0.9 million of deferred financing fees and prepayment penalty, and a \$1.3 million change in fiduciary receivables, partially offset by the refinancing of our then-existing debt facility through our entry into the 2025 Amended and Restated Credit Agreement, which resulted in proceeds to us of \$301.0 million, a \$12.8 million change in fiduciary liabilities, \$251.0 million in proceeds from the revolving credit facility in connection with our entry into the First Amendment in connection with our

entry into the First Amendment. \$8.5 million in Contributed capital, stockholder reimbursement of IPO transaction costs, and \$15.7 million in proceeds from the exercise of stock options.

For the year ended December 31, 2024, net cash used in financing activities was \$42.5 million, which was primarily due to \$214.5 million of repayments of our long-term debt, a \$3.7 million payment of deferred financing fees, and a \$0.6 million change in fiduciary receivables. This was partially offset by proceeds of \$171.0 million from the issuance of long-term debt and a \$5.4 million change in fiduciary liabilities.

#### Contractual Obligations and Commitments

As of December 31, 2025, we did not have, and we do not currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

As of December 31, 2025, we were party to the 2025 Amended and Restated Credit Agreement, as amended by the First Amendment. At the closing of the First Amendment, we borrowed \$251.0 million under the revolving credit facility and used the proceeds to repay in full the term loans outstanding under the 2025 Amended and Restated Credit Agreement immediately prior to the First Amendment. From November 10, 2025, through December 31, 2025, our outstanding revolving loans bore interest at the Term SOFR Rate plus 2.50%; thereafter subject to our election to convert the borrowing to an ABR Loan, interest accrues at the Term SOFR Rate (subject to a 1.00% floor) plus an applicable margin ranging from 1.75% to 3.00%, depending on our Total Net Leverage Ratio (as defined in the Amended Credit Agreement) for the prior fiscal quarter.

Neptune Flood is also required to pay an unused commitment fee, which accrues at a per annum rate ranging from 0.20% to 0.40%, depending on the Company's Total Net Leverage Ratio for the prior fiscal quarter, on the daily amount of any undrawn portion of the increased Revolving Commitments.

As of December 31, 2025, \$240.0 million was outstanding under our \$260.0 million revolving credit facility, leaving \$20.0 million available for future borrowing. The remaining undrawn portion of our revolving credit facility provides flexibility for short-term funding needs or working capital requirements. The foregoing description of the First Amendment and the Amended Credit Agreement is qualified in its entirety by reference to the complete text of the First Amendment, a copy of which is filed as Exhibit 10.8 hereto and is incorporated herein by reference.

The Amended Credit Agreement contains covenants that, among other things, restrict our ability to make certain restricted payments, incur additional debt, engage in certain asset sales, mergers, acquisitions or similar transactions, create liens on assets, engage in certain transactions with affiliates, change our business or make investments, and require us to comply with certain financial covenants. We are currently in compliance with the Amended Credit Agreement and were in compliance with the 2025 Amended and Restated Credit Agreement covenants as of December 31, 2025.

#### **Quarterly Results of Operations**

The following table sets forth our unaudited quarterly consolidated results of operations for each of the quarterly periods for the years ended December 31, 2025 and 2024. These unaudited quarterly results of operations have been prepared on the same basis as our audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K. In the opinion of management, the financial information set forth in the table below reflects all normal recurring adjustments necessary for the fair statement of results of operations for these periods. Our historical results are not necessarily indicative of the results that may be expected in the future, and the results of a particular quarter or other interim period are not necessarily indicative of the results for a full year. You should read the following unaudited quarterly consolidated results of operations in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K.

(In thousands)	Three months ended							
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
<b>Revenues:</b>								
Commission income	\$ 16,204	\$ 24,208	\$ 25,549	\$ 24,137	\$ 22,707	\$ 32,062	\$ 33,916	\$ 33,318
Fee income	5,362	8,202	8,271	7,366	6,646	10,004	10,449	10,449
<b>Total commissions and fees</b>	<b>\$ 21,566</b>	<b>\$ 32,410</b>	<b>\$ 33,820</b>	<b>\$ 31,503</b>	<b>\$ 29,353</b>	<b>\$ 42,066</b>	<b>\$ 44,365</b>	<b>\$ 43,767</b>
<b>Operating expenses:</b>								
Agent commissions	6,511	9,646	10,014	9,146	8,940	12,736	13,840	13,549
Employee compensation and benefits	1,121	1,154	1,210	971	1,321	1,424	1,662	1,055
General and administrative	1,633	2,096	1,931	2,097	1,976	2,657	2,138	3,252
Share-based compensation expense	71	72	74	79	84	104	111	11,121
IPO transaction costs	—	—	—	—	531	2,943	4,966	473
Amortization expense	688	737	782	820	874	912	948	979
<b>Total operating expenses</b>	<b>\$ 10,024</b>	<b>\$ 13,705</b>	<b>\$ 14,011</b>	<b>\$ 13,113</b>	<b>\$ 13,726</b>	<b>\$ 20,776</b>	<b>\$ 23,665</b>	<b>\$ 30,429</b>
<b>Income from operations</b>	<b>11,542</b>	<b>\$ 18,705</b>	<b>\$ 19,809</b>	<b>\$ 18,390</b>	<b>\$ 15,627</b>	<b>\$ 21,290</b>	<b>\$ 20,700</b>	<b>\$ 13,338</b>
<b>Other income (expense):</b>								
Interest income	168	255	256	201	169	247	281	226
Interest expense	(5,518)	(5,114)	(3,771)	(3,117)	(2,401)	(5,868)	(5,518)	(4,456)
Loss on extinguishment of debt	—	(5,426)	—	—	—	—	—	—
Other income	—	—	—	—	—	—	—	—
<b>Income before income tax expense</b>	<b>6,192</b>	<b>\$ 8,420</b>	<b>\$ 16,294</b>	<b>\$ 15,474</b>	<b>\$ 13,395</b>	<b>\$ 15,669</b>	<b>\$ 15,463</b>	<b>\$ 9,108</b>
Income tax expense	1,578	2,147	4,201	3,862	3,456	4,049	3,952	4,765
<b>Net income</b>	<b>\$ 4,614</b>	<b>\$ 6,273</b>	<b>\$ 12,093</b>	<b>\$ 11,612</b>	<b>\$ 9,939</b>	<b>\$ 11,620</b>	<b>\$ 11,511</b>	<b>\$ 4,343</b>
Accretion adjustment to redeemable preferred stock	(3,230)	(3,276)	(3,360)	(3,408)	(3,381)	(3,467)	(3,555)	(34)
Allocation to participating preferred stock	(428)	(928)	(2,703)	(2,540)	(2,030)	—	(2,463)	(14)
Cash dividend paid on redeemable preferred stock	—	—	—	—	—	(54,170)	—	—
<b>Net income available to common stockholders</b>	<b>\$ 956</b>	<b>\$ 2,069</b>	<b>\$ 6,030</b>	<b>\$ 5,664</b>	<b>\$ 4,528</b>	<b>\$ (46,017)</b>	<b>\$ 5,493</b>	<b>\$ 4,295</b>

(In thousands)	Three months ended							
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
Net income	\$ 4,614	\$ 6,273	\$ 12,093	\$ 11,612	\$ 9,939	\$ 11,620	\$ 11,511	\$ 4,343
Interest expense (net of interest income)	5,350	4,859	3,515	2,916	2,232	5,621	5,237	4,230
Income tax expense	1,578	2,147	4,201	3,862	3,456	4,049	3,952	4,765
Loss on extinguishment of debt	—	5,426	—	—	—	—	—	—
Amortization expense	688	737	782	820	874	912	948	979
Share-based compensation	71	72	74	79	84	104	111	11,121
Corporate transaction related	—	100	—	—	531	2,943	4,966	473
One-time expenses	—	115	115	—	—	—	—	—
<b>Adjusted EBITDA</b>	<b>\$ 12,301</b>	<b>\$ 19,729</b>	<b>\$ 20,780</b>	<b>\$ 19,289</b>	<b>\$ 17,116</b>	<b>\$ 25,249</b>	<b>\$ 26,725</b>	<b>\$ 25,911</b>
<b>Net income margin</b>	<b>21.4 %</b>	<b>19.4 %</b>	<b>35.8 %</b>	<b>36.9 %</b>	<b>33.9 %</b>	<b>27.6 %</b>	<b>25.9 %</b>	<b>9.9 %</b>
<b>Adjusted EBITDA margin</b>	<b>57.0 %</b>	<b>60.9 %</b>	<b>61.4 %</b>	<b>61.2 %</b>	<b>58.3 %</b>	<b>60.0 %</b>	<b>60.2 %</b>	<b>59.2 %</b>

*Adjusted Net Income and Adjusted Earnings (Basic and Diluted) Per Share:*

The table below presents a reconciliation of Adjusted net income to net income (the most directly comparable GAAP measure), as well as our Adjusted earnings (basic and diluted) per share to basic earnings (loss) and diluted earnings (loss) per share of common stock, respectively (the most directly comparable GAAP measure), for each of the quarterly periods for the years ended December 31, 2025 and 2024.

(In thousands, except share and per share data)	Three months ended							
	March 31,	June 30,	September 30,	December 31,	March 31,	June 30,	September 30,	December 31,
	2024	2024	2024	2024	2025	2025	2025	2025
Adjusted diluted and basic earnings per share								
Net income	4,614	6,273	12,093	11,612	9,939	11,620	11,511	4,343
Income tax expense	1,578	2,147	4,201	3,862	3,456	4,049	3,952	4,765
Loss on extinguishment of debt	-	5,426	-	-	-	-	-	-
Amortization expense	688	737	782	820	874	912	948	979
Share-based compensation	71	72	74	79	84	104	111	11,121
Corporate transaction related expenses	-	100	-	-	531	2,943	4,966	473
One-time expenses	-	115	115	-	-	-	-	-
Adjusted Income before income tax expense	\$ 6,951	\$ 14,870	\$ 17,265	\$ 16,373	\$ 14,884	\$ 19,628	\$ 21,488	\$ 21,681
Adjusted income taxes <sup>(1)</sup>	\$ (1,771)	\$ (3,792)	\$ (4,451)	\$ (4,087)	\$ (3,840)	\$ (5,072)	\$ (5,492)	\$ (6,346)
Adjusted net income	\$ 5,180	\$ 11,078	\$ 12,814	\$ 12,286	\$ 11,044	\$ 14,556	\$ 15,996	\$ 15,335
Weighted average Common Stock outstanding - Basic	93,350,000	93,350,000	93,350,000	93,350,000	93,350,000	93,350,000	93,350,000	138,069,793

Plus: Impact of conversion of redeemable, convertible preferred stock <sup>(2)</sup>	41,850,000	41,850,000	41,850,000	41,850,000	41,850,000	41,850,000	41,850,000	41,850,000	454,891
Adjusted Weighted average Common Stock outstanding - Basic	<u>135,200,000</u>	<u>138,524,684</u>							
Basic earnings (loss) per share	\$ 0.01	\$ 0.02	\$ 0.06	\$ 0.06	\$ 0.05	\$ (0.49)	\$ 0.06	\$ 0.06	\$ 0.03
Effect of conversion of redeemable, convertible preferred stock and net loss attributable to preferred stock holders <sup>(3)</sup>	0.04	0.04	0.05	0.05	0.05	0.61	0.05	0.05	0.04
Other adjustments to earnings (loss) per share <sup>(4)</sup>	0.01	0.05	0.01	0.01	0.01	0.03	0.04	0.04	0.09
Adjusted income taxes per share	(0.01)	(0.03)	(0.03)	(0.03)	(0.03)	(0.04)	(0.04)	(0.04)	(0.05)
Adjusted basic earnings per share	<u>\$ 0.04</u>	<u>\$ 0.08</u>	<u>\$ 0.09</u>	<u>\$ 0.09</u>	<u>\$ 0.08</u>	<u>\$ 0.11</u>	<u>\$ 0.12</u>	<u>\$ 0.11</u>	<u>\$ 0.11</u>
Weighted average Common Stock outstanding - Diluted	93,350,000	93,350,000	93,350,000	93,350,000	93,350,000	93,350,000	93,350,000	97,262,548	147,676,485
Plus: Impact of conversion of redeemable, convertible preferred stock <sup>(2)</sup>	41,850,000	41,850,000	41,850,000	41,850,000	41,850,000	41,850,000	41,850,000	41,850,000	454,891
Adjusted weighted average Common Stock outstanding - Diluted	<u>135,200,000</u>	<u>139,112,548</u>	<u>148,131,376</u>						
Diluted earnings (loss) per share	\$ 0.01	\$ 0.02	\$ 0.06	\$ 0.06	\$ 0.05	\$ (0.49)	\$ 0.06	\$ 0.06	\$ 0.03
Effect of conversion of redeemable, convertible preferred stock <sup>(3)</sup>	0.04	0.04	0.05	0.05	0.05	0.61	0.05	0.05	0.03
Other adjustments to earnings (loss) per share <sup>(4)</sup>	0.01	0.05	0.01	0.01	0.01	0.03	0.04	0.04	0.08
Adjusted income taxes per share	(0.01)	(0.03)	(0.03)	(0.03)	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)
Adjusted diluted earnings per share	<u>\$ 0.04</u>	<u>\$ 0.08</u>	<u>\$ 0.09</u>	<u>\$ 0.09</u>	<u>\$ 0.08</u>	<u>\$ 0.11</u>	<u>\$ 0.11</u>	<u>\$ 0.11</u>	<u>\$ 0.10</u>

- (1) This represents the tax impact using the applicable effective tax rates for each respective period presented, excluding items that are non-deductible/non-taxable or subject to a specific tax treatment.
- (2) Assumes the conversion of all shares of Redeemable Convertible Preferred Stock into an equivalent number of shares of common stock.
- (3) For comparability purposes, this calculation reflects net income that would be distributable to holders of common stock assuming all redeemable preferred shares had been converted and therefore no longer impacted the numerator. Accordingly, accretion adjustments and dividends or other allocations attributable to redeemable preferred stock have been added back to net income, as applicable for each period presented. These adjustments were divided by the weighted-average shares outstanding for each respective period to calculate adjusted earnings (basic and diluted) per share.
- (4) Other adjustments to earnings (loss) represent loss on extinguishment of debt, amortization expense, share-based compensation, corporate transaction related expenses, and one-time expenses.

## Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP, which require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Management regularly evaluates these estimates, which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Actual results may differ from these estimates. We consider an accounting estimate to be critical if it involves a significant level of estimation uncertainty and if different estimates or assumptions could reasonably have a material impact on our financial condition or results of operations. The following are the critical accounting policies and estimates that we believe are most important to understanding our financial statements:

### Revenue Recognition (Commission and Fee Revenue)

We recognize revenue from commissions and fees upon the effective date of insurance coverage, with an estimate for cancellations.

#### *Estimates for Policy Cancellations*

We estimate the proportion of premiums and commissions that will not ultimately remain in force for the full policy term due to cancellations. This estimate directly reduces the revenue we recognize at policy inception. We base our estimates on historical cancellation experience by policy type and tenure and adjust for any known trends or events. The estimation period typically covers the allowable cancellation period. If our estimated cancellation rates are inaccurate, then our revenue could be materially impacted. We monitor actual cancellations and update our estimates quarterly. For instance, if cancellation rates were to rise, we might increase the constraint and recognize less revenue upfront, deferring more commission until uncertainty is resolved. For the years ended December 31, 2025 and 2024, no significant adjustments were recorded for prior estimates.

### Capitalization of Internally Developed Software and Amortization

We capitalize internally developed software at cost. The critical estimates here include:

- Determining which projects meet the criteria for capitalization. We carefully evaluate each feature and project for these criteria.
- The useful life of our capitalized software. We review this estimated useful life periodically. Given the rapid innovation in our platform, three years has historically been used as our platform's useful life. For the years ended December 31, 2025 and 2024, no changes were made to the useful life of our capitalized software. As we continue to incorporate AI and other enhancements, we will continue our periodic assessments to determine if such integrations warrant the use of a different useful life for our platform.

## Recent Accounting Pronouncements

We currently qualify as an EGC under the JOBS Act. Accordingly, we are provided the option to adopt new or revised accounting guidance either (i) within the same periods as those otherwise applicable to non-emerging growth companies or (ii) within the same time periods as private companies. We are electing to use the extended transition periods available under the JOBS Act for complying with new or revised accounting standards and, as a result, we will not be required to adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

We will remain an EGC until the earliest to occur of: (i) the end of the first fiscal year in which our annual gross revenues are \$1.235 billion or more; (ii) the end of the first fiscal year in which we are deemed to be a "large accelerated filer," as defined in the Exchange Act; (iii) the date on which we have, during the previous three-year period, issued more than \$1.0 billion in non-convertible debt securities; and (iv) the end of the fiscal year during which the fifth anniversary of the completion of our IPO.

See Note 2, "Significant Accounting Policies," to our consolidated financial statements included in Item 8. Financial Statements and Supplementary Data of this Annual Report for disclosures regarding recently issued accounting pronouncements and the critical accounting policies related to our business.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

Market risk is the potential loss arising from adverse changes in market rates and prices, such as premium amounts, interest rates, and equity prices. We are exposed to market risk through our business partners, investments, and borrowings.

The insurance market in which we operate has historically been cyclical based on the underwriting capacity of the insurance carriers and reinsurers, general economic conditions, state regulatory responses to market conditions, the timing of hurricane and storm season and other natural disasters, and other social, economic, and business factors. In a period of decreasing insurance capacity or higher than typical loss ratios across an insurance segment or segments, insurance carriers may raise premium rates. This type of market frequently is referred to as a “hard” market. In a period of increasing insurance capacity or lower than typical loss ratios across an insurance segment or segments, insurance carriers may reduce premium rates, and business might migrate away from the E&S lines market and into the admitted market. This type of market frequently is referred to as a “soft” market. Our results of operations are affected by this cyclical nature of the market.

Our investments are held primarily as cash and cash equivalents. These investments are subject to interest rate risk. The fair values of cash and cash equivalents as of December 31, 2025, approximated their carrying values due to their short-term nature and therefore, such market risk is not considered to be material. We do not actively invest or trade in equity or derivative securities.

As of December 31, 2025, under our Amended Credit Agreement, we had \$240.0 million of principal balance outstanding on our revolving credit facility with \$20.0 million in available capacity. These borrowings accrue interest tied to SOFR and therefore interest expense under these borrowings is subject to change. An immediate hypothetical 1% change in interest rates on our borrowings would have a \$2.4 million annual pre-tax effect on our consolidated financial statements.

**Item 8. Financial Statements and Supplementary Data.**

**Index to consolidated financial statements**

	<b>Page</b>
<b>Neptune Insurance Holdings Inc.</b>	
<i>Annual consolidated financial statements</i>	
Report of Independent Registered Public Accounting Firm (PCAOB ID: 238)	83
Consolidated Balance Sheets	84
Consolidated Statements of Income	85
Consolidated Statements of Changes in Stockholders' Equity (Deficit)	86
Consolidated Statements of Cash Flows	87
Notes to The Consolidated Financial Statements	89

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Neptune Insurance Holdings Inc.

### ***Opinion on the Financial Statements***

We have audited the accompanying consolidated balance sheets of Neptune Insurance Holdings Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of income, of changes in redeemable, convertible preferred stock and stockholders' deficit and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
February 25, 2026

We have served as the Company's auditor since 2025.

**Neptune Insurance Holdings Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2025 and 2024**  
(In thousands, except share and per share data)

	2025	2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 8,036	\$ 7,094
Fiduciary cash	32,512	20,971
Fiduciary receivable	5,375	4,096
Commissions and fees receivable	4,080	2,612
Prepaid expenses and other current assets	1,309	452
Income tax receivable	1,150	-
<b>Total current assets</b>	<b>52,462</b>	<b>35,225</b>
Intangible assets, net	466	476
Internally developed software, net	6,030	5,756
Goodwill	3,793	3,793
Deferred tax assets	802	2,803
Deferred financing asset	1,746	99
<b>Total assets</b>	<b>\$ 65,299</b>	<b>\$ 48,152</b>
<b>Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Deficit</b>		
Current liabilities:		
Accounts payable	10,141	7,165
Commissions payable	3,788	2,528
Insurance company payables	18,946	13,257
Income tax payable	-	4,781
Accrued expenses	977	475
Premium deposits	18,941	11,810
Current portion of debt	-	8,550
<b>Total current liabilities</b>	<b>52,793</b>	<b>48,566</b>
Debt, less current portion	-	125,101
Revolving credit facility	240,000	-
<b>Total liabilities</b>	<b>\$ 292,793</b>	<b>\$ 173,667</b>
Commitments and contingencies (Notes 13)		
Redeemable, convertible preferred stock, \$0.00001 par value, 5% cumulative dividend; 20,000,000 and 41,850,000 shares authorized; 0 and 41,850,000 shares issued and outstanding at December 31, 2025 and 2024, respectively (liquidation preference of \$249,552 as of December 31, 2024)		
	-	240,473
Stockholders' deficit:		
Class A common stock, \$0.00001 par value, 428,422,036 and 154,300,000 shares authorized; 94,718,530 and 93,350,000 shares issued and outstanding at December 31, 2025 and 2024, respectively	1	1
Class B common stock, \$0.00001 par value, 51,577,964 and 0 shares authorized; 43,435,000 and 0 shares issued and outstanding at December 31, 2025 and 2024, respectively	-	-
Accumulated deficit	(514,351)	(366,326)
Additional paid-in capital	286,856	337
<b>Total stockholders' deficit</b>	<b>(227,494)</b>	<b>(365,988)</b>
<b>Total liabilities, redeemable, convertible preferred stock, and stockholders' deficit</b>	<b>\$ 65,299</b>	<b>\$ 48,152</b>

See notes to consolidated financial statements.

**Neptune Insurance Holdings Inc. and Subsidiaries**  
**Consolidated Statements of Income**  
**for the years ended December 31, 2025, 2024 and 2023**  
(In thousands, except share and per share data)

	2025	2024	2023
<b>Revenues:</b>			
Commissions and fees	\$ 159,551	\$ 119,299	\$ 84,870
<b>Operating expenses:</b>			
Agent commissions	49,065	35,317	26,014
Employee compensation and benefits	16,882	4,752	4,347
General and administrative	10,023	7,757	6,896
Amortization expense	3,713	3,027	2,182
IPO transaction costs	8,913	-	-
<b>Total operating expenses</b>	<b>88,596</b>	<b>50,853</b>	<b>39,439</b>
<b>Income from operations</b>	<b>70,955</b>	<b>68,446</b>	<b>45,431</b>
<b>Other income (expense):</b>			
Interest income	923	880	308
Interest expense	(18,243)	(17,520)	(21,326)
Loss on extinguishment of debt	-	(5,426)	(556)
<b>Income before income tax expense</b>	<b>53,635</b>	<b>46,380</b>	<b>23,857</b>
Income tax expense	16,222	11,788	5,971
<b>Net income</b>	<b>\$ 37,413</b>	<b>\$ 34,592</b>	<b>\$ 17,886</b>
Accretion adjustment to redeemable preferred stock	(10,438)	(13,274)	(8,135)
Allocation to participating preferred stock	-	(6,599)	-
Cash dividend paid on redeemable preferred stock	(54,170)	-	-
<b>Net income available to common stockholders</b>	<b>\$ (27,195)</b>	<b>\$ 14,719</b>	<b>\$ 9,751</b>
<b>Net income per share of common stock:</b>			
<b>Class A and Class B Common Stock</b>			
Basic	\$ (0.26)	\$ 0.16	\$ 0.10
Diluted	\$ (0.26)	\$ 0.16	\$ 0.10
<b>Weighted average shares of common stock outstanding:</b>			
<b>Class A and Class B Common Stock</b>			
Basic	104,502,838	93,350,000	93,523,340
Diluted	104,502,838	93,350,000	93,523,340

See notes to consolidated financial statements.

**Neptune Insurance Holdings Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Redeemable, Convertible Preferred Stock**  
**and Stockholders' Deficit for the years ended December 31, 2025, 2024 and 2023**  
(In thousands)

	Redeemable Convertible Preferred Stock		Stockholders' Deficit						
			Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount			
<b>Balance, at December 31, 2022</b>	-	-	93,350	1	-	-	-	(58,372)	(58,371)
Common stock issued	-	-	1,040	-	-	-	10,000	-	10,000
Rescission of common stock issued	-	-	(1,040)	-	-	-	(10,000)	-	(10,000)
Redeemable, convertible preferred stock issued, net of issuance costs	41,850	219,064	-	-	-	-	-	-	-
Accretion of redeemable, convertible preferred stock	-	8,135	-	-	-	-	-	(8,135)	(8,135)
Cash dividend paid	-	-	-	-	-	-	-	(339,023)	(339,023)
Share-based compensation	-	-	-	-	-	-	41	-	41
Net income	-	-	-	-	-	-	-	17,886	17,886
<b>Balance, at December 31, 2023</b>	<b>41,850</b>	<b>\$ 227,199</b>	<b>93,350</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>\$ 41</b>	<b>\$ (387,644)</b>	<b>\$ (387,602)</b>
Accretion of redeemable, convertible preferred	-	13,274	-	-	-	-	-	(13,274)	(13,274)
Share-based compensation	-	-	-	-	-	-	296	-	296
Net income	-	-	-	-	-	-	-	34,592	34,592
<b>Balance at December 31, 2024</b>	<b>41,850</b>	<b>\$ 240,473</b>	<b>93,350</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>\$ 337</b>	<b>\$ (366,326)</b>	<b>\$ (365,988)</b>
Accretion of redeemable, convertible preferred	-	10,438	-	-	-	-	-	(10,438)	(10,438)
Share-based compensation	-	-	-	-	-	-	11,420	-	11,420
Contributed capital, stockholder reimbursement of IPO transaction costs	-	-	-	-	-	-	8,474	-	8,474
Exercise of options	-	-	2,954	-	-	-	15,714	-	15,714
Redemption of preferred stock for Class A common stock	(41,850)	(250,911)	41,850	-	-	-	250,911	-	250,911
Redemption of Class A common stock for Class B common stock	-	-	(43,435)	-	43,435	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	(175,000)	(175,000)
Net income	-	-	-	-	-	-	-	37,413	37,413
<b>Balance at December 31, 2025</b>	<b>-</b>	<b>-</b>	<b>94,719</b>	<b>1</b>	<b>43,435</b>	<b>-</b>	<b>\$ 286,856</b>	<b>\$ (514,351)</b>	<b>\$ (227,494)</b>

See notes to consolidated financial statements.

**Neptune Insurance Holdings Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**for the years ended December 31, 2025, 2024 and 2023**  
(In thousands)

	2025	2024	2023
<b>Cash flows from operating activities:</b>			
Net income	\$ 37,413	\$ 34,592	\$ 17,886
Adjustments to reconcile net income to cash provided by operating activities:			
Amortization expense	3,713	3,027	2,182
Amortization of deferred financing costs	632	905	1,228
Loss on extinguishment of debt	-	5,426	556
Share-based compensation	11,420	296	41
Deferred income taxes	2,001	(612)	(2,193)
(Increase) decrease in operating assets:			
Commissions and fees receivable	(1,468)	(1,671)	(491)
Income tax receivable	(1,150)	462	(412)
Prepaid expenses and other current assets	(857)	212	(274)
Deferred financing asset	-	(111)	(313)
Increase (decrease) in operating liabilities:			
Accounts payable	2,976	1,873	1,556
Commissions payable	1,260	423	518
Income tax payable	(4,781)	4,691	(54)
Accrued expenses	511	413	(1,583)
<b>Net cash provided by operating activities</b>	<b>51,670</b>	<b>49,926</b>	<b>18,647</b>
<b>Cash flows from investing activities:</b>			
Internal developed software	(3,914)	(3,713)	(4,030)
Purchase of intangible assets	(63)	-	-
<b>Net cash used in investing activities</b>	<b>(3,977)</b>	<b>(3,713)</b>	<b>(4,030)</b>
<b>Cash flows from financing activities:</b>			
Change in fiduciary receivables	(1,279)	(623)	(939)
Change in fiduciary liabilities	12,820	5,407	5,399
Repayments of 2021 Term Loan	-	-	(69,875)
Proceeds from 2023 Term Loan	-	-	190,000
Repayments of 2023 Term Loan	-	(178,525)	(11,475)
Proceeds from 2024 Term Loan	-	171,000	-
Repayments of 2024 Term Loan	(135,000)	(36,000)	-
Proceeds from 2025 Term Loan	301,000	-	-
Repayments of 2025 Term Loan	(301,000)	-	-
Payment of deferred financing fees and prepayment penalty	(939)	(3,727)	(3,017)
Issuance of common stock	-	-	10,000
Rescission of common stock	-	-	(10,000)
Issuance of redeemable, convertible preferred stock, net of issuance costs	-	-	219,064
Proceeds from revolving credit facility	251,000	-	-
Repayments of revolving credit facility	(11,000)	-	-
Proceeds from exercise of stock options	15,714	-	-
Contributed capital, stockholder reimbursement of IPO transaction costs	8,474	-	-
Cash dividend paid	(175,000)	-	(339,023)
<b>Net cash used in financing activities</b>	<b>(35,210)</b>	<b>(42,468)</b>	<b>(9,866)</b>
<b>Net increase in cash and cash equivalents and fiduciary cash</b>	<b>12,483</b>	<b>3,745</b>	<b>4,751</b>
<b>Cash and cash equivalents and fiduciary cash:</b>			
Beginning of year	28,065	24,320	19,569
End of year	<b>\$ 40,548</b>	<b>\$ 28,065</b>	<b>\$ 24,320</b>
Cash and cash equivalents	\$ 8,036	\$ 7,094	\$ 8,133
Fiduciary cash	32,512	20,971	16,187
<b>Total cash and cash equivalents and fiduciary cash</b>	<b>\$ 40,548</b>	<b>\$ 28,065</b>	<b>\$ 24,320</b>

Cash paid for:				
Interest	\$	17,131	\$	17,067
			\$	20,098
Income taxes	\$	20,152	\$	7,310
			\$	8,599
Supplemental disclosure of non-cash financing activities:				
Reclassification of unamortized deferred financing fees to deferred financing asset	\$	1,264	\$	-
			\$	-

See notes to consolidated financial statements.

**Neptune Insurance Holdings Inc.**  
**Notes to Audited Consolidated Financial Statements**

**Note 1. Nature of Business and Basis of Presentation**

Neptune Insurance Holdings Inc. (“Neptune Holdings” or the “Company”) was incorporated in Delaware on March 20, 2025, to serve as the holding company for Neptune Flood Incorporated (“Neptune Flood”).

Neptune Flood, incorporated in Delaware on February 10, 2017, is an insurance agency engaged in the business of selling residential and commercial flood insurance policies on behalf of insurance carrier partners throughout the United States.

On April 10, 2025, Neptune Holdings completed a corporate restructuring through a reverse triangular merger (the “Reorganization”) to implement a holding company structure. In connection with the Reorganization, Neptune Insurance Merger Sub Inc. (“Merger Sub”), a wholly-owned subsidiary of Neptune Holdings, merged with and into Neptune Flood, with Neptune Flood continuing as the surviving entity. Each issued and outstanding share of common and preferred stock of Neptune Flood was converted into an equivalent share of common and preferred stock of Neptune Holdings. The outstanding shares of Neptune Holdings previously owned by Neptune Flood were canceled and retired. As a result, Neptune Holdings became the parent holding company, and Neptune Flood became its wholly-owned operating subsidiary. In connection with the Reorganization, the Company filed an amendment to its Articles of Incorporation, effective April 10, 2025, which did not include any material changes other than those necessary to give effect to the new holding company structure. In connection with the Reorganization, Neptune Holdings assumed the Amended and Restated 2019 Stock Plan and amended and restated it in its entirety. The Amended and Restated 2019 Stock Plan, as so amended and restated in connection with the Reorganization, shall be referred to as the Pre-IPO 2025 Plan. Neptune Holdings also assumed Neptune Flood’s obligations under the Pre-IPO Stockholders Agreement that was entered into in connection with the convertible preferred stock financing of Neptune Flood in May 2023 as well as certain common stock and restricted stock purchase agreements and certain indemnification agreements.

The Reorganization was accounted for as a combination of entities under common control in accordance with subsections of *Accounting Standards Codification (“ASC”) Topic 805-50, Business Combinations (“ASC 805-50”)*. Consequently, Neptune Flood was contributed to Neptune Holdings and the Reorganization was recorded at historical carrying amounts and the Company’s consolidated financial statements prior to the Reorganization have been adjusted to reflect the retrospective combination of the entities for all periods presented.

**Initial Public Offering:** On October 2, 2025, the Company completed its IPO, in which certain stockholders of the Company sold 21,184,210 shares of its Class A common stock at a public offering price of \$20.00 per share. The Company received no proceeds from the sale of Class A common stock by the selling stockholders in the offering. The Company incurred IPO transaction costs for the year ended December 31, 2025, of \$8,913, excluding the underwriting discount, which were expensed as incurred, as the Company received no proceeds from the IPO. These transaction costs are recorded within IPO transaction costs in the accompanying consolidated statements of income.

In connection with the IPO, all 41,850,000 shares of the Company’s convertible preferred stock converted into 41,850,000 shares of common stock. Additionally, all 138,035,000 shares of common stock (including shares of common stock issued upon the automatic conversion of our outstanding convertible preferred stock) were reclassified into 138,035,000 shares of Class A common stock, of which 43,435,000 shares were then exchanged for Class B common stock on a one-for-one basis, resulting in 94,600,000 shares of Class A common stock and 43,435,000 shares of Class B common stock outstanding at the time of the IPO. Class A and Class B common stock are identical in their economic rights.

In connection with the IPO, the selling stockholders agreed to reimburse the Company for certain IPO offering costs, in an aggregate amount not to exceed 2% of the gross IPO proceeds to be received by the selling stockholders. On October 2, 2025, the Company received the full reimbursement amount due from the selling stockholders.

**Basis of Presentation:** The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). The consolidated financial statements are presented in U.S. Dollars. All amounts are presented in thousands, except per share data and where otherwise noted.

**Emerging Growth Company:** Section 102(b)(1) of the Jumpstart Our Business Startups Act (“JOBS Act”) exempts emerging growth companies (“EGC”) from being required to comply with new or revised financial accounting standards until private companies are required to. For the purpose of this section, a private company is one that has not had a Securities Act registration statement declared effective or does not have a class of securities registered under the

Securities Exchange Act of 1934, as amended. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company qualifies as an EGC and has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for Public Business Entities (“PBEs”) and Non-PBEs, the Company, as an EGC, can adopt the new or revised standard at the time private companies adopt the new or revised standard, until such time the Company is no longer considered to be an EGC. At times, the Company may elect to early adopt a new or revised standard.

**Principles of Consolidation:** The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany account balances and transactions have been eliminated in the consolidated financial statements.

**Stock Split:** On September 9, 2025, the Company effected a ten-for-one stock split of its common stock and redeemable, convertible preferred stock. All share and per share information has been retroactively adjusted to reflect the stock split for all periods presented. The shares of common stock and redeemable, convertible preferred stock retain a par value of \$0.00001 per share.

**Use of Estimates:** The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates, judgments, and assumptions are continually evaluated based on available information and experience. Because of the use of estimates inherent in the financial reporting process, actual results could differ from those estimates. The Company’s most significant estimates and judgments involve the valuation of share-based compensation, including the fair value of common stock, accounting for capitalized internal-use software, including the related estimated useful life, as well as the estimates for policy cancellations.

## Note 2. Significant Accounting Policies

**Revenue Recognition:** The Company recognizes revenue for the transfer of such promised products or services to customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those products or services. Under *ASC Topic 606, Revenue from Contracts with Customers (“ASC 606”)*, revenue is recognized when or as the transfer of control of the underlying performance obligations occurs. *ASC 606* provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as the performance obligations are satisfied

The Company recognizes revenues under *ASC 606* and associated costs under *ASC Topic 340, Incremental Costs to Obtain a Contract*. Refer to Note 3 – Revenue to the consolidated financial statements for additional details.

**Concentrations of Credit Risk:** Financial instruments that potentially subject the Company to concentrations of credit risk are primarily comprised of cash and cash equivalents and fiduciary cash. Cash deposits may, at times, exceed amounts insured by the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation. However, the Company’s exposure to credit risk in the event of default by the financial institutions is limited to the excess of the amounts recorded on the consolidated balance sheets over the insured amounts. The Company has not experienced any losses on its deposits of cash and cash equivalents or fiduciary cash to date.

**Cash and Cash Equivalents:** Cash and cash equivalents consist of demand deposits with financial institutions and highly liquid investments with quoted market prices having maturities of three months or less, respectively. At both December 31, 2025 and 2024, the Company held all cash in demand deposits with financial institutions and did not hold any cash equivalents.

**Fiduciary Cash and Fiduciary Receivable:** In its capacity as a managing general agency (“MGA”), the Company typically collects premiums from insureds and, after deducting the authorized commissions, remits the net premiums to the appropriate insurance company or companies. Accordingly, premiums receivable from insureds are reported as fiduciary receivable and premiums payable to insurance companies are reported as insurance company payables in the accompanying consolidated balance sheets. Unremitted net insurance premiums are held in a fiduciary capacity until

the Company disburses them. Net insurance premiums payable to insurance companies together with premium deposits received from customers are held as fiduciary cash on the accompanying consolidated balance sheets. Insurance company payables together with premium deposits are considered fiduciary liabilities. Cash and cash equivalents held in excess of the amount required to meet the Company's fiduciary obligations are recognized as cash and cash equivalents on the consolidated balance sheets.

**Commissions and Fees Receivable:** Commissions receivable reflect commissions due from insurance carrier partners. Fees receivable represent fees due from policyholders.

The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when the Company identifies specific customers with known disputes or collectability issues. In determining the amount of the allowance for expected credit losses, the Company considers historical collectability based on past due status and makes judgments about the creditworthiness of customers based on ongoing credit evaluations. The Company also considers customer-specific information, current market conditions, and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data. The allowance for expected credit losses is not material as of December 31, 2025 and 2024. Non-payments are accrued for as part of the Company's estimate for policy cancellations.

**Internally Developed Software, Net:** The Company capitalizes certain costs incurred to develop internal use software in accordance with *ASC Topic 350-40, Internal Use Software*. Costs incurred during the preliminary project stage and post-implementation stage of an internal-use software project are expensed as incurred, while costs incurred during the application development stage of an internal-use software project are capitalized. Costs related to updates and enhancements to the software are only capitalized if they result in additional functionality to the Company. Significant estimates and assumptions include determining the appropriate period over which to amortize the capitalized costs based on the estimated useful lives, estimating the technological feasibility of the internally developed software, and assessing the unamortized cost balances for impairment. The Company considers various factors to project useful life including anticipated changes in technology that may make the product obsolete. A significant change in an estimate related to one or more software products could result in a material change to the Company's results of operations. The Company amortizes capitalized software on a straight-line basis over an estimated useful life of three years. The total cost of internally developed software was \$16,458 and \$12,544 as of December 31, 2025 and 2024, respectively. The related accumulated amortization was \$10,428 and \$6,788 as of December 31, 2025 and 2024, respectively. For the years ended December 31, 2025, 2024, and 2023, the Company recorded amortization expense of \$3,640, \$2,956 and \$2,112 related to internally developed software.

**Intangible Assets, Net:** Intangible assets are stated at cost, which includes the fair value of intangible assets acquired in business acquisitions, less accumulated amortization, and consist of acquired customer relationships and trade names. Acquired relationships and trade names are amortized on a straight-line basis over estimated useful lives of 10 years.

**Impairment of Long-Lived Assets:** The Company reviews long-lived assets, including internally developed software and intangible assets with definite lives, for impairment whenever events or changes in circumstances indicate that an asset's (asset group) carrying amount may not be recoverable. The Company conducts its long-lived asset impairment analysis in accordance with *ASC Topic 360-10, Impairment or Disposal of Long-Lived Assets*, which requires the Company to group assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities, and evaluate the asset group against the sum of the undiscounted future cash flows. If the sum of undiscounted cash flows is below the carrying amount of the asset group, it is deemed not recoverable and an impairment charge is measured as the amount by which the carrying amount of the asset group exceeds its fair value. There were no long-lived asset impairments recognized for the years ended December 31, 2025, 2024 or 2023.

**Goodwill:** Goodwill totaled \$3,793 as of December 31, 2025 and 2024, with no additions, impairments, or other changes recognized during the years then ended.

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed in a business combination. Goodwill has an indefinite useful life and is not amortized. The Company reviews its goodwill for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value of the Company's reporting unit may exceed its fair value. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of the Company's reporting unit is less than its carrying amount, including goodwill. If that is the case, the Company performs a quantitative impairment test, and, if the carrying amount of the Company's reporting unit exceeds its fair value, then the Company will recognize an impairment charge for the amount by which its carrying amount exceeds its fair value, not to exceed the carrying amount of the goodwill.

The Company performed a qualitative assessment of goodwill for each of the years ended December 31, 2025, 2024 and 2023, determined that the fair value of its reporting unit exceeded its carrying value, and thus concluded that the carrying value of goodwill was not impaired as of each goodwill impairment test date, which is December 31. Accordingly, no further analysis was required or performed.

**Premium Deposits:** Premium deposits consist of payments received from the policyholder in advance of performance under the insurance policy contract with the policyholder.

**Deferred Financing Fees:** The Company capitalizes financing fees incurred in connection with its debt arrangements. For term loans, deferred financing costs are presented as a direct deduction from the carrying amount of the related debt and are amortized using the effective interest method over the term of the loan. For revolving credit facilities, deferred financing costs are recorded as a deferred asset and amortized on a straight-line basis over the availability period of the facility.

**Leases:** The Company accounts for leases under *ASC Topic 842, Leases*. A lease is an agreement between two or more parties that creates enforceable rights and obligations that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. *ASC Topic 842, Leases* requires an entity to determine whether a contract is a lease or contains a lease at the inception of the contract, considering all relevant facts and circumstances.

As of December 31, 2025, the Company's only lease arrangement is a month-to-month office space lease, which qualifies as a short-term lease under *ASC Topic 842, Leases*. The office space is leased from a related party. Refer to Note 10 – Related Party Transactions for additional details. The Company elected to not recognize a lease liability or right-of-use asset on the consolidated balance sheets for leases with an initial term of 12 months or less. Operating lease expenses on short-term leases are recognized on a straight-line basis over the respective lease term as a component of general and administrative expense in the consolidated statements of income.

**Agent Commissions:** Agent commissions are incurred in connection with the placement of residential and commercial property insurance policies by third-party agents. These commissions are expensed as incurred and are presented as agent commissions in the consolidated statements of income. Commissions payable to agents represents amounts due but not yet paid as of the reporting date. These amounts are included in commissions payable on the consolidated balance sheets.

**Fair Value of Financial Instruments:** Fair value accounting establishes a framework for measuring fair value, which is defined as 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 (i.e., an exit price). This framework includes a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value.

The classification of a financial instrument within the valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels of the hierarchy in order of priority of inputs to the valuation technique are defined as follows:

- Level 1 - Valuations are based on unadjusted quoted prices in active markets for identical financial instruments;
- Level 2 - Valuations are based on quoted market prices, other than quoted prices included in Level 1, in markets that are not active or on inputs that are observable either directly or indirectly for the full term of the financial instrument; and

- Level 3 - Valuations are based on pricing or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement of the financial instrument. Such inputs may reflect management's own judgment about the assumptions a market participant would use in pricing the financial instrument.

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

The Company's financial assets and liabilities consist of cash and cash equivalents, fiduciary cash, accounts receivable, accounts payable, commissions payable, insurance company payables, accrued expenses, and debt. The carrying value of cash and cash equivalents, accounts receivable, accounts payable, commissions payable, insurance company payables, and accrued expenses approximates fair value because of the short-term nature of those instruments. The carrying value of debt approximates fair value due to the variable rate nature of the debt.

**Advertising:** The Company expenses advertising costs as incurred which are included in general and administrative expense in the consolidated statements of income. For the years ended December 31, 2025, 2024 and 2023, advertising costs were \$1,862, \$1,597, and \$1,568, respectively.

**Redeemable, Convertible Preferred Stock:** The Company applies *ASC Topic 480, Distinguishing Liabilities from Equity*, when determining the classification of preferred stock. The Company classifies instruments that are conditionally redeemable for cash or other assets outside of permanent equity if they are redeemable (i) at a fixed or determinable price on a fixed or determinable date, (ii) at the option of the holder, or (iii) upon the occurrence of an event that is not solely within the control of the issuer.

The Company classifies redeemable, convertible preferred stock ("Redeemable Preferred Stock") as temporary equity on the accompanying consolidated balance sheets as it is redeemable solely on the passage of time or upon an event outside the control of the Company. The Company accretes the changes in the redemption value over the period from the original issuance date until the earliest probable redemption date using the interest method. Changes in the redemption value are considered to be changes in accounting estimates.

On October 2, 2025, prior to the completion of the Company's IPO, all outstanding shares of Redeemable Preferred Stock were automatically converted into shares of the Company's Class A common stock on a one-for-one basis. Upon conversion, the carrying amount of the Redeemable Preferred Stock, including any accretion to redemption value, was reclassified to permanent equity.

**Income Taxes:** The Company accounts for income taxes pursuant to the asset and liability method, which requires the recognition of deferred income tax assets and liabilities related to the expected future tax consequences arising from temporary differences between the carrying amounts and tax bases of assets and liabilities based on enacted statutory tax rates applicable to the periods in which the temporary differences are expected to reverse. Any effects of changes in income tax rates or laws are included in income tax expense in the period of enactment.

The Company and its subsidiaries apply *ASC Topic 740, Income Taxes*. A component of this standard prescribes a recognition and measurement threshold of uncertain tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. Management has evaluated the Company's tax positions and concluded that the Company has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

**Earnings Per Share:** Basic earnings per share is computed by dividing net income attributable to common stockholders by the weighted average number of common shares outstanding during the period. The Company's Redeemable Preferred Stock is classified as temporary equity and is considered probable of becoming redeemable. Additionally, Redeemable Preferred Stock represents participating securities, as holders of the Preferred Stock participate in dividends with holders of common stock on a pro rata basis. Accordingly, the Company used the two-class method of computing basic and diluted earnings per share for common stock. Under this method, net income applicable to holders of common stock is first reduced by the amount of accretion adjustment to the Redeemable Preferred Stock in the current period, and remaining undistributed earnings is then allocated on a pro rata basis to the holders of common stock and Redeemable Preferred Stock to the extent that each class may share income for the period; whereas undistributed net loss is allocated to common stock only because holders of Redeemable Preferred Stock are not contractually obligated to share the loss.

The Company takes a two-step approach to compute the diluted earnings per share, by first applying the treasury stock method and if-converted method, and then the two-class method. The dilutive earnings per share are computed using the more dilutive approach. See Note 12 – Earnings Per Share for additional information about per share data.

**Share-Based Compensation:** The Company accounts for share-based compensation awards issued to employees in exchange for services in accordance with *ASC 718, Compensation - Stock Compensation*. The Company's share-based compensation awards consist of stock options and RSUs and are classified as equity. Accordingly, the fair value of share-based compensation awards is measured on the grant date. The grant date fair value of stock options is estimated using the Black-Scholes option-pricing model. The grant date fair value of RSUs is based on the fair value of the Company's common stock on the grant date. Forfeitures are recorded when they occur. For stock options and RSUs that vest based only on continued service, share-based compensation cost is recognized on a straight-line basis over the requisite service period. For stock options that contain performance and market vesting conditions, share-based compensation cost is recognized when it is probable the performance condition will be achieved even if the market condition is not satisfied. For performance conditions such as an IPO or a change in control event, the performance condition is not probable of being achieved for accounting purposes until the event occurs. Upon the completion of the IPO on October 2, 2025, the performance condition was satisfied, and the Company recognized share-based compensation expense for awards for which the requisite service period had been rendered.

**Comprehensive Income:** Comprehensive income consists of net income and changes in equity during a period from transactions and other equity and circumstances generated from non-owner sources. The Company's net income equals comprehensive income for all periods presented.

#### **Recently Adopted Accounting Pronouncements:**

*Income Taxes:* In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *ASC Topic 740, Income Taxes - Improvements to Income Tax Disclosures*. This standard requires the Company to provide further disaggregated income tax disclosures for specific categories on the effective tax rate reconciliation, as well as additional information about federal, state, local and foreign income taxes. The standard also requires the Company to annually disclose its income taxes paid (net of refunds received), disaggregated by jurisdiction. This guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The standard is to be applied on a prospective basis, although optional retrospective application is permitted. The Company has adopted this standard and applied the standard retrospectively as disclosed in Note 8 – Income Taxes. The adoption of ASU 2023-09 did not have a material impact on the Company's consolidated financial statements.

#### **Recent Accounting Pronouncements Not Yet Adopted:**

*Disaggregation of Income Statement Expenses:* In November 2024, the FASB issued ASU 2024-03, *ASC Topic 220-40, Income Statement Reporting - Comprehensive Income - Expense Disaggregation Disclosures, Disaggregation of Income Statement Expenses* ("ASU 2024-03"). The standard update improves the disclosures about a PBE's expense by requiring more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation and amortization) included within income statement expense captions. ASU 2024-03 will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and changes are required to be applied prospectively with the option for retrospective application. The Company is currently evaluating the impact of this new guidance on its consolidated financial statements.

#### **Note 3. Revenue**

The Company's revenue is derived from the sale of insurance policies and is primarily comprised of commission income and fee income.

##### *Commission Income*

The largest component of the Company's revenue is commission income from the placement of insurance contracts between insurance carriers and the policyholders who acquire property insurance policies. These commissions are established by the carrier agreement between the Company and the insurance carrier partner and are calculated as a negotiated percentage of premiums for the underlying insurance contract. Commission rates and terms vary across insurance carriers. The Company's performance obligation under its agreements with insurance carrier partners is selecting, pricing, and placing policyholders' insurance contracts on their behalf. Each underlying insurance contract is a separate and distinct contract between the policyholder and the insurance carrier partner. The Company collects the full premium for the

policy from the policyholder at inception, then remits that premium, net of the commission owed to the Company, to the insurance carrier partner. Commission income is recognized at a point in time upon the effective date of bound insurance coverage, at which point the performance obligation has been met as no performance obligation exists after coverage is bound.

The transaction price is the total commission the Company expects to receive from the insurance carrier partner for the current term of the policy. The transaction date is determined by the effective date of the insurance policy. Policies may be cancelled in accordance with permitted reasons under applicable laws and the policy terms. In the event of a permitted cancellation, the Company's commission being limited to the period that the policy was in effect. The Company estimates any expected variable consideration, or cancellations, based on historical information, and records a corresponding deduction in revenue at the time revenue is recognized. The Company bases its estimates on historical cancellation experience by policy type and tenure and adjusts for any known trends or events. The estimation period typically covers the allowable cancellation period. This variable consideration is recognized to the extent that it is probable there will not be a significant reversal of revenue.

The Company also earns small amounts of contingent income from insurance carrier partners in the form of a profit-sharing commission, which is highly variable and based on underwriting results. The Company assesses whether the underlying book of business has attained the profitability criteria set by carriers and whether enough time has passed to minimize the risk that sufficient losses will become realized that would negate the profit share. The Company closely monitors the calculations to identify if a profit-sharing commission would be earned and recognizes the profit-sharing commission as the underlying policies are placed, net of a constraint.

Contingent profit-sharing commissions represent a form of variable consideration associated with the placement and profitability of coverage, for which the Company earns base commissions. In connection with *ASC 606*, contingent profit-sharing commissions are estimated with a constraint applied and accrued relative to the recognition of the corresponding base commissions for the period over which the contract applies. As contingent commissions are earned in relation to policies placed by the Company with the insurance carrier partner, the timing of recognizing contingent commissions follows a similar pattern as the base commissions on premium described above, with any adjustments recognized when payments are received or as additional information that affects the estimate becomes available.

#### *Fee Income*

In addition to commissions on premium, the Company earns fee income. These fees are established by the carrier agreement between the Company and the insurance carrier partner and represent a flat charge on each underlying insurance contract. The Company's performance obligation under its agreements with insurance carrier partners is selecting, pricing, and placing policyholders' insurance contracts on their behalf. This fee compensates the Company for the administrative and operational costs associated with the Company's placement of the policy for the insured. The Company is entitled to the full fee for the policy year, even in the event of cancellation. At each annual renewal, the policyholder is re-assessed a flat, non-refundable policy fee, which the Company is entitled to retain.

Fees can vary by product type, underlying risk, and location of the insured property. The fee is non-refundable should the policy be canceled due to home sale or any other type of acceptable mid-term cancellation reason, therefore, fee income is treated as fully earned once a policy has become effective and is recognized as revenue at that time. Similar to the base commissions on premium described above, fees are recognized at a point in time upon the effective date of bound insurance coverage, at which point the performance obligation has been met as no performance obligation exists after coverage is bound.

The Company excludes from revenue any amounts collected from policyholders that are assessed by governmental authorities, such as sales and premium taxes, when the Company acts solely as a collecting agent.

#### *Contract Costs*

*ASC Topic 340-40, Other Assets and Deferred Costs - Contracts with Customers* requires the Company to review certain costs to obtain customer contracts primarily as they relate to agency commission arrangements. The Company pays agent commissions to its distribution partners, such as independent agents, brokers, or referral partners, for selling policies on behalf of the Company. The Company's agency commission arrangements are the same for both new or renewal business. The Company has elected the practical expedient to expense these costs as incurred since the amortization period related to the resulting asset would be one year or less. The Company has no significant instances of contracts that would be amortized for a period greater than a year and therefore has no contract costs deferred for such arrangements.

*Costs to fulfill* - Due to the relatively short time period between the information gathering phase and binding insurance coverage, the Company has determined that costs to fulfill contracts are not significant. Therefore, costs to fulfill a contract are expensed as incurred.

#### **Disaggregation of Revenue**

The following table disaggregates revenue by source for the years ended December 31:

<i>(In thousands)</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Commission income	\$ 122,003	\$ 90,098	\$ 64,349
Fee income	37,548	29,201	20,521
Total revenues	<u>\$ 159,551</u>	<u>\$ 119,299</u>	<u>\$ 84,870</u>

#### **Contract Asset and Premium Deposits**

The timing of revenue recognition may not align with the right to invoice the customer. The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. Policyholder payments received in advance of commencement of the performance obligation are recorded as premium deposits. No revenue is recognized on these deposits until the performance obligation is complete.

The following table provides information about receivables and premium deposits as of December 31:

<i>(In thousands)</i>	<b>2025</b>	<b>2024</b>
Commissions and fees receivable	\$ 4,080	\$ 2,612
Premium deposits	\$ 18,941	\$ 11,810

During the year ended December 31, 2025, the Company recognized revenue of \$3,377 related to the premium deposits balance at December 31, 2024.

#### **Note 4. Intangible Assets**

Intangible assets consist of the following as of December 31:

<i>(In thousands)</i>	<b>Useful Life</b>	<b>2025</b>	<b>2024</b>
Customer relationships	10 years	\$ 167	\$ 104
Trade name	10 years	601	601
		768	705
Less accumulated amortization		(302)	(229)
Net intangible assets		<u>\$ 466</u>	<u>\$ 476</u>

The weighted average amortization period of intangible assets was 6.07, 6.75, and 7.75 years for the years ended December 31, 2025, 2024, and 2023, respectively. Amortization expense related to intangible assets totaled \$73, \$71, and \$70 for the years ended December 31, 2025, 2024, and 2023, respectively.

The following table summarizes the expected amortization of the intangible assets for the next five years and thereafter as of December 31, 2025:

(In thousands)	
Years ending December 31:	
2026	77
2027	77
2028	77
2029	77
2030	77
Thereafter	81
	<u>466</u>

#### Note 5. Debt

Debt consists of the following as of December 31:

(In thousands)	<u>2025</u>	<u>2024</u>
2024 Term Loan	\$ -	\$ 135,000
2025 Term Loan	-	-
Total debt	-	135,000
Less: unamortized deferred financing fees	-	(1,349)
Less current maturities of debt	-	(8,550)
Debt, net	<u>\$ -</u>	<u>\$ 125,101</u>
Revolving credit facility	\$ 240,000	\$ -

#### Amended and Restated Credit Agreement

On May 8, 2023, the Company amended and restated its prior credit agreement entered into during 2021 (“2023 Amended and Restated Credit Agreement”) in its entirety with its existing lender, increasing its borrowing base on the term loan to \$190,000 (“2023 Term Loan”) and providing access to incremental loans and a revolving line of credit of \$10,000. During the year ended December 31, 2024, and prior to the refinancing on June 13, 2024, the Company made aggregate principal repayments of \$4,475.

#### 2024 Credit Agreement

On June 13, 2024, the Company entered into a credit agreement (“2024 Credit Agreement”) comprised of a \$171,000 term loan (“2024 Term Loan”) and a revolving line of credit commitment of \$10,000 (“2024 Revolver”) as well as access to incremental loans. The Company used the proceeds from the 2024 Term Loan in part to pay down the remaining balance of the 2023 Term Loan under the 2023 Amended and Restated Credit Agreement. A loss on extinguishment of debt of \$5,346 was recognized in the consolidated statements of income during the year ended December 31, 2024, related to the pay down of the 2023 Term Loan, consisting of the prepayment penalty of \$1,741 and the write-off of unamortized deferred financing fees of \$3,348 and deferred financing asset of \$257.

During the year ended December 31, 2025, and prior to the refinancing on April 10, 2025, the Company made aggregate principal repayments of \$4,000. During the year ended December 31, 2024, the Company made aggregate principal repayments of \$36,000. The Company recorded amortization expense of \$111 and \$556 for the years ended December 31, 2025 and 2024, respectively. Interest expense related to the 2024 Credit Agreement was \$2,617 and \$7,974 for the years ended December 31, 2025 and 2024, respectively.

#### 2025 Credit Agreement

On April 10, 2025, the Company amended and restated its 2024 Credit Agreement (the “2025 Amended and Restated Credit Agreement”) with its existing lenders to, among other things, increase its borrowing base on the term loan to \$301,000 (the “2025 Term Loan”) and extend the maturity date to April 30, 2030. The proceeds of the 2025 Term Loan

were used to repay in full all outstanding obligations under the 2024 Term Loan and to finance a dividend. The revolving loan commitment remained at \$10,000 (“2025 Revolver”) and its maturity date was also extended to April 30, 2030. The Company applied modification accounting to the 2024 Credit Agreement and capitalized \$477 of deferred financing fees, \$36 of deferred financing asset, and recognized interest expense of \$518 for third party fees related to the 2025 Amended and Restated Credit Agreement. Unamortized deferred financing fees of \$1,238 related to the 2024 Term Loan continued to be amortized over the term of the 2025 Term Loan. During the year ended December 31, 2025, and prior to the refinancing on November 10, 2025, the Company made aggregate principal repayments of \$50,000.

#### *First Amendment to the 2025 Credit Agreement*

On November 10, 2025, Neptune Flood entered into the first amendment to the 2025 Amended and Restated Credit Agreement (“First Amendment”) with its existing lenders to, among other things, to increase the maximum availability of the 2024 Revolver to \$260,000 (“Amended 2025 Revolver”). The Company used proceeds drawn on the Amended 2025 Revolver from the First Amendment to paydown the outstanding balance of the 2025 Term Loan. The Company applied modification accounting to the Amended 2025 Revolver and capitalized \$426 of deferred financing asset related to the First Amendment. Unamortized deferred financing fees of \$1,264 related to the 2025 Amended and Restated Credit Agreement were reclassified to deferred financing asset and deferred financing asset of \$106 related to the 2025 Amended and Restated Credit Agreement continues to be amortized over the term of the Amended 2025 Revolver. At the Company's option, the interest rate on the Amended 2025 Revolver may be based on either ABR plus an applicable margin ranging from 0.75% to 2.00% or Term SOFR ranging from 1.75% to 3.00%, depending on the Company's total net leverage ratio for the prior fiscal quarter. Interest is payable quarterly and the maturity date was extended to November 10, 2030, at which time any outstanding principal and accrued interest is due. As of December 31, 2025, the total amount outstanding under the revolving credit facility was \$240,000.

**Incremental Loans:** The Company may request up to three tranches of incremental term loans (“Incremental Term Loan”) or increases to the existing Revolver (“Additional Revolving Commitment”), subject to lender participation and agent approval. Each Incremental Term Loan request must be for a minimum principal amount of \$10,000. The total amount of Additional Revolving Commitments under all such requests shall not exceed \$10,000 over the term of the agreement. Any Incremental Term Loan(s) must (a) rank pari passu in right of payment and be secured solely by the existing collateral, (b) have no obligors other than the loan parties, (c) mature no earlier than the latest maturity date of any then-outstanding term loans, and (d) not have a shorter weighted average life to maturity than the existing Term Loans. Incremental Term Loans may be priced differently but must otherwise be treated no more favorably than existing term loans, subject to exceptions for loans maturing after the latest maturity date.

Borrowings under the Amended Credit Agreement are secured by a first-priority lien on substantially all of the Company's stock and assets and are subject to certain restrictive covenants primarily relating to net leverage ratios. Under the 2024 Credit Agreement, the Company was subject to two key financial covenants which began with the fiscal quarter ending June 30, 2024. First, the Company was required to maintain a total net leverage ratio that did not exceed 4.50 through the quarter ending September 30, 2024. This threshold tightened over time, requiring a maximum ratio of 4.25 for quarters ending from December 31, 2024 through March 31, 2025. Under the 2025 Amended and Restated Credit Agreement, the Company was required to maintain a total net leverage ratio that did not exceed 5.00 through the quarter ending September 30, 2025. This threshold will tighten to 4.50 for the quarters ending from December 31, 2025 through June 30, 2026, and further reduce to 4.00 for quarters ending on or after September 30, 2026. Second, the Company is required to maintain an interest coverage ratio of at least 2.00 for any rolling four-quarter period ending on the last day of each fiscal quarter, starting with the quarter ending June 30, 2024. The Company was in compliance with both covenants as of December 31, 2025.

The First Amendment contains a number of customary negative covenants for agreements of this type that, among other things and subject to certain exceptions, restrict the Company's ability to: create, incur, or assume any additional indebtedness; create, incur, or assume any liens; engage in mergers, consolidations, or amalgamations; make investments, loans, or advances; pay dividends; sell assets; engage in certain transactions with affiliates; enter into restrictive agreements; enter into sale and leaseback transactions; execute amendments to organizational documents or certain other material agreements; and make certain accounting changes.

Interest expense was \$18,243, \$17,520 and \$21,326 for the years ended December 31, 2025, 2024, and 2023, respectively, of which \$562, \$871 and \$1,194 was attributable to the amortization of the debt issuance costs, respectively, and \$70, \$34 and \$34 was attributable to the amortization of the deferred financing asset, respectively. Accrued interest associated with the outstanding debt is included within accrued expenses on the consolidated balance sheets. As of December 31, 2025, and 2024, the Company had \$932 and \$451, respectively, of accrued interest associated with the debt.

**Note 6. Stockholders' Deficit and Redeemable, Convertible Preferred Stock**

The total number of shares of all classes of stock that the Company has authority to issue is 500,000,000 shares, consisting of 480,000,000 shares of common stock, par value \$0.00001 per share (the "Common Stock"), 428,422,036 shares of which are designated as Class A Common Stock, par value \$0.00001 per share (the "Class A Common Stock") and 51,577,964 shares of which are designated as Class B Common Stock, par value \$0.00001 per share (the "Class B Common Stock"), and 20,000,000 shares of Preferred Stock, par value \$0.00001 per share (the "Preferred Stock").

The following table presents a rollforward of the Company's common stock issued and outstanding as of December 31, 2025:

	<b>Redeemable Preferred Stock</b>	<b>Class A Common Stock</b>	<b>Class B Common Stock</b>
Shares issued at December 31, 2024	41,850,000	93,350,000	-
Redemption of preferred stock for Class A common stock	(41,850,000)	41,850,000	-
Redemption of Class A common stock for Class B common stock	-	(43,435,000)	43,435,000
Exercise of options	-	2,953,530	-
Shares issued at December 31, 2025	<u>-</u>	<u>94,718,530</u>	<u>43,435,000</u>

On July 28, 2023, the Company amended and restated its certificate of incorporation to effect a 1,000-for-1 forward stock split of the Company's outstanding and authorized shares of Common Stock and Redeemable, Convertible Preferred Stock so that the par value of the issued and outstanding shares of the Company's Common Stock and Redeemable Preferred Stock was reduced from \$0.01 per share to \$0.00001 per share. All share and per share amounts presented herein have been retroactively adjusted to reflect the impact of this stock split.

*Class A Common Stock*

Holders of the Company's Class A common stock are entitled to one vote per share on all matters submitted to a vote of stockholders. Holders of Class A common stock vote together with holders of Class B common stock as a single class, except as otherwise required by law. Holders of Class A common stock are entitled to receive dividends when and if declared by the Company's board of directors out of legally available funds, on a ratably per share basis. Upon liquidation, dissolution, or winding up of the Company, and subject to the rights of any preferred stock outstanding, holders of Class A common stock are entitled to share ratably in the Company's remaining assets available for distribution.

*Class B Common Stock*

On October 2, 2025, 43,435,000 shares of Class A common stock were exchanged for 43,435,000 shares of Class B common stock on a one-for-one basis, resulting 43,435,000 shares of Class B common stock outstanding as of December 31, 2025. Refer to Note 1 – Nature of Business and Basis of Presentation.

Holders of the Company's Class B common stock are entitled to ten votes per share on all matters submitted to a vote of stockholders. Holders of Class B common stock vote together with holders of Class A common stock as a single class, except as otherwise required by law.

Holders of Class B common stock are entitled to receive dividends when and if declared by the Company's board of directors out of legally available funds on the same basis as holders of Class A common stock. Upon liquidation, dissolution, or winding up of the Company, and subject to the rights of any preferred stock outstanding, holders of Class B common stock are entitled to share ratably in the Company's remaining assets available for distribution.

Each share of Class B common stock is convertible at any time, at the option of the holder, into one share of Class A common stock. In addition, each share of Class B common stock will automatically convert into one share of Class A common stock upon the occurrence of certain transfer events, other than permitted transfers, or upon the occurrence of a final conversion date, as defined in the Company's governing documents. Following the final conversion date, Class B common stock may no longer be reissued, and any outstanding shares will be retired and canceled.

### *Redeemable, Convertible Preferred Stock*

Upon the consummation of an initial public offering or transaction with a special purpose acquisition company that results in a certain amount of aggregate proceeds and an offering price above a certain threshold (“Qualified IPO”) the Redeemable, Convertible Preferred Stock was to be automatically converted into such number of shares of Common Stock having a value per share equal to the amount that would have been distributed with respect to such share had the Company been sold for cash in a Liquidation for the value of the Company in a Qualified IPO implied by the price per share of Common Stock at which shares are sold to the public in a Qualified IPO.

On October 2, 2025, the Company completed its IPO which resulted in the conversion of all 41,850,000 outstanding shares of the Company’s Redeemable, Convertible Preferred Stock on a one-for-one basis into shares of the Company’s Class A Common Stock. Refer to Note 1 – Nature of Business and Basis of Presentation.

### *Dividends*

On April 10, 2025, the Company’s board of directors approved a cash dividend in the aggregate amount of \$175,000, payable to holders of Common Stock and Redeemable, Convertible Preferred Stock of record as of April 10, 2025.

### **Note 7. Share-Based Compensation Plan**

In 2019, the stockholders of the Company approved the Neptune Flood Incorporated 2019 Stock Plan (the “Pre-Existing Plan”), that provides for the granting of restricted stock or options to employees and consultants contingent on performance-based and/or time-based criteria and was subsequently amended and restated in May and November of 2023. On April 10, 2025, the Company adopted the Amended and Restated 2025 Stock Plan (the “Pre-IPO Plan”), which amended and restated the Pre-Existing Plan. Pursuant to an Agreement and Plan of Merger dated April 10, 2025 by and among the Company, Neptune Flood, and Neptune Insurance Merger Sub Inc., the Company assumed the Pre-Existing Plan and all awards previously granted thereunder.

The principal purpose of the Pre-IPO Plan was to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, and to promote the success of the Company’s business. The maximum contractual term of the stock options issued under the Pre-IPO Plan was 10 years. The number of shares of stock reserved for issuance under the stock plan was 12,800,000 shares. No awards could be granted under the Pre-IPO Plan if such awards could result in the issuance of more than 11,760,000 shares pursuant to awards granted after May 8, 2023. In connection with the adoption of the 2025 Plan, the Pre-IPO Plan was terminated and no additional awards may be granted thereunder; however, awards previously granted under the Pre-IPO Plan remain outstanding in accordance with their terms.

In connection with the IPO, the Company adopted the 2025 Equity Incentive Plan (the “2025 Plan”), which became effective on September 30, 2025. The 2025 Plan provides for the grant of equity-based awards, including stock options, restricted stock, restricted stock units, stock appreciation rights, and other share-based awards. The principal purpose of the 2025 Plan is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, and to promote the success of the Company’s business. The maximum contractual term of the stock options issued under the 2025 Plan is 10 years. The maximum aggregate number of shares of common stock authorized for issuance under the 2025 Plan is 6,123,333 shares. In addition, the number of shares available for issuance under the 2025 Plan will automatically increase on the first day of each fiscal year beginning in fiscal year 2027 through fiscal year 2036 by an amount equal to the lesser of (i) 2% of the outstanding shares of the Company’s common stock (including both Class A and Class B common stock) on the last day of the immediately preceding fiscal year, calculated on a fully diluted and as-converted basis, (ii) 6,123,333 shares, or (iii) such smaller number of shares as determined by the Company’s board of directors. Shares subject to awards under the 2025 Plan that expire, terminate, are forfeited, or are settled without issuance of shares generally become available for future issuance under the 2025 Plan, subject to the terms of the plan.

### ***Stock Options***

Stock options issued under the Pre-IPO Plan in 2025 and 2024 consist of two tranches: Time-Based Options and Performance-Based Options. Time-Based Options contain only service conditions and cliff vest on the 5<sup>th</sup> anniversary date of the grant date. Upon an optionee’s death or disability, or the consummation of a liquidity event by the Company, all of the Time-Based Option will immediately vest and become exercisable. All Time-Based Options have an exercise price of \$5.50 per share. Performance-Based Options contain service, performance and market conditions. Subject to the optionee’s

continuous service through a liquidity event, Performance-Based Options will vest upon the occurrence of a liquidity event; provided that if the return on the invested capital of preferred stockholders is less than a multiple of 3.0 (as defined in the Plan (referred to herein as the "Preferred Return Multiple")), the exercise price for the vested options will be \$10.99 per share; and if the return on the invested capital of preferred stockholders equals or is more than the Preferred Return Multiple, the exercise price for the vested options will be \$5.50 per share. If a liquidity event does not occur before the 5th anniversary date of the grant date, the service condition is considered to be met once a grantee has provided continuous service for 5 years; however, the performance condition is still required to be met for the Performance-Based Options to vest.

Upon the completion of the IPO on October 2, 2025, the liquidity event performance condition was satisfied. As a result, the exercise price applicable to the vested Performance-Based Options was \$5.50 per share.

A summary of stock option activity for the year ended December 31, 2025, is presented below:

	Time Based			Performance Based		
	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Outstanding as of December 31, 2024	5,472,500	\$ 5.50	8.9	5,472,500	\$ 8.24	8.9
Granted	462,000	\$ 8.35		462,000	\$ 8.35	
Exercised or converted	(1,528,570)	\$ 5.50		(1,453,045)	\$ 5.50	
Forfeited	(54,500)	\$ 5.50		(54,500)	\$ 5.50	
Expired						
Outstanding as of December 31, 2025	4,351,430	\$ 5.80	8.2	4,426,955	\$ 5.79	8.3
Exercisable as of December 31, 2025	4,351,430		-	4,426,955		-

The weighted average grant-date fair value of the Time-Based Options issued in 2025 and 2024 is \$2.96 and \$0.42, respectively. During the years ended December 31, 2025, and 2024, the Company recognized approximately \$2,572 and \$296, respectively, in compensation expense related to Time-Based Options which is included in employee compensation and benefits expenses in the consolidated statements of income. There was no unrecognized compensation expenses for Time-Based Options as of December 31, 2025.

The weighted average grant-date fair value of the Performance-Based Options issued in December 31, 2025 and 2024 is \$1.70 and \$0.17, respectively. During the year ended December 31, 2025, the Company recognized \$1,866 of share-based compensation expense related to Performance-Based Options, representing the acceleration of previously unrecognized compensation cost as a result of the completion of the IPO. During the year ended December 31, 2024, No compensation expense was recognized for Performance-Based Options because the performance condition was not considered probable to be met. There was no unrecognized compensation expenses for Performance-Based Options as of December 31, 2025.

As of December 31, 2025, there were 1,945,845 shares of common stock available for future issuance under the 2025 Plan.

Prior to the IPO, there was no public market for the Company's Common Stock. The estimated fair value of its Common Stock was determined by the Company's board of directors as of the date of each equity award, with input from management, considering the Company's most recently available third-party valuations of its Common Stock, and the board of director's assessment of additional objective and subjective factors that it believed were relevant and which may have changed from the date of the most recent valuation through the date of the grant. The fair value of the Company's Common Stock in 2025 and 2024 was estimated using a combination of income and market approach based on the most recent transaction that provided an observable market value. A discount for lack of marketability of the Common Stock is then applied to arrive at an indication of value for the Common Stock.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model that uses the assumptions noted in the table below. Expected volatility for the Company's Common Stock was determined based on an average of the historical volatility of a peer group of similar public companies. The expected term of options granted was calculated using the simplified method, which represents the average of the contractual term of the option and the weighted average vesting period of the option. The Company uses the simplified method because it does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. The assumed dividend yield is based upon the Company's expectation of not paying dividends in the foreseeable future. The risk-free

rate is based upon the U.S. Treasury yield curve in effect at the time of grant for the period equivalent to the expected term of the option.

Below is a summary of the weighted average assumptions used for the Black-Scholes model valuation of stock options during the years ended December 31:

	Time-Based	
	2025	2024
Expected term in years	7.3	6.8
Expected stock price volatility	36.0%	37.0%
Dividend yield	0%	0%
Risk-free interest rate	4.2%	4.6%
Fair value of the underlying share	\$ 7.7	\$ 2.0

	Performance-Based	
	2025	2024
Expected term in years	5.5	5.9
Expected stock price volatility	35.1%	37.0%
Dividend yield	0%	0%
Risk-free interest rate	3.9%	4.1%
Fair value of the underlying share	\$ 7.7	\$ 2.0

### Restricted Stock Units

Restricted stock units (“RSUs”) represent the right to receive shares of the Company’s Class A common stock upon vesting. Each RSU grant vests ratably in three equal installments on each of the first, second, and third anniversaries of the vesting commencement date, subject to the employee’s continued service. The grant date fair value of RSUs is based on the closing market price of the Company’s Class A common stock on the grant date. The aggregate grant date fair value of RSUs issued during the year ended December 31, 2025 was \$83,728. No RSUs were issued or outstanding for the year ended December 31, 2024. During the year ended December 31, 2025, the Company recognized \$6,982 of share-based compensation expense related to RSUs, which is included in employee compensation and benefits expense in the consolidated statements of income. As of December 31, 2025, unrecognized compensation cost related to unvested RSUs was \$76,746, which is expected to be recognized over a weighted-average period of 2.8 years.

A summary of restricted stock unit activity for the year ended December 31, 2025, is presented below:

	Restricted Stock Units		
	Number of Units	Weighted Average Grant Date Fair Value	Weighted Average Remaining Service Period
Outstanding as of December 31, 2024	—	\$ —	—
Granted	4,177,488	20.0	2.8
Vested	—	—	—
Forfeited	—	—	—
Outstanding as of December 31, 2025	4,177,488	\$ 20.0	2.8

## Note 8. Income Taxes

Components of income tax expense include the following for the years ended December 31:

<i>(In thousands)</i>	2025	2024	2023
<b>Current:</b>			
Federal	\$ 10,468	\$ 9,154	\$ 5,910
State	\$ 3,753	3,246	2,254
	14,221	12,400	8,164
<b>Deferred:</b>			
Federal	\$ 1,640	(516)	(1,752)
State	\$ 361	(96)	(441)
	2,001	(612)	(2,193)
	\$ 16,222	\$ 11,788	\$ 5,971

A reconciliation of the statutory U.S. federal tax rate and the Company's effective tax rates is as follows for the years ended December 31:

	2025		2024		2023	
	Tax Expense	Rate	Tax Expense	Rate	Tax Expense	Rate
US federal statutory tax rate	\$ 11,264	21.0 %	\$ 9,740	21.0 %	\$ 5,010	21.0 %
State and local income taxes, net of federal income tax effect <sup>(1)</sup>	3,245	6.0 %	2,488	5.4 %	1,324	5.5 %
Foreign tax effects	—	— %	—	— %	—	— %
Effect of cross-border tax laws	—	— %	—	— %	—	— %
Effect of changes in tax laws or rates enacted in the current period	—	— %	—	— %	—	— %
<b>Nontaxable or nondeductible items</b>						
Nondeductible executive compensation	3,058	5.7 %	—	— %	—	— %
Stock compensation	(2,911)	(5.4)%	10	— %	—	— %
IPO costs	1,774	3.3 %	—	— %	—	— %
Other	12	— %	4	— %	3	— %
<b>Tax credits</b>						
Research and development tax credit	(199)	(0.4)%	(346)	(0.7)%	(394)	(1.6)%
Changes in valuation allowances	—	— %	—	— %	—	— %
Changes in unrecognized tax benefits	—	— %	—	— %	—	— %
Other items	(21)	— %	(108)	(0.3)%	28	0.1 %
<b>Effective income tax rate</b>	<u>\$ 16,222</u>	<u>30.2 %</u>	<u>\$ 11,788</u>	<u>25.4%</u>	<u>\$ 5,971</u>	<u>25.0%</u>

(1) Taxes in Florida make up the majority of the effect of the state and local tax category.

The Company paid cash taxes, net of refunds, for the year ended December 31, as follows:

<i>(In thousands)</i>	2025	2024	2023
U.S. federal taxes	\$ 14,950	\$ 4,900	\$ 6,320
State and local taxes			
Florida	2,774	901	1,125
New Jersey	473	438	323
Other states	1,955	1,071	831
Total income taxes paid	<u>\$ 20,152</u>	<u>\$ 7,310</u>	<u>\$ 8,599</u>

The following table summarizes components of deferred income tax assets and liabilities as of December 31:

<i>(In thousands)</i>	2025	2024
<b>Deferred tax assets (liabilities):</b>		
Cancellation reserves	\$ 750	\$ 351
Acquisition intangibles	48	44
163(j) interest expense limitations	304	1,811
Internally developed software	-	735
Stock compensation	1,594	74
Other	5	6
Deferred tax assets	<u>\$ 2,701</u>	<u>\$ 3,021</u>
Goodwill	(289)	(121)
Prepaid expenses	(163)	(97)
Internally developed software	(1,448)	-
Deferred tax liabilities	<u>(1,900)</u>	<u>(218)</u>
Net deferred tax assets	<u>\$ 801</u>	<u>\$ 2,803</u>

The Company assessed the future realization of the tax benefit of its existing deferred tax assets and concluded based on projected future earnings that it is more likely than not that all of its deferred tax assets will be realized in the future. Accordingly, no valuation allowance was recorded as of December 31, 2025 or 2024.

As of December 31, 2025, the Company has not recorded a reserve for any uncertain tax positions, penalties, or interest as management has concluded that all positions meet the requirements to be recognized in the financial statements. Interest and penalties accrued by the Company are included in the General and administrative section of the consolidated statements of income. The Company's U.S. federal and state income tax returns remain subject to examination by taxing authorities for tax years 2022 and after.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBA") was enacted in the United States. The impacts of this legislation have been reflected in the provision for income taxes for the year ended December 31, 2025. The new legislation allows the immediate expensing of domestic research and development costs, rather than capitalizing and amortizing these costs over 60 months. Taxpayers also are given the option to accelerate the remaining unamortized domestic research and development costs over one or two years beginning in 2025. There is no change to the treatment of foreign research and development costs. The Company elected to fully expense its remaining unamortized domestic research and development costs in 2025 and immediately deducted such costs incurred during the year.

We believe the changes to tax law described above are the most material impacts to the Company and have been reflected in the provision for the year ended December 31, 2025.

**Note 9. Defined Contribution Plan**

The Company adopted the Neptune Flood Incorporated 401(k) Plan (the “401(k) Plan”) on January 1, 2020. The 401(k) Plan is a voluntary defined contribution retirement plan for eligible employees of the Company. All eligible employees become participants unless they elect not to participate. The 401(k) Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974. During the years ended December 31, 2025, 2024, and 2023, the Company made nonelective contributions of \$286, \$181, and \$175, respectively, which were included in general and administrative expense in the consolidated statements of income.

**Note 10. Related-Party Transactions***Rent Expense*

In February 2021, the Company entered into a month-to-month operating lease agreement for office space for management and administrative services at a rate of \$12 per month from an affiliate of the Company’s executive and principal stockholder. Rent expense was approximately \$144 for each of the years ended December 31, 2025, 2024, and 2023, which was included in general and administrative expense in the consolidated statements of income.

*Software Development*

In 2022, the Company engaged with a contractor for software development and data analytics that is an affiliate of the Company’s executive and principal stockholder. Payments made to the contractor were \$194, \$585, and \$945 during the years ended December 31, 2025, 2024, and 2023, respectively, which were included in general and administrative expense in the consolidated statements of income.

**Note 11. Segment Reporting**

The Company has one operating segment and therefore one reportable segment relating to its business as an MGA that offers residential and commercial insurance products, including primary and excess flood insurance, and parametric earthquake insurance, primarily through a nationwide agency network in the United States. The Company’s chief operating decision maker (“CODM”), the CEO, manages the Company’s operations on a consolidated basis as one operating segment for the purpose of evaluating financial performance and allocating resources.

The accounting policies of the Company’s segment are the same as those described in the summary of significant accounting policies. The CODM uses net income, as reported on the consolidated statements of income, to assess performance and allocate resources. The significant segment expense categories regularly provided to the CODM are the same as those included on the consolidated statements of income. The measure of segment assets is total assets as reported on the consolidated balance sheets.

The CODM uses net income to assess performance by examining period-over-period trends, benchmarking to the Company’s competitors, and monitoring budget versus actual results. The CODM uses net income to evaluate income generated from segment assets in deciding whether to reinvest profits into the segment or into other parts of the entity.

The Company does not have revenue from any one customer that is greater than 10% of consolidated revenue.

## Note 12. Earnings Per Share

As of December 31, 2025, the Company had Class A common stock and Class B common stock. Both classes have the same rights to the Company's earnings and neither of the shares have any preference rights to dividends to other shares. The following table sets forth the computation of basic and dilutive earnings per share:

<i>(In thousands, except share and per share data)</i>	2025	2024	2023
<b>Basic Shares:</b>			
Numerator:			
Net income	\$ 37,413	\$ 34,592	\$ 17,886
Less: accretion adjustment to redeemable preferred stock (1)	(10,438)	(13,274)	(8,135)
Less: allocation to participating preferred stock	-	(6,599)	-
Less: Cash dividend paid on redeemable preferred stock	(54,170)	-	-
Net income (loss) available to common stockholders (2)	\$ (27,195)	\$ 14,719	\$ 9,751
Denominator:			
Weighted average Common Stock outstanding - Basic			
Class A Common Stock	93,673,838	93,350,000	93,523,340
Class B Common Stock	10,829,000	-	-
Total Weighted average Common Stock outstanding - Basic	104,502,838	93,350,000	93,523,340
Basic earnings (loss) per share - Class A and Class B Common Stock	\$ (0.26)	\$ 0.16	\$ 0.10
Weighted average Common Stock outstanding Class A and Class B Common Stock - Diluted	104,502,838	93,350,000	93,523,340
Diluted earnings (loss) per share - Class A and Class B Common Stock	\$ (0.26)	\$ 0.16	\$ 0.10

The potential shares of common stock that were excluded from the computation of diluted earnings (loss) per share attributable to common stockholders for the periods presented because including them would have been anti-dilutive are as follows:

	Outstanding as of December 31, 2025	Outstanding as of December 31, 2024	Outstanding as of December 31, 2023
Time vesting options <sup>(3)</sup>	0	5,472,500	5,115,000
Performance Vesting Options <sup>(4)</sup>	0	5,472,500	5,115,000
Fully vested options <sup>(5)</sup>	8,778,385	0	0
Restricted Stock Units <sup>(6)</sup>	4,177,488	0	0

- (1) Represents the accretion of the redeemable preferred stock to its redemption value and includes both the effect of cumulative undeclared dividends and the accretion of issuance costs for the applicable periods.
- (2) Net income (loss) available to common stockholders for the year ended December 31, 2025 included \$8,913 of IPO transaction costs which were reimbursed to the Company by the selling stockholders on October 2, 2025.
- (3) The Time Vesting Options were excluded from the calculation of diluted earnings (loss) per share for the years ended December 31, 2024 and 2023, as their inclusion would have been anti-dilutive.
- (4) Performance Vesting Options have a performance condition. For the years ended December 31, 2024 and 2023 the performance condition was not met and therefore, these options were excluded from the dilutive earnings (loss) per share computation.
- (5) These options, including Time Vesting Options and Performance Vesting Options, were excluded from the diluted earnings (loss) per share computation for the year ended December 31, 2025, as they were anti-dilutive.
- (6) The invested Restricted Stock Units have been excluded from the calculation of diluted earnings (loss) per share for the year ended December 31, 2025, as their effect would be anti-dilutive.

## Note 13. Commitments and Contingencies

The Company is, from time to time, party to various legal actions and is subject to various claims arising in the ordinary course of business from time to time. Management believes that the resolution of these matters will not have a material adverse effect on the Company's financial position or results of operations.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

None.

**Item 9A. Controls and Procedures.**

*Evaluation of Disclosure Controls and Procedures*

We maintain “disclosure controls and procedures,” as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act, that are designed to ensure that information we are required to disclose in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation and supervision of our Chief Executive Officer (our principal executive officer) and our Chief Financial Officer (our principal financial officer), has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report. Based on such evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that as of the end of the period covered by this Annual Report, our disclosure controls and procedures were, in design and operation, effective at a reasonable assurance level.

*Management’s Annual Report on Internal Control Over Financial Reporting*

This Annual Report on Form 10-K does not include a report of management’s assessment regarding internal control over financial reporting or an attestation report of our independent registered public accounting firm due to a transition period established by the rules of the SEC for newly public companies.

*Changes in Internal Control Over Financial Reporting*

There were no changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) that occurred during the three months ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

*Inherent Limitations on Effectiveness of Controls*

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, the effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute, assurance that its desired control objectives will be met. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Moreover, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

**Item 9B. Other Information.**

During the year ended December 31, 2025, none of our directors or officers (as defined in Section 16 of the Exchange Act) adopted, modified, or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” as such terms are defined under Item 408 of Regulation S-K.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

Not applicable.

### PART III

#### **Item 10. Directors, Executive Officers and Corporate Governance.**

The information required by this item is incorporated herein by reference to the definitive Proxy Statement to be filed with the Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report.

We have adopted a Code of Business Conduct and Ethics that applies to all employees, including executive officers, and to directors. The Code of Business Conduct and Ethics is available on the Governance Overview page of our investor relations website at <https://investors.neptuneflood.com/governance/governance-documents/default.aspx>. Any approved amendments to, or waiver of, any provision of the Code of Business Conduct and Ethics will be posted on our investor relations website at the aforementioned address.

#### **Item 11. Executive Compensation.**

The information required by this item is incorporated herein by reference to the definitive Proxy Statement to be filed with the Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report.

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The information required by this item is incorporated herein by reference to the definitive Proxy Statement to be filed with the Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report.

#### **Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information required by this item is incorporated herein by reference to the definitive Proxy Statement to be filed with the Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report.

#### **Item 14. Principal Accounting Fees and Services.**

The information required by this item is incorporated herein by reference to the definitive Proxy Statement to be filed with the Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report.

## PART IV

### Item 15. Exhibits, Financial Statement Schedules.

The following documents are filed as part of this Annual Report.

- (1) Consolidated financial statements: Refer to Item 8. Financial Statements and Supplementary Data elsewhere in this Annual Report.
- (2) Consolidated financial statement schedules. All schedules are omitted for the reason that the information is included in the consolidated financial statements or the notes thereto or that they are not required or are not applicable.
- (3) Exhibits: The exhibits listed in the accompanying index are filed, furnished or incorporated by reference as part of this Annual Report.

### Exhibit Index

Exhibit Number	Description
2.1	<a href="#"><u>Agreement and Plan of Merger, dated April 10, 2025, by and among the Company, Neptune Flood and Neptune Insurance Merger Sub Inc. (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-1 filed with the Commission on September 3, 2025).</u></a>
3.1*	<a href="#"><u>Second Amended and Restated Certificate of Incorporation of Neptune Insurance Holdings Inc.</u></a>
3.2*	<a href="#"><u>Second Amended and Restated Bylaws of Neptune Insurance Holdings Inc.</u></a>
4.1	<a href="#"><u>Form of the Company's Class A Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1/A filed with the Commission on September 22, 2025).</u></a>
4.2	<a href="#"><u>Registration Rights Agreement by and among the Company and certain investors of the Company (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-1/A filed with the Commission on September 22, 2025).</u></a>
4.3*	<a href="#"><u>Description of Securities.</u></a>
10.1	<a href="#"><u>Form of Indemnification Agreement entered into between the Company and each of its directors and executive officers (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1/A filed with the Commission on September 22, 2025).</u></a>
10.2+	<a href="#"><u>2025 Equity Incentive Plan, and forms of agreement thereunder (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1/A filed with the Commission on September 22, 2025).</u></a>
10.3+	<a href="#"><u>2025 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1/A filed with the Commission on September 22, 2025).</u></a>
10.4+	<a href="#"><u>Incentive Bonus Plan (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1/A filed with the Commission on September 22, 2025).</u></a>
10.5+	<a href="#"><u>Form of Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1/A filed with the Commission on September 22, 2025).</u></a>
10.6↓	<a href="#"><u>Commercial Lease Agreement, by and between Neptune Flood Incorporated and TRB Rents, LLC (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1/A filed with the Commission on September 3, 2025).</u></a>
10.7	<a href="#"><u>Amended and Restated Credit Agreement, dated as of April 10, 2025, by and among Neptune Insurance Holdings Inc., Neptune Flood Incorporated, the other loan parties thereto from time to time, the lenders party thereto from time to time, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-1/A filed with the Commission on September 3, 2025).</u></a>
10.8	<a href="#"><u>Form of Exchange Agreement between the Company, Trevor Burgess and certain entities affiliated with Mr. Burgess (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-1 filed with the Commission on September 3, 2025).</u></a>
10.9	<a href="#"><u>Form of Equity Exchange Right Agreement between the Company and Trevor Burgess (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1 filed with the Commission on September 3, 2025).</u></a>
14.1*	<a href="#"><u>Neptune Insurance Holdings Inc. Code of Business Conduct and Ethics.</u></a>
19.1*	<a href="#"><u>Neptune Insurance Holdings Inc. Insider Trading Policy.</u></a>

21.1	<a href="#">Subsidiaries of Neptune Insurance Holdings Inc. (incorporated by reference to Exhibit 21.1 to the Company's Registration Statement on Form S-1/A filed with the Commission on September 3, 2025).</a>
23.2*	<a href="#">Consent of Independent Registered Public Accounting Firm.</a>
24.1*	Power of Attorney (included in the signature page hereto).
31.1*	<a href="#">Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
97.1*	<a href="#">Neptune Insurance Holdings Inc. Compensation Recovery Policy.</a>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

\* Filed herewith.

\*\* Exhibit is furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

+ Indicates a management contract or compensatory plan or arrangement.

‡ Certain of the exhibits and schedules to this exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The registrant agrees to furnish a copy of all omitted exhibits and schedules to the Commission upon its request.

**Item 16. Form 10-K Summary**

None.



**SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF  
NEPTUNE INSURANCE HOLDINGS INC.**

Neptune Insurance Holdings Inc., a corporation organized and existing under the laws of the State of Delaware (the “*Corporation*”), does hereby certify as follows:

(A) The name of this Corporation is Neptune Insurance Holdings Inc. Its original certificate of incorporation was filed with the Secretary of State of the State of Delaware on March 20, 2025. The Corporation filed an amended and restated certificate of incorporation with the Secretary of State of the State of Delaware on April 10, 2025 (the “*First Amended and Restated Certificate*”).

(B) This second amended and restated certificate of incorporation (this “*Second Amended and Restated Certificate*”) was duly adopted by the Board of Directors of this Corporation and by the stockholders in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, with the approval of the stockholders of this Corporation having been given by written consent without a meeting in accordance with Section 228 of the General Corporation Law of the State of Delaware.

(C) The text of the First Amended and Restated Certificate is hereby amended and restated in its entirety to read as follows:

**ARTICLE I**

The name of this Corporation is Neptune Insurance Holdings Inc.

**ARTICLE II**

The address of the Corporation’s registered office in the State of Delaware is 8 The Green Ste R, in the city of Dover, county of Kent, 19901. The name of its registered agent at such address is Resident Agents Inc.

**ARTICLE III**

The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the “*DGCL*”).

**ARTICLE IV**

**Section 4.1 Total Authorized**

4.1.1 The total number of shares of all classes of stock that the Corporation has authority to issue is 500,000,000 shares, consisting of (i) 480,000,000 shares of common stock, par value \$0.00001 per share (the “*Common Stock*”), 428,422,036 shares of which are designated as Class A Common Stock, par value \$0.00001 per share (the “*Class A Common Stock*”) and 51,577,964 shares of which are designated as Class B Common Stock, par value \$0.00001 per share (the “*Class B Common Stock*”), and (ii) 20,000,000 shares of Preferred Stock, par value \$0.00001 per share (the “*Preferred Stock*”).

4.1.2 Immediately upon the effectiveness of this Second Amended and Restated Certificate for filing by the Secretary of State of the State of Delaware (the “*Effective Time*”), each share of the Corporation’s common stock issued and outstanding or held as treasury stock immediately prior to the Effective Time, shall, automatically and without further action by any stockholder, be reclassified as, and shall become, one (1) share of Class A Common Stock. Any stock certificate that immediately prior to the Effective Time represented shares of the Corporation’s Common Stock shall from and after the Effective Time be deemed to represent shares of Class A Common Stock, without the need for surrender or exchange thereof.



4.1.3 The number of authorized shares of Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of capital stock representing a majority of the voting power of all the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, irrespective of the provisions of Section 242(b)(2) of the DGCL, and no vote of the holders of the Class A Common Stock or Class B Common Stock voting separately as a class shall be required therefor.

#### **Section 4.2 Preferred Stock**

4.2.1 The Corporation's Board of Directors (the "**Board**") is authorized, subject to any limitations prescribed by the laws of the State of Delaware, by resolution or resolutions adopted from time to time, to provide for the issuance of shares of Preferred Stock in one or more series, and, by filing a certificate of designation pursuant to the applicable law of the State of Delaware (the "**Certificate of Designation**"), to establish from time to time the number of shares to be included in each such series, to fix the designation, vesting, powers (including voting powers), preferences and relative, participating, optional, or other rights (and the qualifications, limitations, or restrictions thereof) of the shares of each such series, and to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of such series then outstanding) the number of shares of any such series. The number of authorized shares of Preferred Stock may also be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of capital stock of the Corporation entitled to vote thereon, without a separate vote of the holders of the Preferred Stock or any series thereof, irrespective of the provisions of Section 242(b)(2) of the DGCL, unless a vote of any such holders is required pursuant to the terms of any Certificate of Designation designating a series of Preferred Stock.

4.2.2 Except as otherwise expressly provided in any Certificate of Designation designating any series of Preferred Stock pursuant to the foregoing provisions of this Article IV, (i) any new series of Preferred Stock may be designated, fixed, and determined as provided herein by the Board without approval of the holders of Common Stock or the holders of Preferred Stock, or any series thereof, and (ii) any such new series may have powers, preferences, and rights, including, without limitation, voting rights, dividend rights, liquidation rights, redemption rights, and conversion rights, senior to, junior to, or *pari passu* with the rights of the Common Stock, the Preferred Stock, or any future class or series of Preferred Stock or Common Stock.

#### **Section 4.3 Rights of Class A Common Stock and Class B Common Stock.**

4.3.1 Except as otherwise provided in this Second Amended and Restated Certificate or required by applicable law, shares of Class A Common Stock and Class B Common Stock shall have the same rights and powers, rank equally (including as to dividends and distributions, and upon any liquidation, dissolution, or winding up of the Corporation), share ratably, and be identical in all respects and as to all matters.

4.3.2 Except as otherwise expressly provided by this Second Amended and Restated Certificate or as provided by law, the holders of shares of Class A Common Stock and Class B Common Stock shall (a) at all times vote together as a single class on all matters (including the election of directors) submitted to a vote of the stockholders of the Corporation, (b) be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation (the "**Bylaws**"), and (c) be entitled to vote upon such matters and in such manner as may be provided by applicable law; provided, however, that, except as otherwise required by law, holders of Class A Common Stock and Class B Common Stock shall not be entitled to vote on any amendment to this Second Amended and Restated Certificate (including any Certificate of Designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Second Amended and Restated Certificate (including any Certificate of Designation relating to any series of Preferred Stock). Except as otherwise expressly provided herein or required by applicable law, each holder of Class A Common Stock shall have the right to one (1) vote per share of Class A Common Stock held of record by such holder as of the applicable record date and each holder of Class B Common Stock shall have the right to ten (10) votes per share of Class B Common Stock held of record by such holder as of the applicable record date.



4.3.3 Shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically, and ratably, on a per share basis, with respect to any dividends or distributions as may be declared and paid from time to time by the Board out of any assets of the Corporation legally available therefor; provided, however, that in the event a dividend is paid in the form of shares of Class A Common Stock or Class B Common Stock (or rights to acquire such shares), then holders of Class A Common Stock shall receive shares of Class A Common Stock (or rights to acquire such shares, as the case may be) and holders of Class B Common Stock shall receive shares of Class B Common Stock (or rights to acquire such shares, as the case may be), with holders of shares of Class A Common Stock and Class B Common Stock receiving, on a per share basis, an identical number of shares of Class A Common Stock or Class B Common Stock, as applicable. Notwithstanding the foregoing, the Board may pay or make a disparate dividend or distribution per share of Class A Common Stock or Class B Common Stock (whether in the amount of such dividend or distribution payable per share, the form in which such dividend or distribution is payable, the timing of the payment, or otherwise) if such disparate dividend or distribution is approved in advance by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of Class A Common Stock and the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of Class B Common Stock, each voting separately as a class.

4.3.4 Shares of Class A Common Stock or Class B Common Stock may not be subdivided, combined, or reclassified unless the shares of the other class are concurrently therewith proportionately subdivided, combined, or reclassified in a manner that maintains the same proportionate equity ownership between the holders of the outstanding Class A Common Stock and the holders of the outstanding Class B Common Stock on the record date for such subdivision, combination, or reclassification; provided, however, that shares of one such class may be subdivided, combined, or reclassified in a different or disproportionate manner if such subdivision, combination, or reclassification is approved in advance by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of Class A Common Stock and the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of Class B Common Stock, each voting separately as a class.

4.3.5 Subject to any preferential or other rights of any holders of Preferred Stock then outstanding, upon the liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, holders of Class A Common Stock and Class B Common Stock will be entitled to receive ratably all assets of the Corporation available for distribution to its stockholders unless disparate or different treatment of the shares of each such class with respect to distributions upon any such liquidation, dissolution, or winding up is approved in advance by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of Class A Common Stock and the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of Class B Common Stock, each voting separately as a class.

4.3.6 In the case of any distribution or payment in respect of the shares of Class A Common Stock or Class B Common Stock upon the merger or consolidation of the Corporation with or into any other entity, or in the case of any other transaction having an effect on stockholders substantially similar to that resulting from a merger or consolidation, such distribution or payment shall be made ratably on a per share basis among the holders of the Class A Common Stock and Class B Common Stock as a single class; provided, however, that shares of one such class may receive different or disproportionate distributions or payments in connection with such merger, consolidation, or other transaction if (a) the only difference in the per share distribution to the holders of the Class A Common Stock and Class B Common Stock is that any securities distributed to the holder of a share Class B Common Stock have ten (10) times the voting power of any securities distributed to the holder of a share of Class A Common Stock, or (b) such merger, consolidation, or other transaction is approved by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of Class A Common Stock and the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of Class B Common Stock, each voting separately as a class.

## ARTICLE V

**Section 5.1** Each share of Class B Common Stock shall be convertible into one (1) fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time upon written notice to the Corporation. Before any holder of Class B Common Stock shall be entitled to convert any of such holder's shares of such Class B Common Stock into shares of Class A Common Stock, such holder shall deliver an instruction and the certificate or certificates therefor (if any), duly endorsed, to the principal corporate office of the Corporation or of



any transfer agent for the Class B Common Stock, and shall give written notice to the Corporation at its principal corporate office of such holder's election to convert the same and shall state therein the name or names in which the shares of Class A Common Stock issuable on conversion thereof are to be registered on the books of the Corporation. The Corporation shall, as soon as practicable thereafter, register on the Corporation's books ownership of the number of shares of Class A Common Stock to which such record holder of Class B Common Stock, or to which the nominee or nominees of such record holder, shall be entitled as aforesaid. Such conversion shall be deemed to have occurred immediately prior to the close of business on the date such notice of the election to convert is received by the Corporation or, if the notice of conversion specifies a different future effective time, including a time determined by the happening of a future event, such conversion shall be deemed to have occurred at such time, or on the happening of such event, and the person or persons entitled to receive the shares of Class A Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class A Common Stock as of such time.

**Section 5.2** Each share of Class B Common Stock will automatically, without further action by the Corporation or the holder thereof, convert into one fully paid and nonassessable share of Class A Common Stock (i) on the occurrence of a Transfer, other than a Permitted Transfer, of such share of Class B Common Stock, or (ii) on the Final Conversion Date. After the Final Conversion Date, the reissuance of all shares of Class B Common Stock shall be prohibited, and any shares of Class B Common Stock issued prior to the Final Conversion Date shall be retired and cancelled in accordance with Section 243 of the DGCL and the filing with the Secretary of State of the State of Delaware required thereby.

**Section 5.3** The Corporation may, from time to time, establish such policies and procedures, not in violation of applicable law or this Second Amended and Restated Certificate or the Bylaws, relating to the administration of the conversion of shares of Class B Common Stock into shares of Class A Common Stock as it may deem necessary or advisable. If the Corporation has reason to believe that a Transfer of Class B Common Stock that is not a Permitted Transfer has occurred, the Corporation shall promptly notify the purported transferor initiating such Transfer in writing and may request that such purported transferor furnish affidavits or other evidence to the Corporation as it reasonably deems necessary to determine whether a Transfer that is not a Permitted Transfer has occurred. The transferor will have ten (10) days from receipt of such notice to either (i) furnish sufficient (as determined in good faith by the Board) evidence to the Corporation (in the manner provided in the request) to enable the Corporation to determine that the Transfer was a Permitted Transfer, or (ii) rescind or otherwise reverse the Transfer such that ownership and/or Voting Control, as applicable, of such shares is restored to the transferor on the same basis as if such Transfer had not been given effect, in which case no Transfer of such shares of Class B Common Stock shall be deemed to have occurred for purposes of this Article V as a result thereof. If (1) after the expiration of such ten (10)-day period, the Corporation determines in good faith that neither condition (i) nor (ii) has been satisfied, or (2) at any time, the transferor notifies the Corporation that a Transfer is not a Permitted Transfer, then any such shares of Class B Common Stock, to the extent not previously converted, will automatically and immediately, without further action by the Corporation or the holder thereof, convert into an equal number of fully paid and nonassessable shares of Class A Common Stock, effective as of the time of such Transfer, and such conversion shall be registered on the books and records of the Corporation.

**Section 5.4** In connection with any action of stockholders taken at a meeting or by written consent (if action by written consent of stockholders is permitted at such time under this Certificate of Incorporation), the stock ledger of the Corporation shall be presumptive evidence as to who are the stockholders entitled to vote in person or by proxy at any meeting of stockholders and the classes of shares held by each such stockholder and the number of shares of each class held by such stockholder.

**Section 5.5** The Corporation shall not (by amendment, merger, consolidation, or otherwise), without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the outstanding shares of Class B Common Stock, voting as a single class, amend, alter, repeal, or waive this Article V; provided, however, that from and after the Final Conversion Date, this Article V may be amended, altered, repealed, or waived in accordance with Article XIII.

**Section 5.6 Certain Definitions.**



**“Disability”** shall mean, with respect to Founder, the permanent and total disability of Founder such that Founder is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death within 12 months or which has lasted or can be expected to last for a continuous period of at least 12 months as determined by a licensed medical practitioner jointly selected by a majority of the independent directors of the Board and Founder. If Founder is incapable of selecting a licensed medical practitioner, then Founder’s spouse shall make the selection on behalf of Founder, or in the absence or incapacity of Founder’s spouse, Founder’s adult children by majority vote shall make the selection on behalf of Founder, or in the absence of adult children of Founder or their inability to act by majority vote, a natural person then acting as the successor trustee of a revocable living trust which was created by Founder and which holds in the aggregate more shares of all classes of capital stock of the Corporation than any other revocable living trust created by Founder shall make the selection on behalf of Founder, or in the absence of any such successor trustee, the legal guardian or conservator of the estate of Founder shall make the selection on behalf of Founder.

**“Family Member”** shall mean, with respect to a natural person, the spouse, domestic partner or spousal equivalent, parents, grandparents, lineal descendants, siblings, and lineal descendants of siblings of such natural person. Lineal descendants shall include adopted persons, but only so long as they are adopted during minority. Family Member shall further include any other of such natural person’s family members as defined in Rule 701 of the Securities Act.

**“Final Conversion Date”** shall mean the earliest of:

- (i) 12 months following the death or Disability of Founder; or
- (ii) upon the first trading day on or after such date that the outstanding shares of Class B Common Stock represent less than 5% of the aggregate shares of the then-outstanding Class A Common Stock and Class B Common Stock;

provided that, the Final Conversion Date may be extended to a date that is up to 18 months after the date contemplated by the foregoing clause (i) or (ii), as applicable, upon affirmative approval of a majority of the independent directors then serving on the Board.

**“Founder”** shall mean Trevor Burgess.

**“Founder’s Estate”** shall mean the estate of Founder or any Family Member thereof, so long as a Permitted Holder retains sole dispositive power and Voting Control with respect to the shares of Class B Common Stock held by such estate.

**“Parent”** of an entity shall mean any entity that directly or indirectly owns or controls a majority of the voting power of the voting securities of such entity.

**“Permitted Entity”** shall mean a corporation, partnership, or limited liability company owned or controlled, directly or indirectly, by Founder or his Permitted Transferees, in each case, so long as a Permitted Holder retains sole dispositive power and Voting Control with respect to the shares of Class B Common Stock held by such corporation, partnership, or limited liability company.

**“Permitted Foundation”** shall mean any charitable organization, private foundation, supporting organization, donor advised or donor directed fund, or any other charitable fund or similar entity that is tax-exempt under Section 501(c)(3) of the Code, which is established by Founder, so long as a Permitted Holder retains sole dispositive power and Voting Control with respect to the shares of Class B Common Stock held by such organization.

**“Permitted Holder”** shall mean Founder, his Family Members, or a trustee of a Permitted Trust described in clause (i), (iii), or (iv) of the definition thereof.

**“Permitted IRA”** shall mean an Individual Retirement Account, as defined in Section 408(a) of the Internal Revenue Code (the “Code”), or a pension, profit sharing, stock bonus, or other type of plan or trust of which Founder or his Permitted Transferees are participants or beneficiaries and which satisfies the requirements for



qualification under Section 401 of the Code, so long as a Permitted Holder retains sole dispositive power and Voting Control with respect to the shares of Class B Common Stock held by such Individual Retirement Account.

“**Permitted Transfer**” shall mean, and be restricted to, any Transfer of a share of Class B Common Stock by Founder or any Permitted Transferee to: (i) a Family Member of Founder, (ii) a Permitted Entity, (iii) a Permitted Foundation, (iv) a Permitted IRA, (v) a Permitted Trust, or (vi) Founder’s Estate.

“**Permitted Transferee**” shall mean a transferee of shares of Class B Common Stock received in a Permitted Transfer.

“**Permitted Trust**” shall mean with respect to Founder: (i) a trust for the benefit of Founder, provided Founder or his Permitted Transferees do not receive consideration in exchange for the Transfer (other than as a settlor or beneficiary of such trust); (ii) a trust for the benefit of persons other than Founder, provided Founder or his Permitted Transferees do not receive consideration in exchange for the Transfer (other than as a settlor or beneficiary of such trust); (iii) a trust under the terms of which Founder or his Family Members have retained a “qualified interest” within the meaning of Section 2702(b)(1) of the Code and/or a reversionary interest; or (iv) any revocable or irrevocable trust for the primary benefit of Founder or one or more of Founder’s Family Members or the spouses of such Family Members, in each case, so long as a Permitted Holder retains sole dispositive power and Voting Control with respect to the shares of Class B Common Stock held by such trust.

“**Securities Act**” shall mean the Securities Act of 1933, as amended.

“**Transfer**” of a share of Class B Common Stock shall mean any sale, assignment, transfer, conveyance, or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law, including, without limitation, a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether there is a corresponding change in beneficial ownership), or the transfer of, or entering into a binding agreement with respect to, Voting Control over such share by proxy or otherwise; provided, however, that the following shall not be considered a “Transfer” within the meaning of this Section 5.5:

(a) the granting of a revocable proxy to officers or directors of the Corporation at the request of the Board in connection with actions to be taken at an annual or special meeting of stockholders;

(b) entering into a voting trust, agreement, or arrangement (with or without granting a proxy) solely with stockholders who are holders of Class B Common Stock that (i) is disclosed either in a Schedule 13D filed with the SEC or in writing to the Secretary of the Corporation, (ii) either has a term not exceeding one (1) year or is terminable by the holder of the shares subject thereto at any time, and (iii) does not involve any payment of cash, securities, property, or other consideration to the holder of the shares subject thereto other than the mutual promise to vote shares in a designated manner;

(c) entering into a voting trust, agreement, or arrangement (with or without granting a proxy) pursuant to a written agreement to which the Corporation is a party;

(d) the fact that, as of the Effective Time or at any time after the Effective Time, the spouse of any holder of Class B Common Stock possesses or obtains an interest in such holder’s shares of Class B Common Stock arising solely by reason of the application of the community property laws of any jurisdiction, so long as no other event or circumstance shall exist or have occurred that constitutes a Transfer of such shares of Class B Common Stock (including a Transfer by operation of law pursuant to a qualified domestic order or in connection with a divorce settlement or any other court order);

(e) in connection with a merger or consolidation of the Corporation with or into any other entity that has been approved by the Board, or in the case of any other transaction having an effect on stockholders substantially similar to that resulting from a merger or consolidation that has been approved by the Board, the entering into a support, voting, tender, or similar agreement or arrangement (in each case, with or without the grant of a proxy) that has also been approved by the Board; or



(f) the pledge of a share or shares of Class B Common Stock that creates a security interest in such pledged share or shares pursuant to a bona fide loan or indebtedness transaction, in each case with a third party lender that makes such loan in the ordinary course of its business, so long as a Permitted Holder continues to exercise Voting Control over such pledged share or shares; provided, however, that a foreclosure on such pledged share or shares or other action that would result in a Transfer of such pledged share or shares to the pledgee shall not be a Permitted Transfer.

A Transfer shall also be deemed to have occurred with respect to a share of Class B Common Stock beneficially held by an entity that is a Permitted Trust, Permitted IRA, Permitted Entity, or Permitted Foundation, if there occurs any act or circumstance that causes such entity to no longer be a Permitted Trust, Permitted IRA, Permitted Entity, or Permitted Foundation or if there occurs a Transfer on a cumulative basis, from and after the Effective Time, of a majority of the voting power of the voting securities of such entity or any direct or indirect Parent of such entity, other than a Transfer to parties that are, as of the Effective Time, holders of voting securities of any such entity or Parent of such entity.

**“Voting Control”** shall mean, with respect to a share of Class B Common Stock, the power (whether exclusive or shared) to vote or direct the voting of such share by proxy, voting agreement, or otherwise.

**“Voting Threshold Date”** shall mean the first date falling after 11:59 p.m. (Eastern Time) on the date on which the outstanding shares of Class B Common Stock represent less than a majority of the total voting power of the then outstanding shares of the Corporation then entitled to vote generally in the election of directors.

**Section 5.7** In the event any shares of Class B Common Stock are converted into shares of Class A Common Stock pursuant to this Article V, the shares of Class B Common Stock so converted shall be retired and shall not be reissued by the Corporation.

**Section 5.8** Notwithstanding anything to the contrary in Section 5.1 or Section 5.2, if the date on which any share of Class B Common Stock is converted into Class A Common Stock pursuant to the provisions of Section 5.1 or Section 5.2 occurs after the record date for the determination of the holders of Class B Common Stock entitled to receive any dividend or distribution to be paid on the shares of Class B Common Stock, the holder of such share of Class B Common Stock as of such record date will be entitled to receive such dividend or distribution on such payment date; provided, that, notwithstanding any other provision of this Second Amended and Restated Certificate, to the extent that any such dividend or distribution is payable in shares of Class B Common Stock, such dividend or distribution in respect of such share of Class B Common Stock shall be deemed to have been declared, and shall be payable in, shares of Class A Common Stock and no shares of Class B Common Stock shall be issued in payment thereof.

**Section 5.9** The Corporation shall at all times reserve and keep available, out of its authorized and unissued shares of Class A Common Stock, solely for the purpose of effecting conversions of shares of Class B Common Stock into Class A Common Stock, such number of duly authorized shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all then-outstanding shares of Class B Common Stock. If at any time the number of authorized and unissued shares of Class A Common Stock shall not be sufficient to effect the conversion of all then-outstanding shares of Class B Common Stock, the Corporation shall promptly take such corporate action as may be necessary to increase its authorized but unissued shares of Class A Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, obtaining the requisite stockholder approval of any necessary amendment to this Second Amended and Restated Certificate. All shares of Class A Common Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and non-assessable shares. The Corporation shall take all such action as may be necessary to ensure that all such shares of Class A Common Stock may be so issued without violation of any applicable law or regulation.

## ARTICLE VI

**Section 6.1** The business and affairs of the Corporation shall be managed by or under the direction of the Board, except as otherwise provided by law. In addition to the powers and authority expressly conferred upon them by statute or by this Second Amended and Restated Certificate or the Bylaws, the directors are hereby empowered to



exercise all such powers and do all such acts and things as may be exercised or done by the Corporation pursuant to applicable law.

**Section 6.2** Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the total number of directors constituting the Whole Board shall be fixed from time to time exclusively by resolution adopted by a majority of the Whole Board. For purposes of this Second Amended and Restated Certificate, the term "**Whole Board**" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships.

**Section 6.3** Subject to the special rights of the holders of any series of Preferred Stock to elect directors, the directors shall be divided, with respect to the time for which they severally hold office, into three classes designated as Class I, Class II, and Class III, respectively (the "**Classified Board**"). The Board is authorized to assign members of the Board already in office to such classes of the Classified Board, which assignments shall become effective at the same time the Classified Board becomes effective. Directors shall be assigned to each class in accordance with a resolution or resolutions adopted by the Board, with the number of directors in each class to be divided as nearly equal as reasonably possible. The initial term of office of the Class I directors shall expire at the Corporation's first annual meeting of stockholders following the closing of the Corporation's initial public offering pursuant to an effective registration statement under the Securities Act relating to the offer and sale of Common Stock to the public (the "**Initial Public Offering Closing**"), the initial term of office of the Class II directors shall expire at the Corporation's second annual meeting of stockholders following the Initial Public Offering Closing, and the initial term of office of the Class III directors shall expire at the Corporation's third annual meeting of stockholders following the Initial Public Offering Closing. At each annual meeting of stockholders following the Initial Public Offering Closing, directors elected to succeed those directors of the class whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election. In the event of any increase or decrease in the authorized number of directors (a) each director then serving as such shall nevertheless continue as a director of the class of which the director is a member and (b) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board among the three classes of directors so as to ensure that no one class has more than one director more than any other class. To the extent possible, any newly created directorships shall be added to those classes whose terms of office are to expire at the latest dates following such allocation, and any newly eliminated directorships shall be subtracted from those classes whose terms of office are to expire at the earliest dates following such allocation, unless otherwise provided from time to time by resolution adopted by the Board. No decrease in the authorized number of directors constituting the Board shall shorten the term of any incumbent director.

**Section 6.4** Each director shall hold office until the annual meeting at which such director's term expires and until such director's successor is elected and qualified, or until such director's earlier death, resignation, disqualification, or removal. Any director may resign at any time upon notice to the Corporation given in writing or by any electronic transmission permitted by the Bylaws. Subject to the special rights of the holders of any series of Preferred Stock, no director may be removed from the Board except for cause and only by the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of the then-outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors voting together as a single class.

**Section 6.5** Subject to the special rights of the holders of any series of Preferred Stock to elect directors, any vacancy occurring in the Board for any cause, and any newly created directorship resulting from any increase in the authorized number of directors, shall, unless (a) the Board determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders or (b) as otherwise provided by law, be filled only by the affirmative vote of a majority of the directors then in office, even if less than a quorum and even if by a sole remaining director, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which the director has been assigned expires or until such director's successor shall have been duly elected and qualified, or until such director's earlier death, resignation, disqualification, or removal.

**Section 6.6** Election of directors need not be by written ballot unless the Bylaws shall so provide.

## ARTICLE VII



To the fullest extent permitted by the DGCL as the same exists or as may hereafter be amended, no director or officer of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer. If the DGCL is hereafter amended to authorize corporate action further limiting or eliminating the personal liability of directors or officers, then the liability of the directors or officers of the Corporation shall be limited or eliminated to the fullest extent permitted by the DGCL, as so amended from time to time. Any amendment or repeal of this Article VII, or the adoption of any provision of this Second Amended and Restated Certificate inconsistent with this Article VII, shall not adversely affect any right or protection of a director or officer of the Corporation existing at the time of such amendment or repeal or adoption of such inconsistent provision with respect to acts or omissions occurring prior to such amendment or repeal or adoption of such inconsistent provision.

#### **ARTICLE VIII**

Notwithstanding any other provision of this Second Amended and Restated Certificate or the Bylaws, prior to the Voting Threshold Date, the Corporation elects not to be governed by Section 203 of the DGCL.

#### **ARTICLE IX**

The Board shall have the power to adopt, amend, or repeal the Bylaws. Any adoption, amendment, or repeal of the Bylaws by the Board shall require the approval of a majority of the Whole Board. The stockholders shall also have power to adopt, amend, or repeal the Bylaws. Prior to the Voting Threshold Date, in addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Second Amended and Restated Certificate (including any Preferred Stock issued pursuant to a Certificate of Designation), such adoption, amendment, or repeal of the Bylaws by the stockholders shall require the affirmative vote of a majority in voting power of all of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class. From and after the Voting Threshold Date, in addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Second Amended and Restated Certificate (including any Preferred Stock issued pursuant to a Certificate of Designation), such adoption, amendment, or repeal of the Bylaws by the stockholders shall require the affirmative vote of the holders of at least two-thirds of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

#### **ARTICLE X**

**Section 10.1** Subject to the rights of any series of Preferred Stock then outstanding, from and after the Voting Threshold Date, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders. Prior to the Voting Threshold Date, any action required or permitted to be taken by the stockholders of the Corporation at a meeting may be effected by consent in writing, by remote communication or electronic transmission of such stockholders in compliance with Section 228 of the DGCL, without prior notice and without a vote, if such consent or consents, setting forth the action so taken, are: (i) signed by the holders of the outstanding shares of stock of the Corporation representing not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of stock of the Corporation then outstanding and entitled to vote thereon were present and voted, and (ii) delivered to the Corporation in accordance with applicable law.

**Section 10.2** Special meetings of stockholders of the Corporation may be called only by the Chairperson of the Board, the Chief Executive Officer, or the Board acting pursuant to a resolution adopted by a majority of the Whole Board, and may not be called by any other person or persons. Only such business shall be considered at a special meeting of stockholders as shall have been stated in the notice for such meeting.

**Section 10.3** Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner and to the extent provided in the Bylaws.

#### **ARTICLE XI**



**Section 11.1** Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom, to the fullest extent permitted by law, shall be the sole and exclusive forum for: (a) any derivative action, suit, or proceeding brought on behalf of the Corporation; (b) any action, suit, or proceeding asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee, agent, or stockholder of the Corporation to the Corporation or the Corporation's stockholders, or any action asserting a claim for aiding and abetting any such breach of fiduciary duty; (c) any action, suit, or proceeding asserting a claim against the Corporation or any current or former director, officer, or employee of the Corporation arising out of or pursuant to, or seeking to enforce any right, obligation, or remedy under, or to interpret, apply, or determine the validity of, any provision of the DGCL, this Second Amended and Restated Certificate, or the Bylaws (as each may be amended from time to time); (d) any action, suit, or proceeding as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (e) any action, suit, or proceeding asserting a claim against the Corporation or any current or former director, officer, or employee of the Corporation governed by the internal affairs doctrine, in all cases subject to the court having personal jurisdiction over the indispensable parties named as defendants. If any action, suit, or proceeding the subject matter of which is within the scope of the preceding sentence is filed in a court other than the courts in the State of Delaware (a "*Foreign Action*") in the name of any stockholder, such stockholder shall be deemed to have consented to (x) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any action, suit, or proceeding brought in any such court to enforce the provisions of the preceding sentence and (y) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder. This Section 11.1 shall not apply to actions, suits, or proceedings brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction.

**Section 11.2** Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by the Corporation, its directors and officers, the underwriters to any offering giving rise to such complaint, and any other professional or entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying such offering.

**Section 11.3** Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article XI.

**Section 11.4** Failure to enforce the foregoing provisions of this Article XI would cause the Corporation irreparable harm, and the Corporation shall be entitled to equitable relief, including injunctive relief and specific performance, to enforce the foregoing provisions.

## ARTICLE XII

**Section 12.1** If any provision of this Second Amended and Restated Certificate shall be held to be invalid, illegal, or unenforceable, then such provision shall nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of this Second Amended and Restated Certificate (including without limitation, all portions of any section of this Second Amended and Restated Certificate containing any such provision held to be invalid, illegal, or unenforceable, that are not themselves invalid, illegal, or unenforceable) shall remain in full force and effect.

## ARTICLE XIII

**Section 13.1** The Corporation reserves the right to amend or repeal any provision contained in this Second Amended and Restated Certificate in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; provided, however, that, notwithstanding any other provision of this Second Amended and Restated Certificate (including any Certificate of Designation) or any provision of law



that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of the Corporation required by law or by this Second Amended and Restated Certificate (including any Certificate of Designation), and subject to Section 4.2, from and after the Voting Threshold Date, the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal or adopt any provision inconsistent with this Article XIII or Section 4.1.3 and Section 4.2, Article V, Article VI, Article VII, Article IX, Article X, Article XI, or Article XII (the "*Specified Provisions*"); provided, further, if two-thirds (2/3) of the Whole Board has approved such amendment or repeal of, or any provision inconsistent with, the Specified Provisions, then only the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend, repeal, or adopt any provision inconsistent with, the Specified Provisions.

\*\*\*

IN WITNESS WHEREOF, Neptune Insurance Holdings Inc. has caused this Second Amended and Restated Certificate to be signed by Trevor Burgess, a duly authorized officer of the Corporation, on this 2nd day of October, 2025.

/s/ Trevor Burgess

\_\_\_\_\_  
Trevor Burgess

Chief Executive Officer

---



---

---

**NEPTUNE INSURANCE HOLDINGS INC.**

a Delaware Corporation

**SECOND AMENDED AND RESTATED BYLAWS**

As adopted on September 19, 2025  
(Effective as of October 2, 2025)

---

---

---



**NEPTUNE INSURANCE HOLDINGS INC.**

a Delaware Corporation

**SECOND AMENDED AND RESTATED BYLAWS**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b>ARTICLE I : STOCKHOLDERS</b>	<b>1</b>
Section 1.1 Annual Meetings	1
Section 1.2 Special Meetings	1
Section 1.3 Notice of Meetings	1
Section 1.4 Adjournments	2
Section 1.5 Quorum	2
Section 1.6 Organization; Conduct of Meetings	2
Section 1.7 Voting; Proxies	3
Section 1.8 Fixing Date for Determination of Stockholders of Record	4
Section 1.9 List of Stockholders Entitled to Vote	4
Section 1.10 Inspectors of Elections	5
Section 1.11 Notice of Stockholder Business; Nominations	6
Section 1.12 Delivery to the Corporation	16
<b>ARTICLE II : BOARD OF DIRECTORS</b>	<b>16</b>
Section 2.1 Number; Qualifications	16
Section 2.2 Election; Resignation; Removal; Vacancies	16
Section 2.3 Regular Meetings	16
Section 2.4 Special Meetings	16
Section 2.5 Remote Meetings Permitted	17
Section 2.6 Quorum; Vote Required for Action	17
Section 2.7 Organization	17
Section 2.8 Unanimous Action by Directors in Lieu of a Meeting	17
Section 2.9 Powers	17
Section 2.10 Compensation of Directors	17
Section 2.11 Confidentiality	17
Section 2.12 Emergency Bylaws	18
<b>ARTICLE III : COMMITTEES</b>	<b>18</b>
Section 3.1 Committees	18
Section 3.2 Committee Rules	18

---

ARTICLE IV : OFFICERS; CHAIRPERSON	19
Section 4.1 Generally	19
Section 4.2 Chief Executive Officer	19
Section 4.3 Chairperson of the Board	19
Section 4.4 President	20
Section 4.5 Vice President	20
Section 4.6 Chief Financial Officer	20
Section 4.7 Treasurer	20
Section 4.8 Secretary	20
Section 4.9 Delegation of Authority	20
Section	
4.10 Removal	20
ARTICLE V : STOCK	21
Section 5.1 Certificates; Uncertificated Shares	21
Lost, Stolen, or Destroyed Stock Certificates; Issuance of New Certificates or Uncertificated	
Section 5.2 Shares	21
Section 5.3 Other Regulations	21
ARTICLE VI : INDEMNIFICATION	22
Section 6.1 Indemnification of Officers and Directors	22
Section 6.2 Advance of Expenses	22
Section 6.3 Non-Exclusivity of Rights	22
Section 6.4 Indemnification of Others; Additional Rights	23
Section 6.5 Right of Indemnitee to Bring Suit	23
Section 6.6 Successful Defense	23
Section 6.7 Nature of Rights; Amendment or Repeal	24
Section 6.8 Insurance	24
ARTICLE VII : NOTICES	24
Section 7.1 Notice	24
Section 7.2 Waiver of Notice	25
ARTICLE VIII : MISCELLANEOUS	25
Section 8.1 Fiscal Year	25
Section 8.2 Seal	25
Section 8.3 Form of Records	25
Section 8.4 Reliance Upon Books and Records	25
Section 8.5 Certificate of Incorporation Governs	25
Section 8.6 Severability	26
Section 8.7 Time Periods	26
ARTICLE IX : AMENDMENT	26

---

**NEPTUNE INSURANCE HOLDINGS INC.**

a Delaware Corporation

**SECOND AMENDED AND RESTATED BYLAWS**

As adopted on September 19, 2025  
(Effective as of October 2, 2025)

**ARTICLE I: STOCKHOLDERS**

**Section 1.1 Annual Meetings.** If required by applicable law, an annual meeting of stockholders shall be held for the election of directors and such other proper business at such date and time as the Board of Directors (the “*Board*”) of Neptune Insurance Holdings Inc. (the “*Corporation*”) shall each year fix. The meeting may be held either at a place, within or without the State of Delaware as permitted by the General Corporation Law of the State of Delaware (the “*DGCL*”) as the Board (or its designee) shall fix, or solely by means of remote communication as the Board in its sole discretion may determine. Any proper business may be transacted at the annual meeting.

**Section 1.2 Special Meetings.** Special meetings of stockholders for any purpose or purposes shall be called in the manner set forth in the Second Amended and Restated Certificate of Incorporation of the Corporation (as the same may be amended and/or restated from time to time, the “*Certificate of Incorporation*”). The special meeting may be held either at a place, within or without the State of Delaware as permitted by the DGCL, as the Board (or its designee) shall fix, or solely by means of remote communication as the Board in its sole discretion may determine. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of the meeting.

**Section 1.3 Notice of Meetings.** Notice of all meetings of stockholders shall be given in accordance with applicable law (including, without limitation, as set forth in Section 7.1.1 of these Second Amended and Restated Bylaws of the Corporation (these “*Bylaws*”)) stating the date, time and place, if any, of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for determining stockholders entitled to notice of the meeting). In the case of a special meeting, such notice shall also set forth the purpose or purposes for which the meeting is called. Unless otherwise required by applicable law or the Certificate of Incorporation, notice of any meeting of stockholders shall be given not less than ten (10), nor more than sixty (60), days before the date of the meeting to each stockholder of record entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

**Section 1.4 Adjournments.** Notwithstanding Section 1.5 of these Bylaws, the chairperson of the meeting of stockholders shall have the power to adjourn the meeting to another time, date, and place (if any) regardless of whether a quorum is present, at any time and for any reason. Any meeting of stockholders, annual or special, may be adjourned from time to time (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication), and notice need not be given of any such adjourned meeting if the time, date, and place (if any) thereof and the means of remote communication (if any) by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken, or are provided in any other manner permitted by the DGCL; provided, however, that if the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If, after the adjournment, a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date so fixed for notice of such adjourned meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. To the fullest extent permitted by law, if a quorum is present at the



original meeting, it shall also be deemed present at the adjourned meeting. To the fullest extent permitted by applicable law, the Board may postpone, reschedule, or cancel at any time and for any reason any previously scheduled special or annual meeting of stockholders before it (or any adjournment) is to be held, regardless of whether any notice or public disclosure with respect to any such meeting (or adjournment) has been sent or made pursuant to Section 1.3 hereof or otherwise, in which case (if the meeting is not canceled) notice shall be provided to the stockholders of the new date, time, and place, if any, of the meeting as provided in Section 1.3 above.

**Section 1.5 Quorum.** Except as otherwise required by applicable law or as provided in the Certificate of Incorporation or these Bylaws, at each meeting of stockholders the holders of a majority of the voting power of the shares of stock issued and outstanding and entitled to vote at the meeting, present in person, or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or classes or series of stock is required by applicable law, the Certificate of Incorporation, or these Bylaws, the holders of a majority of the voting power of the shares of such class or classes or series of the stock issued and outstanding and entitled to vote on such matter, present in person or represented by proxy at the meeting, shall constitute a quorum entitled to take action with respect to the vote on such matter. If there is no quorum present (in person or represented by proxy) at any meeting of stockholders, the chairperson of the meeting or the holders of a majority of the voting power of the shares entitled to vote thereat who are present in person or represented by proxy at the meeting may adjourn the meeting. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum, including, to the fullest extent permitted by law, at any adjournment thereof (unless a new record date is fixed for the adjourned meeting).

**Section 1.6 Organization; Conduct of Meetings.**

1.6.1 Meetings of stockholders shall be presided over by (a) such person as the Board may designate, or (b) in such person's absence, the Chairperson of the Board, or (c) in such person's absence, the Chief Executive Officer of the Corporation or (d) in such person's absence, the President of the Corporation, or (e) in the absence of such person, by a Vice President. Such person shall be chairperson of the meeting. The Secretary of the Corporation shall act as secretary of the meeting, but in such person's absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

1.6.2 The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it deems appropriate. Except to the extent inconsistent with such rules and regulations, the chairperson of the meeting will have the right and authority to convene and (for any reason) to recess the meeting (if not adjourned in accordance with Section 1.4 of these Bylaws), to prescribe rules, regulations, and procedures, and to take all actions that, in the chairperson's judgment, are appropriate for the proper conduct of the meeting. Such rules, regulations, or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies, their Qualified Representative (as defined below), or such other persons as the chairperson of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; (e) limitations on the time (if any) allotted to questions or comments by participants; (f) restricting the use of audio/video recording devices and cell phones; and (g) complying with any state and local laws and regulations concerning safety and security. The Board or, at a meeting of stockholders (but subject to any rules and regulations adopted by, and the supervision of, the Board), the chairperson of the meeting, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall have the power to determine that a matter or business was not properly brought before the meeting and to disregard any such matter or business, notwithstanding that proxies or votes in respect thereof may have been received by the Corporation, which shall be disregarded. Unless and to the extent determined by the Board or the chairperson of the meeting, meetings of stockholders are not required to be held in accordance with the rules of parliamentary procedure.

**Section 1.7 Voting; Proxies.** Each stockholder of record entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy. Such a proxy may be prepared, transmitted, and delivered in any manner permitted by applicable law. Except as may be required in the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes cast by the holders of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. At



all meetings of stockholders at which a quorum is present, every matter other than the election of directors shall be decided by the affirmative vote of a majority of the votes cast affirmatively or negatively with respect thereto (or if there are two or more classes or series of stock entitled to vote as separate classes, then in the case of each class or series, a majority of the votes cast affirmatively or negatively with respect thereto by the holders thereof); provided, however, that, if a different or minimum vote is provided by applicable law, rule, or regulation applicable to the Corporation or its securities, the rules or regulations of any stock exchange applicable to the Corporation, the Certificate of Incorporation, or these Bylaws, such different or minimum vote will be the applicable vote on the matter. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which will be reserved for exclusive use by the Board.

**Section 1.8 Fixing Date for Determination of Stockholders of Record.** In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which shall not be more than sixty (60) days prior to such action. If no such record date is fixed by the Board, then the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

**Section 1.9 List of Stockholders Entitled to Vote.** The Corporation shall prepare, no later than the tenth (10th) day before each meeting of stockholders, a complete list of stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of ten (10) days ending on the day before the meeting date, (a) on a reasonably accessible electronic network as permitted by applicable law (provided that the information required to gain access to the list is provided with the notice of the meeting), or (b) during ordinary business hours, at the principal executive offices of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. Except as otherwise provided by applicable law, the stock ledger of the Corporation shall be the only evidence as to the identity of the stockholders entitled to examine the list of stockholders required by this Section 1.9 or to vote in person or by proxy at any meeting.

#### **Section 1.10 Inspectors of Elections.**

1.10.1 Applicability. Unless otherwise required by the Certificate of Incorporation or by applicable law, the following provisions of this Section 1.10 will apply only if and when the Corporation has a class of voting stock that is: (a) listed on a national securities exchange; (b) authorized for quotation on an interdealer quotation system of a



registered national securities association; or (c) held of record by more than two thousand (2,000) stockholders. In all other cases, observance of the provisions of this Section 1.10 will be optional, and at the discretion of the Board.

1.10.2 Appointment. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of election to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting.

1.10.3 Inspector's Oath. Each inspector of election, before entering upon the discharge of such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability.

1.10.4 Duties of Inspectors. At a meeting of stockholders, the inspectors of election shall (a) ascertain the number of shares outstanding and the voting power of each share, (b) determine the shares represented at a meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period of time a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

1.10.5 Opening and Closing of Polls. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware, upon application by a stockholder, shall determine otherwise.

1.10.6 Determinations. In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided pursuant to Section 211(a)(2)b.(i) or (iii) of the DGCL, or in accordance with Sections 211(e) or 212(c)(2) of the DGCL, ballots and the regular books and records of the Corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted herein, the inspectors at the time they make their certification of their determinations pursuant to this Section 1.10 shall specify the precise information considered by them, including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained, and the basis for the inspectors' belief that such information is accurate and reliable.

## **Section 1.11 Notice of Stockholder Business; Nominations.**

### **1.11.1 Annual Meeting of Stockholders.**

(a) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only: (i) pursuant to the Corporation's notice of such meeting (or any supplement thereto), (ii) by or at the direction of the Board or any duly authorized committee thereof, or (iii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of the notice provided for in this Section 1.11 and at the time of the annual meeting of stockholders, who is entitled to vote at such meeting and who complies with the requirements set forth in this Section 1.11 in all applicable respects (the "**Record Stockholder**"). For the avoidance of doubt, the foregoing clause (iii) will be the exclusive means for a stockholder to make nominations or propose business (other than business included in the Corporation's proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (such act, and the rules and regulations promulgated thereunder, the "**Exchange Act**")), at an annual meeting of stockholders, and such stockholder must fully comply with the requirements set forth in this Section 1.11 to bring such nominations or other business properly before an annual meeting.



(b) For nominations or other business to be properly brought before an annual meeting by a Record Stockholder pursuant to Section 1.11.1(a) of these Bylaws:

(i) the Record Stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and have provided any updates or supplements to such notice at the times and as required by this Section 1.11;

(ii) such business (other than the nomination of persons for election to the Board) must otherwise be a proper matter for stockholder action under applicable law;

(iii) each Proposing Person (as defined below) must have complied with the applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder (including, without limitation, the applicable requirements of Rule 14a-19), as such rules and regulations may be amended from time to time by the Securities and Exchange Commission (the “SEC”), including any SEC Staff interpretations relating thereto;

(iv) if a Solicitation Notice (as defined below) has been timely received by the Corporation, the Proposing Person will promptly (and in any event not later than 5:00 p.m. Eastern Time on the second (2nd) business day) after such Proposing Person (or any group of which such person is a part) has solicited the holders of the applicable percentage of voting shares provided in Section 1.11.1(b)(Z)(xiii) (or, in the case of 1.11.1(b)(Z)(xiii)(ii)(b), conducted an exempt solicitation pursuant to Rule 14a-2(b)(2) promulgated under the Exchange Act), provide the Corporation with reasonable evidence, which may take the form of a statement and documentation from a proxy solicitor, demonstrating that the necessary steps have been taken to deliver a proxy statement and form of proxy to the holders of the applicable percentage of voting shares provided in Section 1.11.1(b)(Z)(xiii) (or, in the case of 1.11.1(b)(Z)(xiii)(ii)(b), reasonable evidence demonstrating that such solicitation was eligible for exemption pursuant to Rule 14a-2(b)(2) promulgated under the Exchange Act); and

(v) if no Solicitation Notice has been timely provided pursuant to this Section 1.11, no Proposing Person (and no group of which any Proposing Person is a part) will have solicited the holders of the applicable percentage of voting shares provided in Section 1.11.1(b)(Z)(xiii) or conducted an exempt solicitation pursuant to Rule 14a-2(b)(2) promulgated under the Exchange Act.

To be timely, a Record Stockholder’s notice must be received by the Secretary at the principal executive offices of the Corporation not later than 5:00 p.m. Eastern Time on the ninetieth (90th) day nor earlier than 5:00 p.m. Eastern Time on the one hundred and twentieth (120th) day prior to the first anniversary of the preceding year’s annual meeting (except in the case of the Corporation’s first annual meeting following its initial public offering, for which such notice will be timely if delivered in the same time period as if such meeting were a special meeting governed by Section 1.11.2 of these Bylaws); provided, however, that in the event that no annual meeting was held during the preceding year or the date of the annual meeting is more than thirty (30) days before, or more than sixty (60) days after, such anniversary date, notice by the Record Stockholder to be timely must be so received (A) no earlier than 5:00 p.m. Eastern Time on the one hundred and twentieth (120th) day prior to such annual meeting and (B) no later than 5:00 p.m. Eastern Time on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which Public Announcement (as defined below) of the date of such meeting is first made by the Corporation. In no event will an adjournment or postponement (or the public announcement thereof) of an annual meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period (or extend any time period) for providing the Record Stockholder’s notice. Such Record Stockholder’s notice must set forth:

(X) as to each person whom the Record Stockholder proposes to nominate for election or reelection as a director (in addition to the matters set forth in paragraph (Z) below):

(i) the name, age, business address, and residence address of such person;

(ii) the principal occupation or employment of such person;



(iii) the class or series and number of shares of each class or series of stock of the Corporation that are beneficially owned or owned of record by such person or his or her affiliates or associates;

(iv) the date or dates such shares were acquired and the investment intent of such acquisition, as well as evidence of such date(s);

(v) a written questionnaire with respect to the background and qualification of such person, completed and executed by such person, which questionnaire will be provided by the Secretary upon written request of any Record Stockholder within five (5) business days of such written request;

(vi) a written representation and agreement, in the form provided by the Secretary upon written request of any Record Stockholder within five (5) business days of such written request, (a) that such person (1) is not and will not become a party to any agreement, arrangement, or understanding (whether written or oral) with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question that has not been disclosed to the Corporation or that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (2) is not and will not become a party to any agreement, arrangement, or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement, or indemnification in connection with service or action as a director that has not been disclosed to the Corporation, (3) will act, if elected as a director of the Corporation, in the best interests of the Corporation and its stockholders and not in the interests of individual constituencies, (4) consents to being named as a nominee in a proxy statement and form of proxy relating to the meeting at which directors are to be elected and agrees to serve if elected as a director, and (5) intends to serve a full term until the next meeting at which such candidate would face re-election if elected as a director of the Corporation, and (b) whether such person would be in compliance, if elected as a director of the Corporation, and intends to comply, with all applicable rules or regulations of any stock exchange applicable to the Corporation and the Policies (as defined below);

(vii) all other information relating to such person that would be required to be disclosed or provided to the Corporation in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved and whether or not proxies are being or will be solicited), or would be otherwise required, in each case pursuant to and in accordance with Section 14(a) (or any successor provision) under the Exchange Act;

(viii) whether such person would qualify as an independent director under the requirements of any stock exchange applicable to the Corporation and the Policies;

(ix) a description of all direct and indirect compensation and other material monetary agreements, arrangements, and understandings during the past three (3) years, and any other material relationships, between or among any Proposing Person, on the one hand, and each proposed nominee, and such proposed nominee's respective affiliates and associates, on the other hand, including all information that would be required to be disclosed pursuant to the U.S. federal securities laws or the rules and regulations promulgated thereunder (including Item 404 under Regulation S-K) if the Proposing Person were the "registrant" for purposes thereof and the proposed nominee were a director or executive officer of such registrant;

(x) a description of any position of such person as an officer or director of, or any material relationship with, any principal competitor of the Corporation within the past three (3) years;

(xi) the date or dates of first contact between any Proposing Person and such proposed nominee with respect to (A) the Corporation or (B) any proposed nomination of any person or persons for election or re-election to the Board; and

(xii) a description of any business or personal interests that could place such proposed nominee in a potential conflict of interest with the Corporation or any of its affiliates and how such proposed nominee, if elected, intends to mitigate or reconcile any such potential conflict of interest.



(Y) as to any business other than the nomination of persons for election to the Board that the Record Stockholder proposes to bring before the meeting (in addition to the matters set forth in paragraph (Z) below):

(i) a brief description of the business desired to be brought before the meeting;

(ii) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws, the text of the proposed amendment);

(iii) the reasons for conducting such business at the meeting; and

(iv) any material interest in such business of such Proposing Person, including any anticipated benefit to any Proposing Person therefrom.

(Z) as to each Proposing Person:

(i) the current name and address of each Proposing Person, including, if applicable, their name and address as they appear on the Corporation's stock ledger, if different;

(ii) the class or series and number of shares of each class or series of stock of the Corporation that are directly or indirectly owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, including any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future;

(iii) whether and the extent to which any of the following is held directly or indirectly by, on behalf of, or for the benefit such Proposing Person (x) any Derivative Instrument (as defined below), (y) any rights to dividends on the shares of any class or series of shares of the Corporation that are separated or separable from the underlying shares of the Corporation, or (z) any Short Interest (as defined below), in each case, including the date thereof, the class, series, and number of securities involved therein, the material economic or voting terms thereof, and the identities of all persons party thereto;

(iv) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership or limited liability company in which such Proposing Person is, directly or indirectly, a general partner, managing member, or manager or, directly or indirectly, beneficially owns an interest in a general partner, managing member, or manager of such general or limited partnership or limited liability company;

(v) any direct or indirect material interest in any material contract or agreement with the Corporation, any affiliate of the Corporation, or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement, or consulting agreement);

(vi) a description of any of the following that are held directly or indirectly by, on behalf of or for the benefit of such Proposing Person: (x) any significant equity interests in any principal competitor of the Corporation or (y) any Derivative Instruments or Short Interests in any principal competitor of the Corporation (including, in the case of any Derivative Instrument or Short Interest, the date thereof, the class, series, and number of securities involved therein, the material economic or voting terms thereof, and the identities of all persons party thereto);

(vii) any other material relationship between such Proposing Person, on the one hand, and the Corporation, any affiliate of the Corporation, or any principal competitor of the Corporation, on the other hand;

(viii) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) or an amendment pursuant to Rule 13d-2(a) if such a statement were required to be filed under the Exchange Act and the rules and regulations thereunder by such Proposing Person, regardless of whether the requirement to file a Schedule 13D is applicable;



(ix) any other information relating to each Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business or nomination proposed to be brought before the meeting pursuant to Section 14(a) (or any successor provision) under the Exchange Act and the rules and regulations thereunder;

(x) to the extent known by a Proposing Person, the names and addresses of any stockholder or beneficial owner that has provided or will provide financial support or material assistance in support of the nomination or business and a description of the nature of such support or assistance;

(xi) a description of any agreement, arrangement, or understanding between or among any Proposing Person and any other person or persons (including their names) with respect to, relating to, or in connection with such nomination or other business;

(xii) a representation that the Record Stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting at the time of giving notice and whether such Record Stockholder (or a Qualified Representative thereof) intends to appear at the meeting to propose such business or nomination;

(xiii) a representation whether any Proposing Person intends (or is part of a group that intends) to (i) deliver, or make available, a proxy statement or form of proxy to holders of, in the case of a proposal of business other than a nomination, at least the percentage of the Corporation's voting shares required under applicable law to carry the proposal or (ii) in the case of a nomination or nominations, (a) solicit proxies in support of any proposed nominee in accordance with Rule 14a-19 promulgated under the Exchange Act or (b) conduct an exempt solicitation pursuant to Rule 14a-2(b)(2) promulgated under the Exchange Act, and, in each case, the name of each "participant" (as defined in Item 4 of Schedule 14A promulgated under the Exchange Act) (an affirmative statement of such intent being a "*Solicitation Notice*"); and

(xiv) any proxy, contract, arrangement, or relationship pursuant to which the Proposing Person has a right to vote, directly or indirectly, any shares or any other securities of the Corporation, other than a revocable proxy given in response to a proxy solicitation made to more than ten (10) persons.

The disclosures to be made pursuant to the foregoing clauses (Z)(ii), (Z)(iii), (Z)(iv) and (Z)(vi) will not include any information with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company, or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner.

A stockholder providing written notice required by this Section 1.11 must update and supplement such notice, and any other information provided to the Corporation, in writing (and such update must clearly identify the information that has changed since the prior submission), so that the information provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for determining the stockholders entitled to notice of the meeting and (ii) 5:00 p.m. Eastern Time on the tenth (10th) business day prior to the meeting or any adjournment or postponement thereof. In the case of an update pursuant to clause (i) of the foregoing sentence, such update must be received by the Secretary of the Corporation at the principal executive office of the Corporation not later than 5:00 p.m. Eastern Time on the fifth (5th) business day after the later of the record date for determining the stockholders entitled to notice of the meeting or the public announcement of such record date, and in the case of an update pursuant to clause (ii) of the foregoing sentence, such update must be received by the Secretary of the Corporation at the principal executive office of the Corporation not later than 5:00 p.m. Eastern Time on the eighth (8th) business day prior to the date for the meeting, and, if practicable, any adjournment or postponement thereof (or, if there are fewer than eight (8) business days between the date for the meeting, or the date of the immediately preceding adjournment or postponement thereof, and the date for the adjourned or postponed meeting, not later than 5:00 p.m. Eastern Time on the day prior to such adjourned or postponed meeting). Notwithstanding the foregoing, if a Proposing Person no longer plans to solicit proxies in accordance with its representation pursuant to Section 1.11.1(b)(Z)(xiii) or the requirements of Rule 14a-19(b)(3), the Record Stockholder must inform the Corporation of this change by delivering a writing to the Secretary at the principal executive offices of the Corporation no later than two (2) business days after the occurrence of such change. For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph will not limit the



Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder, or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or nomination or to submit any new proposal, including by changing or adding nominees, matters, business, and/or resolutions proposed to be brought before a meeting of stockholders.

(c) Notwithstanding anything in Section 1.11 or any other provision of the Bylaws to the contrary, in the event that the number of directors to be elected to the Board is increased and there is no Public Announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board at least ten (10) days prior to the last day a stockholder may deliver a notice of nomination in accordance with Section 1.11.1(b), a stockholder's notice required by this Section 1.11 and that complies with the requirements in this Section 1.11, other than the timing requirements in Section 1.11.1(b), will also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is received by the Secretary of the Corporation at the principal executive office of the Corporation no later than 5:00 p.m. Eastern Time on the tenth (10th) day following the day on which such Public Announcement is first made by the Corporation.

(d) Notwithstanding anything in Section 1.11 or any other provision of the Bylaws to the contrary, any person who a majority of the Whole Board (as defined below) determines, in good faith, violated Section 2.11 of these Bylaws or a Board Confidentiality Policy (as defined below) while serving as a director of the Corporation in the preceding five (5) years will be ineligible to be nominated to serve as a member of the Board, absent a prior waiver for such nomination approved by two-thirds of the Whole Board.

#### 1.11.2 Special Meetings of Stockholders.

(a) Only such business will be conducted at a special meeting of stockholders as has been brought before the meeting pursuant to the Corporation's notice of such meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of such meeting (1) by or at the direction of the Board or any duly authorized committee thereof or (2) by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice of the special meeting and at the time of the special meeting, who will be entitled to vote at the meeting, and who complies with the requirements set forth in this Section 1.11 in all applicable respects. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, for nominations to be properly brought before such meeting by a stockholder (or a Qualified Representative thereof) pursuant to Section 1.11.2(a)(2) of these Bylaws:

(i) the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation setting forth such information, representations, certifications, and agreements required by Section 1.11.1 and provide any updates or supplements to such notice as required by this Section 1.11, in each case, as would be required in the case of stockholder nominations of persons for election to the Board at an annual meeting of stockholders;

(ii) each Proposing Person must have complied with the applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder (including, without limitation, the applicable requirements of Rule 14a-19), as such rules and regulations may be amended from time to time by the SEC, including any SEC Staff interpretations relating thereto; and

(iii) if a Solicitation Notice has been timely received by the Corporation, the Proposing Person must promptly (and in any event not later than 5:00 p.m. Eastern Time on the second (2nd) business day) after such Proposing Person (or any group of which such person is a part) has solicited proxies in support of any proposed nominee in accordance with Rule 14a-19 promulgated under the Exchange Act (or, in the case of Section 1.11.1(b)(Z)(xiii)(ii)(b), conducted an exempt solicitation pursuant to Rule 14a-2(b)(2) promulgated under the Exchange Act), provide the Corporation with reasonable evidence, which may take the form of a statement and documentation from a proxy solicitor, demonstrating that the requirements of Rule 14a-19 have been satisfied (or, in the case of 1.11.1(b)(Z)(xiii)(ii)(b), reasonable evidence demonstrating that such solicitation was eligible for exemption pursuant to Rule 14a-2(b)(2) promulgated under the Exchange Act).



(b) To be timely, the stockholder's notice required by Section 1.11.2(a) of these Bylaws must be received by the Secretary of the Corporation at the principal executive offices of the Corporation (i) no earlier than 5:00 p.m. Eastern Time on the one hundred and twentieth (120th) day prior to such special meeting and (ii) no later than 5:00 p.m. Eastern Time on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event will an adjournment or postponement (or the public announcement thereof) of a special meeting commence a new time period (or extend any time period) for providing such notice.

#### 1.11.3 General.

(a) Except as otherwise expressly provided in any applicable rule or regulation under the Exchange Act, only such persons who are nominated in accordance with the procedures set forth in this Section 1.11 will be eligible for election or re-election as a director at a meeting of stockholders and only such business will be conducted at a meeting of stockholders as has been brought before the meeting in accordance with the procedures and requirements set forth in this Section 1.11. Except as otherwise required by applicable law or these Bylaws, the Board or, at a meeting of stockholders (but subject to any rules and regulation adopted by, and the supervision of, the Board) the chairperson of the meeting will have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures and requirements set forth in this Section 1.11 (including satisfying the information requirements set forth herein with accurate and complete information and complying with all applicable laws, rules, and regulations referred to herein) and, if any proposed nomination or business is not in compliance herewith, or a Proposing Person does not act in accordance with the representations required in this Section 1.11, to declare that such business or nomination will not be presented for stockholder action at the meeting and will be disregarded (and such nominee disqualified from standing for election or re-election), or that such business will not be transacted, notwithstanding that proxies or votes in respect of such nomination or such business may have been solicited or received by the Corporation. Notwithstanding anything to the contrary in these Bylaws, unless otherwise required by applicable law, if any Proposing Person (i) provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act with respect to any proposed nominee and (ii) subsequently (x) fails to comply with the requirements of Rule 14a-19 promulgated under the Exchange Act in accordance with the following sentence or (y) fails to inform the Corporation that they no longer plan to solicit proxies in accordance with the requirements of Rule 14a-19 under the Exchange Act by delivering a written notice to the Secretary at the principal executive offices of the Corporation within two (2) business days after the occurrence of such change, then the nomination of each such proposed nominee will be disregarded (and such nominee disqualified from standing for election or re-election), notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been solicited or received by the Corporation. If any Proposing Person provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act, such Proposing Person must deliver reasonable evidence sufficient to demonstrate that it has met the requirements of Rule 14a-19 promulgated under the Exchange Act, which evidence must be received by the Corporation not later than 5:00 p.m. Eastern Time on the fifth (5th) business day prior to the applicable meeting. Notwithstanding the foregoing provisions of this Section 1.11, unless otherwise required by law, if the Record Stockholder (or a Qualified Representative of the Record Stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination will be disregarded (and such nominee disqualified from standing for election or re-election) and such proposed business will not be transacted, notwithstanding that proxies or votes in respect of such vote may have been solicited or received by the Corporation. Notwithstanding the foregoing provisions of this Section 1.11, unless otherwise permitted by applicable law, no stockholder will solicit proxies in support of director nominees other than the Corporation's nominees unless such stockholder has complied with Rule 14a-19 under the Exchange Act in connection with the solicitation of such proxies, including the provision to the Corporation of notices required thereunder in a timely manner.

(b) Notwithstanding the foregoing provisions of this Section 1.11, a stockholder must also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein, and any failure to comply with such requirements will be deemed a failure to comply with this Section 1.11. Nothing in this Section 1.11 will be deemed to affect any rights of (i) stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act (provided, however, that any references in these Bylaws to the Exchange Act or the rules and regulations thereunder are not intended to



and will not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Section 1.11.1(a)(iii) or (ii) the holders of any series of Common Stock or Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

(c) The Corporation may also, as a condition to any nomination or business being deemed properly brought before a meeting of stockholders, require any stockholder, Proposing Person, or any proposed nominee to deliver to the Secretary at the principal executive offices of the Corporation, within five (5) business days of any such request, such other information as may reasonably be requested by the Corporation, including (i) such other information as may be reasonably required by the Board, in its sole discretion, to determine (a) the eligibility of such proposed nominee to serve as a director of the Corporation, and (b) whether such proposed nominee qualifies as an “independent director” or “audit committee financial expert” under applicable law or securities exchange rule or regulation and (ii) such other information that the Board determines, in its sole discretion, could be material to a reasonable stockholder’s understanding of the independence, or lack thereof, of such proposed nominee.

(d) The number of nominees a stockholder may nominate for election at an annual meeting of stockholders or a special meeting of stockholders (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at an annual meeting of stockholders or special meeting of stockholders on behalf of such beneficial owner) cannot exceed the number of directors to be elected at such annual meeting. A stockholder may not designate any substitute nominees unless the stockholder provides timely notice of such substitute nominee(s) in accordance with Section 1.11.1(b), in the case of an annual meeting, or Section 1.11.2, in the case of a special meeting (and such notice contains all of the information, representations, questionnaires, and certifications with respect to such substitute nominee(s) that are required by these Bylaws with respect to nominees for director).

(e) For purposes of this Section 1.11 the following definitions will apply:

(i) “**affiliate**” and “**associate**” have the meanings ascribed thereto in Rule 405 under the Securities Act of 1933, as amended; provided, however, that the term “**partner**” as used in the definition of “**associate**” will not include any limited partner that is not involved in the management of the relevant partnership;

(ii) “**business day**” means any day, other than a Saturday, Sunday, or day on which commercial banks are required or authorized to be closed in Dover, Delaware.

(iii) “**Derivative Instrument**” means any derivative interest in the Corporation’s equity securities, including without limitation any option, warrant, convertible security, stock appreciation right, cash-settled equity swap, total return swap, synthetic equity position, or similar derivative arrangement or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether settled in cash or stock or other property or securities;

(iv) “**Policies**” means all publicly disclosed corporate governance, conflict of interest, stock ownership requirements, confidentiality, and training policies and guidelines of the Corporation applicable to directors;

(v) “**Proposing Person**” means (1) the Record Stockholder providing the notice of business proposed to be brought before an annual meeting or nomination of persons for election to the Board at any stockholder meeting, (2) any beneficial owner on whose behalf the proposal or nomination is made, and (3) any affiliate of either of the foregoing;

(vi) “**Public Announcement**” means disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the SEC pursuant to Section 13, 14, or 15(d) of the Exchange Act;

(vii) a “**Qualified Representative**” of a stockholder means a person who is (i) a duly authorized officer, manager, trustee, or partner of such stockholder or (ii) authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as a proxy at the meeting of



stockholders, which writing or electronic transmission, or a reliable reproduction thereof, must be received by the Secretary at the principal executive offices of the Corporation not later than 5:00 p.m. Eastern Time on the fifth (5th) business day prior to the meeting of stockholders; and

(viii) “**Short Interest**” means any short interest in any security of the Corporation that a person directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has the opportunity to profit or share in any profit derived from any increase or decrease in the value of the subject security or any other agreement, arrangement, or understanding (including without limitation any borrowing or lending of shares) the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such person with respect to any share of stock of the Corporation.

**Section 1.12 Delivery to the Corporation.** Irrespective of Section 116 of the DGCL, whenever this Article I requires one or more persons (including a record or beneficial owner of stock) to deliver a document or information to the Corporation or any officer, employee, or agent thereof (including any notice, request, questionnaire, revocation, representation, letter, or other document or agreement), such document or information must be in writing exclusively (and not in an electronic transmission) and delivered exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested.

## ARTICLE II: BOARD OF DIRECTORS

**Section 2.1 Number; Qualifications.** The total number of directors constituting the Whole Board shall be fixed from time to time in the manner set forth in the Certificate of Incorporation and the term “**Whole Board**” shall have the meaning specified in the Certificate of Incorporation. No decrease in the authorized number of directors constituting the Whole Board will shorten the term of any incumbent director. Directors need not be stockholders of the Corporation.

**Section 2.2 Election; Resignation; Removal; Vacancies.** Election of directors need not be by written ballot. Each director shall hold office until the annual meeting at which such director’s term expires and until such director’s successor is elected and qualified or until such director’s earlier death, resignation, disqualification, or removal. Any director may resign by delivering a resignation in writing or by electronic transmission to the Corporation at its principal office or to the Chairperson of the Board, the Chief Executive Officer, or the Secretary. Such resignation will be effective upon delivery unless it is specified to be effective at a later time or upon the happening of an event. Subject to the special rights of holders of any series of Preferred Stock to elect directors, directors may be removed only as provided by the Certificate of Incorporation and applicable law. All vacancies occurring in the Board and any newly created directorships resulting from any increase in the authorized number of directors shall be filled in the manner set forth in the Certificate of Incorporation.

**Section 2.3 Regular Meetings.** Regular meetings of the Board may be held at such places (if any), within or without the State of Delaware, and at such times as the Board may from time to time determine. Notice of regular meetings need not be given if the date, times, and places (if any) thereof are fixed by resolution of the Board.

**Section 2.4 Special Meetings.** Special meetings of the Board may be called by the Chairperson of the Board, the Chief Executive Officer, or a majority of the members of the Board then in office and may be held at any time, date, or place (if any), within or without the State of Delaware, as the person or persons calling the meeting may fix. Notice of the time, date, and place (if any) of such meeting must be given, orally, in writing, or by electronic transmission (including electronic mail), by or at the direction of the person or persons calling the meeting to all directors at least four (4) days before the meeting if the notice is mailed, or at least twenty-four (24) hours before the meeting if such notice is given personally or by telephone, hand delivery, electronic mail, or other means of electronic transmission; provided, however, that if, under the circumstances, the person or persons calling a special meeting determine(s), in good faith, that more immediate action is necessary or appropriate, notice may be delivered on the day of such special meeting. Unless otherwise indicated in the notice, any and all business may be transacted at a special meeting.

**Section 2.5 Remote Meetings Permitted.** Members of the Board, or any committee of the Board, may participate in a meeting of the Board or such committee, as applicable, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and



participation in a meeting pursuant to conference telephone or other communications equipment shall constitute presence in person at such meeting.

**Section 2.6 Quorum; Vote Required for Action.** At all meetings of the Board, a majority of the Whole Board shall constitute a quorum for the transaction of business. A majority of directors present, whether or not a quorum exists, may adjourn the meeting to another place, date, or time. Except as otherwise provided herein or in the Certificate of Incorporation, or required by applicable law, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

**Section 2.7 Organization.** Meetings of the Board will be presided over by (a) the Chairperson of the Board, or (b) in such person's absence, by the Chief Executive Officer, if a director, or (c) in such person's absence or if such person is not a director, by a director chosen by the Board at the meeting. The Secretary will act as secretary of the meeting, but in such person's absence, the chairperson of the meeting may appoint any person to act as secretary of the meeting.

**Section 2.8 Unanimous Action by Directors in Lieu of a Meeting.** Any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or such committee, as the case may be, consent thereto in writing or by electronic transmission. After an action is taken, the consent or consents shall be filed with the minutes of proceedings of the Board or committee, as applicable. Such filing will be in paper form if the minutes are maintained in paper form and will be in electronic form if the minutes are maintained in electronic form.

**Section 2.9 Powers.** The Board may exercise all of the powers of the Corporation except as otherwise provided by the DGCL, the Certificate of Incorporation, or these Bylaws.

**Section 2.10 Compensation of Directors.** Members of the Board, as such, may receive, pursuant to a resolution of the Board, fees and other compensation for their services as directors, including without limitation their services as members of committees of the Board.

**Section 2.11 Confidentiality.** Each director (i) must maintain the confidentiality of any non-public information learned in their capacities as directors, including communications among Board members in their capacities as directors and (ii) must not share any such information with any third-party person or entity who has not entered into a specific written agreement with the Corporation providing otherwise with respect to such information. The Board may adopt a board confidentiality policy further implementing and interpreting this bylaw (a "***Board Confidentiality Policy***"). All directors are required to comply with this bylaw and any such Board Confidentiality Policy unless such director has entered into a specific written agreement with the Corporation, in either case as approved by the Board, providing otherwise with respect to such confidential information.

**Section 2.12 Emergency Bylaws.** This Section 2.12 shall be operative during any emergency condition as contemplated by Section 110 of the DGCL (an "***Emergency***"), notwithstanding any different or conflicting provisions in these Bylaws, the Certificate of Incorporation, or the DGCL. In the event of any Emergency, or other similar emergency condition, the director or directors in attendance at a meeting of the Board or a standing committee thereof shall constitute a quorum. Such director or directors in attendance may further take action to appoint one or more of themselves or other directors to membership on any standing or temporary committees of the Board as they deem necessary and appropriate. In the event that no directors are able to attend a meeting of the Board or any committee thereof in an Emergency, then the Designated Officers in attendance shall serve as directors, or committee members, as the case may be, for the meeting and will have full powers to act as directors, or committee members, as the case may be, of the Corporation. Except as the Board may otherwise determine, during any Emergency, the Corporation and its directors and officers, may exercise any authority and take any action or measure contemplated by Section 110 of the DGCL. For purposes of this Section 2.12, the term "***Designated Officer***" means an officer identified on a numbered list of officers of the Corporation who shall be deemed to be, in the order in which they appear on the list up until a quorum is obtained, directors of the Corporation, or members of a committee of the Board, as the case may be, for purposes of obtaining a quorum during an Emergency, if a quorum of directors or committee members, as the case may be, cannot otherwise be obtained during such Emergency, which list of Designated Officers will be approved by the Board from time to time but in any event prior to such time or times as an Emergency may have occurred.



### ARTICLE III: COMMITTEES

**Section 3.1 Committees.** The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting of such committee who are not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent provided in a resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority in reference to the following matters: (a) approving, adopting, or recommending to the stockholders any action or matter (other than the election or removal of members of the Board) expressly required by the DGCL to be submitted to stockholders for approval or (b) adopting, amending, or repealing any bylaw of the Corporation.

**Section 3.2 Committee Rules.** Each committee will keep records of its proceedings and make such reports as the Board may from time to time request. Unless the Board otherwise provides, each committee designated by the Board may make, alter, and repeal rules for the conduct of its business. In the absence of such rules, each committee will conduct its business in the same manner as the Board conducts its business pursuant to Article II of these Bylaws. Except as otherwise provided in the Certificate of Incorporation, these Bylaws, or the resolution of the Board designating the committee, any committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and may delegate to any such subcommittee any or all of the powers and authority of the committee.

### ARTICLE IV: OFFICERS; CHAIRPERSON

**Section 4.1 Generally.** The officers of the Corporation will consist of a Chief Executive Officer (who may also be the Chairperson of the Board or the President), a President, a Secretary, and a Treasurer and may consist of such other officers, including, without limitation, a Chief Financial Officer and one or more Vice Presidents, as may from time to time be appointed by the Board. All officers shall be elected by the Board; provided, however, that the Board may empower the Chief Executive Officer of the Corporation to appoint any officer other than the Chief Executive Officer, the President, the Chief Financial Officer, or the Treasurer. Except as otherwise provided by law, by the Certificate of Incorporation, or these Bylaws, each officer shall hold office until such officer's successor is duly elected and qualified or until such officer's earlier resignation, death, disqualification, or removal. Any number of offices may be held by the same person. Any officer may resign by delivering a resignation in writing or by electronic transmission to the Corporation at its principal office or to the Chairperson of the Board, the Chief Executive Officer, or the Secretary. Such resignation will be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event. Any vacancy occurring in any office of the Corporation by death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term and until a successor is duly elected and qualified. The Board may, in its discretion, leave unfilled any offices for such period as it may determine.

**Section 4.2 Chief Executive Officer.** Subject to the control of the Board and such supervisory powers, if any, as may be given by the Board, the powers and duties of the Chief Executive Officer of the Corporation are:

- (a) to act as the general manager and, subject to the control of the Board, to have general supervision, direction, and control of the business and affairs of the Corporation;
- (b) to affix the signature of the Corporation to all deeds, conveyances, mortgages, guarantees, leases, obligations, bonds, certificates, and other papers and instruments in writing which have been authorized by the Board or which, in the judgment of the Chief Executive Officer, should be executed on behalf of the Corporation;
- (c) to sign certificates for shares of stock of the Corporation (if any); and



(d) subject to the direction of the Board, to have general charge of the property of the Corporation and to supervise and control all officers, agents, and employees of the Corporation.

**Section 4.3 Chairperson of the Board.** Subject to the provisions of Section 2.7 of these Bylaws, the Chairperson of the Board will have the power to preside at all meetings of the Board and will have such other powers and duties as provided in these Bylaws and as the Board may from time to time prescribe. The Chairperson of the Board will not be deemed an officer of the Corporation unless otherwise determined by the Board.

**Section 4.4 President.** The Board shall have the power to designate one individual as the President and the same or a different individual as the Chief Executive Officer of the Corporation. Subject to the provisions of these Bylaws and to the direction of the Board, and subject to the supervisory powers of the Chief Executive Officer (if the Chief Executive Officer is an officer other than the President), and subject to such supervisory powers and authority as may be given by the Board to the Chairperson of the Board, and/or to any other officer, the President will have the responsibility for the general management and control of the business and affairs of the Corporation and the general supervision and direction of all of the officers, employees, and agents of the Corporation (other than the Chief Executive Officer, if the Chief Executive Officer is an officer other than the President) and will perform all duties and have all powers that are commonly incident to the office of President or as the Board or the Chief Executive Officer may from time to time prescribe.

**Section 4.5 Vice President.** Each Vice President will have all such powers and duties as are commonly incident to the office of Vice President or as the Board or the Chief Executive Officer may from time to time prescribe. A Vice President may be designated by the Board to perform the duties and exercise the powers of the Chief Executive Officer or President in the event of the Chief Executive Officer's or President's absence or disability.

**Section 4.6 Chief Financial Officer.** The person holding the office of Chief Financial Officer will be the Treasurer of the Corporation unless the Board designates another officer as the Treasurer of the Corporation. Subject to the direction of the Board and the Chief Executive Officer, the Chief Financial Officer will perform all duties and have all powers that are commonly incident to the office of Chief Financial Officer, or as the Board or Chief Executive Officer may from time to time prescribe.

**Section 4.7 Treasurer.** The person holding the office of Treasurer will have custody of all monies and securities of the Corporation. The Treasurer will make such disbursements of the funds of the Corporation as are authorized and will render from time to time an account of all such transactions. The Treasurer will also perform such other duties and have such other powers as are commonly incident to the office of Treasurer, or as the Board or the Chief Executive Officer may from time to time prescribe.

**Section 4.8 Secretary.** The Secretary will issue or cause to be issued all authorized notices for, and will keep, or cause to be kept, minutes of all meetings of the stockholders and the Board. The Secretary will have charge of the corporate minute books and similar records and will perform such other duties and have such other powers as are commonly incident to the office of Secretary, or as the Board or the Chief Executive Officer may from time to time prescribe.

**Section 4.9 Delegation of Authority.** The Board may from time to time delegate the powers or duties of any officer of the Corporation to any other officers or agents of the Corporation.

**Section 4.10 Removal.** Any officer of the Corporation shall serve at the pleasure of the Board and may be removed at any time, with or without cause, by the Board or any duly authorized agent thereof; provided, that if the Board has empowered the Chief Executive Officer to appoint any officer of the Corporation, then such officer may also be removed by the Chief Executive Officer. Such removal will be without prejudice to the contractual rights of such officer, if any, with the Corporation.

## ARTICLE V: STOCK

**Section 5.1 Certificates; Uncertificated Shares.** The shares of capital stock of the Corporation shall be uncertificated shares; provided, however, that the resolution of the Board that the shares of capital stock of the



Corporation shall be uncertificated shares shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation (or the transfer agent or registrar, as the case may be). Notwithstanding the foregoing, the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be certificated shares. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation, by any two authorized officers of the Corporation, including, without limitation, the Chairperson of the Board, the Chief Executive Officer, the President, a Vice President, the Chief Financial Officer, the Treasurer, an Assistant Treasurer (if any), the Secretary or an Assistant Secretary (if any) of the Corporation, representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile or electronic signature. In case any officer, transfer agent, or registrar who has signed or whose facsimile or electronic signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were an officer, transfer agent, or registrar at the date of issue.

**Section 5.2 Lost, Stolen, or Destroyed Stock Certificates; Issuance of New Certificates or Uncertificated Shares.** The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate previously issued by it, alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed, and the Corporation may require the owner of the lost, stolen, or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it and its transfer agent (or other applicable third party acting in such capacity) against any claim that may be made against the Corporation or such applicable third party on account of the alleged loss, theft, or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

**Section 5.3 Other Regulations.** Subject to applicable law, the Certificate of Incorporation, and these Bylaws, the issue, transfer, conversion, and registration of shares represented by certificates and of uncertificated shares will be governed by such other regulations as the Board may establish.

## ARTICLE VI: INDEMNIFICATION

**Section 6.1 Indemnification of Officers and Directors.** Each person who was or is made a party to, or is threatened to be made a party to, or is involved in any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, legislative, investigative, preliminary, formal or informal, or any other type whatsoever, including any arbitration or other alternative dispute resolution and including any appeal of the foregoing (a "***Proceeding***"), by reason of the fact that such person (or a person of whom such person is the legal representative), is or was a member of the Board or is or was an officer of the Corporation designated by the Board to be entitled to the indemnification and advancement rights set forth in this Article VI (for purposes of this Article VI, an "***officer***" of the Corporation) or, while serving in such capacity, is or was serving at the request of the Corporation as a director, officer, employee, agent, or trustee of another corporation, or of a partnership, joint venture, trust, or other enterprise, including service with respect to employee benefit plans (each, an "***Indemnitee***"), will be indemnified and held harmless by the Corporation to the fullest extent permitted by the DGCL as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expenses, liability, and loss (including attorneys' fees, judgments, fines, ERISA excise taxes and penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by such Indemnitee in connection therewith, provided such Indemnitee acted in good faith and in a manner that the Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful. Such indemnification will continue as to an Indemnitee who has ceased to be a member of the Board or officer of the Corporation and will inure to the benefit of such Indemnitees' heirs, executors, and administrators. Notwithstanding the foregoing, and subject to Section 6.5 of these Bylaws, with respect to an indemnity sought in connection with any Proceeding (or any part of any Proceeding) initiated by an Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by an Indemnitee against the Corporation or its directors, officers, employees, or other indemnitees, the Corporation will only provide an indemnification if (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) such payment arises in connection with any mandatory counterclaim or cross-claim or affirmative defense brought or raised by Indemnitee in any Proceeding (or any part of any Proceeding), or (iii) such indemnification is authorized by an agreement approved by the Board or the



Corporation provides the indemnification, in its sole discretion, pursuant to the powers vested in the Corporation under applicable law.

**Section 6.2 Advance of Expenses.** Except as otherwise provided in a written indemnification agreement between the Corporation and an Indemnitee, the Corporation will pay all reasonable expenses (including attorneys' fees) incurred by the Indemnitee in defending any Proceeding as they are incurred or otherwise in advance of its final disposition; provided, however, that the advancement of such expenses (i.e., payment of such expenses as incurred or otherwise in advance of the final disposition of the Proceeding) will be made only upon delivery to the Corporation of an undertaking, by or on behalf of such Indemnitee, to repay such amounts if it is ultimately determined by final judicial decision from which there is no appeal that such Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

**Section 6.3 Non-Exclusivity of Rights.** The rights conferred on any person in this Article VI shall not be exclusive of any other right that such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote or consent of stockholders or disinterested directors, or otherwise. Additionally, nothing in this Article VI shall limit the ability of the Corporation, in its discretion, to indemnify or advance expenses to persons whom the Corporation is not obligated to indemnify or advance expenses to pursuant to this Article VI.

**Section 6.4 Indemnification of Others; Additional Rights.** The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any person who is or was a member of the Board, officer, employee, or agent of the Corporation, or any person serving at the request of the Corporation as a director, officer, employee, agent, or trustee of another corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans. Such rights may be greater than those provided in this Article VI.

**Section 6.5 Right of Indemnitee to Bring Suit.** The following will apply to the extent not in conflict with any indemnification right provided for in Section 6.4 of these Bylaws.

6.5.1 **Right to Bring Suit.** If a claim under Section 6.1 or Section 6.2 of these Bylaws is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period will be twenty (20) days, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If the Indemnitee is successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Indemnitee also will be entitled to be paid, to the fullest extent permitted by applicable law, the expense of prosecuting or defending such suit. In any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnitee to enforce a right to an advancement of expenses), it will be a defense that the Indemnitee has not met any applicable standard for indemnification set forth in applicable law. In any suit brought by the Corporation to recover advancement of expenses pursuant to the terms of an undertaking, the Corporation will be entitled to recover such expenses upon a final adjudication that the Indemnitee has not met any applicable standard for indemnification set forth in applicable law.

6.5.2 **Effect of Determination.** Neither the failure of the Corporation (including its board of directors, any committee or subgroup of the board of directors, independent legal counsel, or its stockholders) to have made a determination that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct required by applicable law, nor an actual determination by the Corporation (including its board of directors, any committee or subgroup of the board of directors, independent legal counsel, or its stockholders) that the Indemnitee has not met such applicable standard of conduct, will create a presumption that the Indemnitee has or has not met the applicable standard of conduct.

6.5.3 **Burden of Proof.** In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VI, or otherwise, will be on the Corporation.



**Section 6.6 Successful Defense.** To the extent that an Indemnitee has been successful on the merits or otherwise in defense of any Proceeding (or in defense of any claim, issue, or matter therein), such Indemnitee will be indemnified under this Section 6.6 against expenses (including attorneys' fees) actually and reasonably incurred in connection with such defense. Indemnification under this Section 6.6 will not be subject to satisfaction of a standard of conduct, and the Corporation may not assert the failure to satisfy a standard of conduct as a basis to deny indemnification or recover amounts advanced, including in a suit brought pursuant to Section 6.5 of these Bylaws (notwithstanding anything to the contrary therein); provided, however, that, any Indemnitee who is not a current or former member of the Board or officer (as such term is defined in the final sentence of Section 145(c)(1) of the DGCL) will be entitled to indemnification under Section 6.1 of these Bylaws and this Section 6.6 only if such Indemnitee has satisfied the applicable standard of conduct required for indemnification under Section 145(a) or Section 145(b) of the DGCL.

**Section 6.7 Nature of Rights; Amendment or Repeal.** The rights conferred upon Indemnitees in this Article VI are contract rights and such rights will continue as to an Indemnitee who has ceased to be a member of the Board or officer of the Corporation and will inure to the benefit of the Indemnitee's heirs, executors, and administrators. Any amendment, repeal, or modification of any provision of this Article VI that adversely affects any right of an Indemnitee or an Indemnitee's successors will be prospective only, and will not adversely affect any right or protection conferred on a person pursuant to this Article VI with respect to any Proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment, repeal, or modification.

**Section 6.8 Insurance.** The Corporation may purchase and maintain insurance, at its expense, to protect itself and any member of the Board, officer, employee, or agent of the Corporation or another corporation, partnership, joint venture, trust, or other enterprise against any expense, liability, or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability, or loss under the DGCL.

## ARTICLE VII : NOTICES

### **Section 7.1 Notice.**

7.1.1 **Form and Delivery.** Except as otherwise specifically required by applicable law, notice may be given in writing directed to a stockholder's mailing address as it appears on the records of the Corporation and shall be given: (a) if mailed, when notice is deposited in the U.S. mail, postage prepaid; and (b) if delivered by courier service, the earlier of when the notice is received or left at such stockholder's address. So long as the Corporation is subject to the SEC's proxy rules set forth in Regulation 14A under the Exchange Act, notice must be given in the manner required by such rules. To the extent permitted by such rules, or if the Corporation is not subject to Regulation 14A, notice may be given by electronic mail directed to the stockholder's electronic mail address as it appears on the records of the Corporation, and if so given, shall be deemed given when directed to such stockholder's electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited by Section 232(e) of the DGCL. If notice is given by electronic mail, such notice shall comply with the applicable provisions of Sections 232(a) and 232(d) of the DGCL. Notice may be given by other forms of electronic transmission with the consent of a stockholder in the manner permitted by Section 232(b) of the DGCL and shall be deemed given as provided therein.

7.1.2 **Affidavit of Giving Notice.** An affidavit of the Secretary or an Assistant Secretary (if any) or of the transfer agent or other agent of the Corporation that the notice has been given in writing or by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

**Section 7.2 Waiver of Notice.** Whenever notice is required to be given under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver of notice, signed by the person entitled to notice, or waiver by electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be



transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any waiver of notice.

## ARTICLE VIII: MISCELLANEOUS

**Section 8.1 Fiscal Year.** The fiscal year of the Corporation will be determined by resolution of the Board.

**Section 8.2 Seal.** The Board may provide for a corporate seal, which may have the name of the Corporation inscribed thereon and will otherwise be in such form as may be approved from time to time by the Board.

**Section 8.3 Form of Records.** Any records administered by or on behalf of the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on or by means of, or be in the form of any other information storage device, method, or one or more electronic networks or databases (including one or more distributed electronic networks or databases) electronic or otherwise, provided that the records so kept can be converted into clearly legible paper form within a reasonable time and otherwise comply with the DGCL. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to any provision of the DGCL.

**Section 8.4 Reliance Upon Books and Records.** A member of the Board, or a member of any committee designated by the Board shall, in the performance of such person's duties, be fully protected in relying in good faith upon the books and records of the Corporation and upon such information, opinions, reports, or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

**Section 8.5 Certificate of Incorporation Governs.** In the event of any conflict between the provisions of the Certificate of Incorporation and Bylaws, the provisions of the Certificate of Incorporation shall govern.

**Section 8.6 Severability.** If any provision of these Bylaws is held to be invalid, illegal, unenforceable, or in conflict with the provisions of the Certificate of Incorporation, then such provision will nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of these Bylaws (including, without limitation, all portions of any section of these Bylaws containing any such provision held to be invalid, illegal, unenforceable, or in conflict with the Certificate of Incorporation, that are not themselves invalid, illegal, unenforceable, or in conflict with the Certificate of Incorporation) will remain in full force and effect.

**Section 8.7 Time Periods.** In applying any provision of these Bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days will be used (unless otherwise specified herein), the day of the doing of the act will be excluded, and the day of the event will be included.

## ARTICLE IX: CORPORATE OPPORTUNITIES

### **Section 9.1 Corporate Opportunities.**

9.1.1 In recognition and anticipation that certain members of the Board who are not employees of the Corporation (the "*Non-Employee Directors*") and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, the provisions of this Article IX are set forth to address certain classes or categories of business opportunities as they may involve the Corporation, the Non-Employee Directors, or their respective Affiliates (collectively, the "*Identified Persons*" and, individually, an "*Identified Person*").

9.1.2 To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity that may be a corporate opportunity for an Identified Person and the Corporation or any of its Affiliates, except as provided in this Article IX.



9.1.3 The Corporation does not renounce its interest in any corporate opportunity offered to any Non-Employee Director (including any Non-Employee Director who serves as an officer of the Corporation) if such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of the Corporation, and the provisions of this Article IX shall not apply to any such corporate opportunity. In addition, notwithstanding anything to the contrary set forth herein, the provisions of this Article IX shall not release any Person who is or was an employee of the Corporation or its subsidiaries from any obligations or duties that such Person may have pursuant to any other agreement that such Person may have with the Corporation or its subsidiaries.

9.1.4 In addition to and notwithstanding the foregoing provisions of this Article IX, a corporate opportunity shall not be deemed to be a potential corporate opportunity for the Corporation if it is a business opportunity that (1) the Corporation is neither financially or legally able, nor contractually permitted to undertake; (2) from its nature, is not in the line of the Corporation's business or is of no practical advantage to the Corporation; or (3) is one in which the Corporation has no interest or reasonable expectancy.

9.1.5 For purposes of this Article IX, (1) "Affiliate" shall mean (i) in respect of a Non-Employee Director, any Person that, directly or indirectly, is controlled by such Non-Employee Director and, to the extent such Non-Employee Director is serving as a member of the Board at the request of any investment fund or investment vehicle (or manager, adviser or sponsor thereof) (an "Investor"), such Investor and any other Person, directly or indirectly, affiliated with, or managed, advised or sponsored by, such Investor (in each case, other than the Corporation and any entity that is controlled by the Corporation), and (ii) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation; and (2) "Person" shall mean any individual, corporation, general or limited partnership, limited liability company, joint venture, trust, association, or any other entity.

9.1.6 To the fullest extent permitted by law, any Person purchasing or otherwise acquiring or holding any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article IX.

#### **ARTICLE X: AMENDMENT**

Notwithstanding any other provision of these Bylaws, any alteration, amendment, or repeal of these Bylaws, and any adoption of new Bylaws, shall require the approval of the Board or the stockholders of the Corporation as expressly provided in the Certificate of Incorporation.

\* \* \* \* \*

---



## DESCRIPTION OF SECURITIES

The following summary of the rights of the Class A common stock and Class B common stock (together, our “common stock”), and preferred stock (together with our common stock, our “capital stock”) of Neptune Insurance Holdings Inc. (the “Company”) does not purport to be complete. This summary is subject to and qualified by the provisions of our Second Amended and Restated Certificate of Incorporation (“Certificate of Incorporation”) and Second Amended and Restated Bylaws (“Bylaws”), copies of which are incorporated herein by reference. Additionally, the Delaware General Corporation Law (“DGCL”), as amended, also affects the terms of our capital stock.

### Capital Stock

#### *Authorized Capital Stock*

Our Certificate of Incorporation provides for two classes of common stock: the Class A common stock and the Class B common stock. Our authorized capital stock consists of 500,000,000 shares, each with a par value of \$0.00001 per share, of which:

- 428,422,036 shares are designated as Class A common stock;
- 51,577,964 shares are designated as Class B common stock; and
- 20,000,000 shares are designated as undesignated preferred stock.

### Voting Rights

Holders of our Class A common stock are entitled to one vote per share, and the holders of our Class B common stock are entitled to ten votes per share. The holders of our common stock will generally vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by the DGCL or our Certificate of Incorporation.

The DGCL could require holders of our common stock to vote separately as a single class in the following circumstances:

- If we amended our Certificate of Incorporation to increase or decrease the par value of the shares of a class of stock, then the holders of the shares of that class would be required to vote separately to approve the proposed amendment.
- If we amended our Certificate of Incorporation in a manner that altered or changed the powers, preferences, or special rights of the shares of a class of stock so as to affect them adversely, then the holders of the shares of that class would be required to vote separately to approve the proposed amendment.

Our Certificate of Incorporation and Bylaws establish a classified board of directors that is divided into three classes with staggered three-year terms. Only the directors in one class will be subject to election by a plurality of the votes cast at each annual meeting of our stockholders, with the directors in the other classes continuing for the remainder of their respective three-year terms. Our Certificate of Incorporation does not provide for cumulative voting for the election of directors.



## **Dividends**

Subject to preferences that may apply to shares of preferred stock outstanding at the time, the holders of outstanding shares of our common stock are entitled to receive dividends out of funds legally available at the times and in the amounts that our Board of Directors may determine.

## **Liquidation Rights**

Upon our liquidation, dissolution, or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, subject to any preferential or other rights, if any, on any outstanding shares of preferred stock.

## **Conversion**

Each outstanding share of our Class B common stock is convertible at any time at the option of the holder into one share of our Class A common stock. In addition, each share of our Class B common stock will convert automatically into one share of our Class A common stock upon any transfer, whether or not for value, except for certain permitted transfers described in our Certificate of Incorporation.

Each share of our Class B common stock will also convert automatically into one share of our Class A common stock upon the earlier of:

- twelve months following the death or disability of Mr. Burgess; or
- the first trading day on or after such date that the outstanding shares of our Class B common stock represent less than 5% of the then-outstanding common stock.

Either such period may be extended to eighteen months upon affirmative approval of a majority of the independent directors. Once converted into Class A common stock, the Class B common stock will not be reissued. Shares of Class A common stock are not convertible into any other class of our capital stock.

Future transfers of our Class B common stock by the holders of our Class B common stock will result in the corresponding shares of our Class B common stock converting into shares of our Class A common stock, other than transfers to a “permitted transferee,” which includes:

- a trust for the benefit of Mr. Burgess, provided Mr. Burgess or his permitted transferees do not receive consideration in exchange for the transfer (other than as a settlor or beneficiary of such trust);
- a trust for the benefit of persons other than Mr. Burgess, provided Mr. Burgess or his permitted transferees do not receive consideration in exchange for the transfer;
- a trust under the terms of which Mr. Burgess or his family members have retained a “qualified interest” within the meaning of Section 2702(b)(1) of the Code and/or a reversionary interest;
- Mr. Burgess’s estate, any one or more of Mr. Burgess’s family members, or any revocable or irrevocable trust for the primary benefit of Mr. Burgess or one or more of Mr. Burgess’s family members;



- any charitable organization, private foundation, supporting organization, donor advised or donor directed fund, or any other charitable fund or similar entity established by Mr. Burgess;
- an Individual Retirement Account, as defined in Section 408(a) of the Code, or a pension, profit sharing, stock bonus, or other type of plan or trust of which Mr. Burgess or his permitted transferees are participants or beneficiaries and which satisfies the requirements for qualification under Section 401 of the Code; or
- a corporation, partnership, or limited liability company owned or controlled, directly or indirectly, by Mr. Burgess or his permitted transferees,

in each case, so long as Mr. Burgess, his family members, or a trustee of a trust described above retain sole dispositive power and voting control with respect to the shares of our Class B common stock.

#### **No Preemptive or Similar Rights**

Our common stock is not entitled to preemptive rights and is not subject to conversion (except as described above), redemption, or sinking fund provisions.

#### **Fully Paid and Non-Assessable**

All of the outstanding shares of our common stock are fully paid and non-assessable.

#### **Preferred Stock**

Under the terms of our Certificate of Incorporation, our Board of Directors has the authority, without further action by our stockholders, to issue up to 20,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the designation, vesting, powers (including voting powers), preferences, and relative, participating, optional, or other rights (and the qualifications, limitations, or restrictions thereof), and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our Board of Directors may authorize the issuance of preferred stock with voting, dividend rights, liquidation rights, redemption rights, or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change of control of our company and may adversely affect the market price of our Class A common stock and the voting and other rights of the holders of our common stock. We have no current plans to issue any shares of preferred stock.

#### **Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws**

Some provisions of the DGCL, our Certificate of Incorporation, and our Bylaws contain or will contain provisions that could make the following transactions more difficult:

- an acquisition of us by means of a tender offer;
- an acquisition of us by means of a proxy contest or otherwise; or
- the removal of our incumbent officers and directors.

---

It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions which provide for payment of a premium over the market price for our shares. These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board of Directors.

### ***Dual Class Stock***

So long as the outstanding shares of our Class B common stock represent a majority of the combined voting power of our then-outstanding common stock, Mr. Burgess will effectively control all matters submitted to our stockholders for a vote, as well as the overall management and direction of the Company, which will have the effect of delaying, deferring, or discouraging another person from acquiring control of our company.

### ***Stockholder Meetings***

Our Certificate of Incorporation provides that, prior to the Voting Threshold Date (as defined in our Certificate of Incorporation), our stockholders will be able to take action by written consent. From and after the Voting Threshold Date, our stockholders will no longer be able to take action by written consent and will only be able to take action at an annual or special meeting of our stockholders. Our Certificate of Incorporation further provides that only the chairperson of our Board of Directors, the chief executive officer, or our Board of Directors acting pursuant to a resolution adopted by a majority of the whole Board of Directors will be authorized to call a special meeting of stockholders.

### ***Requirements for Advance Notification of Stockholder Nominations and Proposals***

Our Bylaws establish advance notice procedures with respect to stockholder proposals to be brought before a stockholder meeting and the nomination of candidates for election as directors, other than nominations made by or at the direction of the Board of Directors or a committee of the Board of Directors.

### ***Staggered Board***

Our Board of Directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

### ***Removal of Directors***

Our Certificate of Incorporation provides that no member of our Board of Directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two-thirds of the total voting power of all of our outstanding voting stock then entitled to vote in the election of directors.

### ***Stockholders Not Entitled to Cumulative Voting***

---

Our Certificate of Incorporation does not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they choose.

### ***Supermajority Approvals***

Our Certificate of Incorporation provides that, from and after the Voting Threshold Date, certain amendments to our Certificate of Incorporation will require the approval of two-thirds of the combined voting power of our then-outstanding shares of our common stock, provided that, if such amendments are approved by two-thirds of the whole Board of Directors, they will only require the approval of a majority of the combined voting power of all the then-outstanding shares of our common stock. In addition, prior to the Voting Threshold Date, our Bylaws may be amended by the affirmative vote of a majority of the combined voting power of all the then-outstanding shares of our common stock, and after the Voting Threshold Date, the affirmative vote of at least two-thirds of the combined voting power of all the then-outstanding shares of our common stock.

### ***Undesignated Preferred Stock***

The ability to authorize undesignated preferred stock makes it possible for our Board of Directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us. These and other provisions may have the effect of deferring or preventing hostile takeovers or delaying or preventing changes in control or management of our company.

### ***Delaware Anti-Takeover Statute***

In general, Section 203 of the DGCL prohibits persons deemed to be “interested stockholders” from engaging in a “business combination” with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock. Generally, a “business combination” includes a merger, asset, or stock sale, or other transaction resulting in a financial benefit to the interested stockholder.

We have expressly elected not to be governed by the “business combination” provisions of Section 203 of the DGCL until after we are no longer a controlled company. At that time, such election shall be automatically withdrawn and we will thereafter be governed by the “business combination” provisions of Section 203 of the DGCL.

### ***Choice of Forum***

Our Certificate of Incorporation provides that the Court of Chancery of the State of Delaware (or, if, and only if, the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if, and only if, all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;

---

- any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees, or agents to us or our stockholders;
- any action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the DGCL or our Certificate of Incorporation or Bylaws;
- any action, suit, or proceeding as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; or
- any other action asserting a claim against the Company or any director or officer of the Company that is governed by the internal affairs doctrine.

The provisions would not apply to suits brought to enforce a duty or liability created by the Securities Act, the Exchange Act, or any other claim for which the U.S. federal courts have exclusive jurisdiction. Furthermore, our Certificate of Incorporation provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

### **Listing**

Our Class A common stock is listed on the NYSE under the symbol “NP.” Our Class B common stock is not listed on any stock market or exchange.

### **Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Vinyl Equity, Inc. The transfer agent’s address is PO Box 247, Winnetka, IL 60093, and its telephone number is 888-808-4695.

---



NEPTUNE INSURANCE HOLDINGS INC.  
CODE OF BUSINESS CONDUCT AND ETHICS

(Adopted and approved on September 19, 2025, and effective as of the Company's initial public offering)

An Introduction From the CEO

Our most valuable assets are our employees and the trust of our clients, colleagues, partners and communities. Neptune has adopted this Code of Conduct and Business Ethics (the "Code") as part of our commitment to high standards of ethics and professional conduct. It provides basic guidelines that we expect you to uphold and illustrates the ethical standards we expect of you. Remember, we are a team at Neptune and are here to help: if you're ever in doubt, just ask.

Do I need to follow the code?

Our Code applies to anyone who works for or represents Neptune.

What are my responsibilities?

In reading through the Code, you'll see the reiteration of the standards that you've come to know and that we expect you to uphold. First and foremost, honesty and integrity are paramount to our operation and reputation. Keeping this front of mind in your day-to-day actions is a great first step.

As a part of your critical role in maintaining the trust of our stakeholders, remember you must fully and truthfully cooperate with any investigation or audit related to this Code or any other applicable policies.

If you become aware of any unlawful or unethical situation related to the Code, you must immediately notify the General Counsel. Information that you provide in such reports must be accurate.

We take this Code and your responsibilities seriously at Neptune. Employees who are found to have violated the Code or fail to cooperate fully with any inquiries or investigations, are subject to disciplinary actions.

Trevor Burgess  
CEO



## 1. Purpose

Neptune Insurance Holdings Inc. (collectively with its subsidiaries, the “Company”) is committed to promoting high standards of honest and ethical business conduct and compliance with applicable laws, rules, and regulations. As part of this commitment, the Company has adopted this Code of Business Conduct and Ethics (this “Code”). This Code sets expectations for the ethical behavior required of all Covered Persons (as defined below). The Company expects all Covered Persons to adhere to this Code and comply with applicable laws, rules, regulations, and all applicable Company policies.

The Company encourages you to ask any questions you may have about this Code and its applicability, and any other ethical or legal issues. Please speak up and contact the Company’s Compliance Officer (as defined herein) when you have a question or concern. “Compliance Officer” for this Code means the Company’s general counsel (the “General Counsel”); provided that in the event there is no General Counsel, or the General Counsel is unavailable, the Company’s Chief Financial Officer shall be authorized to serve as the Compliance Officer in the interim or to designate another person as the Compliance Officer. Contact information for the Compliance Officer is available on the Company’s internal website.

## 2. Operating Under This Code

### 2.1 Who Must Follow This Code?

This Code applies to all directors, officers, and employees of the Company, as well as temporary employees and contractors (collectively, “Covered Persons”).

The Company expects Covered Persons to comply with this Code as well as all applicable laws and regulations regardless of their geographic location. If a provision of this Code conflicts with any local law or regulation where you are based, the more restrictive requirement applies.

### 2.2 This Code Is Not Comprehensive

This Code cannot cover every situation or ethical issue Covered Persons might face, and it is not a substitute for common sense. Covered Persons are expected to be guided not just by the exact guidelines in this Code, but by the spirit of this Code and by their own sense of what is ethical. Even if a topic or situation is not covered by this Code but seems to be wrong or unethical, Covered Persons should speak up and follow the reporting procedures described in this Code.

The Company has various policies and procedures that complement this Code. These policies provide a framework that Covered Persons must follow. Covered Persons are expected to familiarize themselves with the policies and procedures applicable to their roles, adhere to their requirements, and speak up with any questions.

---

### 2.3 Expectations for Covered Persons

All Covered Persons are responsible for reading, understanding, and complying with this Code. Covered Persons may not take any actions that are contrary to this Code, nor may they direct, authorize, condone, or ignore behavior by any other individual or entity that would violate this Code if directly engaged in by a Covered Person.

In addition, Covered Persons are expected to:

- Act honestly and ethically in all business dealings and in a manner consistent with the values and principles of this Code;
- Comply with relevant laws, regulations, rules, and standards related to their duties, function, and responsibilities;
- Deal fairly and treat with respect other Covered Persons, as well as customers, suppliers, business partners, and other third parties;
- Refuse to take any action they know or suspect is illegal or unethical, even if directed to by a manager, and even if such action appears to benefit the Company;
- Speak up about potential misconduct and promptly report known or suspected violations of laws, regulations, rules, or this Code; and
- Act in good faith and in the best interests of the Company while performing duties or services for the Company.

### 2.4 Expectations for Managers

The Company expects its management team to all lead by example by acting with honesty and integrity and fostering a culture of ethics among their teams. Managers should ensure that their direct reports are familiar with this Code and report suspected violations. Managers are also responsible for creating an atmosphere in which Covered Persons are encouraged to raise concerns and report suspected violations in good faith, without fear of retaliation. Managers must escalate any reports they receive related to known or suspected violations of this Code, laws, regulations, or other Company policies.

### 2.5 Working With Business Partners

The Company is committed to working with business partners that share its values and commitment to ethical conduct. Covered Persons may not direct, authorize, condone, or ignore behavior by business partners that would violate this Code if directly engaged in by a Covered Person.

---

## 2.6 Using Good Judgment and Asking Questions

This Code requires Covered Persons to use good judgment. When you have a question about this Code, including whether an activity is permitted, please ask. You may contact the Compliance Officer or use any of the avenues in the Reporting Concerns and Investigations section of this Code.

## 2.7 Violations May Result in Disciplinary Action

Violations of this Code, as well as any law, regulation, or other Company policy, may result in significant legal consequences and reputational harm for the Company. Any Covered Person who directs, authorizes, condones, ignores, or commits a violation of this Code, as well as any law, regulation, or other Company policy, may be subject to disciplinary action including, but not limited to, termination of employment or independent contractor relationship, requested resignation from, or no renomination to, the Company's board of directors (the "Board") (if a director), legal action, and/or referral for criminal prosecution, where appropriate under applicable laws and regulations.

The Compliance Officer is responsible for creating and maintaining systems to promote awareness of and compliance with this Code.

# 3. Reporting Concerns and Investigations

## 3.1 Duty to Report

If you learn or suspect that a violation of this Code has occurred, you must speak up. All Covered Persons have a duty to report known or suspected violations of this Code or of any law, rule, regulation, or Company policy. It is critical that Covered Persons speak up about their concerns to help the Company prevent unethical conduct from occurring, continuing, or escalating. Failing to report or withholding information about any known or suspected Code violation is itself a violation of this Code.

## 3.2 How to Report

Covered Persons may report violations or suspected violations to their manager, the Compliance Officer, or the Chief Financial Officer. There may, however, be times when a Covered Person prefers to report confidentially and anonymously. In these instances, please follow the anonymous and confidential reporting procedures described in the Company's Whistleblower and Complaint Policy, which includes the following:

Code: Flood

Click: [www.RedFlagReporting.com](http://www.RedFlagReporting.com)

Text: RFR to 234-231-9005

Call: 1-877-647-3335

---

Fax: 330-572-8146  
Email: [redflag@redflagreporting.com](mailto:redflag@redflagreporting.com)  
Mail: RFR, P.O. Box 4230, Akron, Ohio 44321

Whichever way you report, you should provide enough detail so that the Company can effectively investigate your concern.

Nothing in this Code in any way prohibits or is intended to restrict or impede Covered Persons from reporting information to federal or state law enforcement agencies when a Covered Person has reason to believe that the violation of a federal or state statute has occurred; however, the Company requests that Covered Persons submit the concern or complaint to the Company prior to or in connection with submission of a concern or complaint to any governmental agency, so that the Company may properly investigate and remediate the issue.

### 3.3 Internal Investigations

The Company is committed to taking reports seriously. The Compliance Officer is responsible for reviewing reports made through the Company's reporting channels. All reports will be acknowledged promptly, and a response will be provided in a reasonable time frame. Any violation of this Code, including fraudulent reports, may result in disciplinary action as described above under Section 2.7.

### 3.4 Duty to Cooperate in Investigations

Covered Persons must cooperate fully in internal investigations, including by providing truthful and complete information. Covered Persons must not attempt to conceal or cover up any known or suspected violations of this Code or of any law, rule, regulation, or Company policy, including by attempting to stop another Covered Person from reporting a known or suspected violation, or from cooperating in an investigation.

### 3.5 No Retaliation

The Company prohibits reprisal, threats, retribution, or retaliation in any form, as well as any attempt to retaliate against anyone who makes or helps someone in making a good-faith report of a known or suspected violation of this Code, as well as any law, regulation, or other Company policy, including a good-faith report to any governmental agency or commission. The Company also prohibits any form of retaliation or intimidation against those participating in an investigation, including investigations by a government agency or commission. The Company also prohibits retaliation against anyone who refuses to carry out a request or perform an action that they believe, in good faith, would violate this Code, as well as any law, regulation, or other Company policy.

---

#### 4. Adherence to the Law

The Company is committed to following all applicable laws, rules, and regulations. Covered Persons must follow all applicable laws, rules, and regulations of each of the countries where the Company operates. Although not all Covered Persons are expected to know the details of all applicable laws, rules, and regulations, it is important to know enough to determine when to seek advice from appropriate personnel or report suspected violations. Questions about compliance with the law should be addressed to the Compliance Officer.

##### 4.1 Public Disclosures

The Company is committed to ensuring that all public disclosures and disclosures to regulatory agencies and other government entities are full, fair, accurate, timely, and understandable. This obligation applies to all Covered Persons with any responsibility for preparing such communications, including drafting, reviewing, signing, or certifying to the information.

Information about the Company or its business activities shared on behalf of the Company should only be communicated by an approved Company spokesperson. For more information and restrictions, please see the Company's Corporate Communications and Social Media Policy.

##### 4.2 Accurate Recordkeeping

The Company is committed to maintaining accurate books, records, and accounts. Covered Persons must keep accurate, complete, and reasonably detailed records of all Company transactions. Covered Persons must document transactions in a timely manner. Agreements with customers, suppliers, business partners, and other third parties must be transparent and documented in written agreements, accurately reflect the terms of the arrangement, and may not include "side deals" or other off-the-books arrangements.

For clarity, the Company specifically prohibits:

- Establishing or using any secret or off-balance sheet function or account for any purpose;
- Using corporate funds to establish or use any bank account that is not identified by the name of the owner; and
- Establishing or using any offshore corporate entity for any purpose other than a legitimate Company business purpose.

Covered Persons are also required to retain Company records as required by applicable laws, Company policies (including retention requirements related to pending investigations or litigation), and business requirements.

---

#### 4.3 Unfair Competition Laws and Restrictive Trade Practices

Antitrust and unfair competition laws are designed to protect the integrity of open and fair competition. These laws prohibit practices and conduct that reduce competition or involve competition by unfair means, such as agreements between competitors to restrain trade or practices of a single company to monopolize an industry or trade. The Company is committed to complying with all applicable antitrust and unfair competition laws.

Covered Persons making decisions for the Company should be aware that antitrust and unfair competition laws and regulations can apply to almost all aspects of the Company's activities: marketing, procurement, contracting, selling, mergers and acquisitions, human resources, and more. Moreover, certain types of conduct or transactions are more likely to have potential antitrust implications. For example:

- Agreements with competitors to fix or control prices;
- Bid rigging;
- Boycotts of certain suppliers or competitors;
- Coordinating with competitors to divide up customers and/or geographic areas;
- Agreements to limit production or sale of products;
- Tying arrangements;
- Exclusive dealing contracts or arrangements;
- Agreements not to poach employees or to fix wages and/or benefits; and
- Restrictive agreements with suppliers and customers.

Covered Persons must seek guidance from the Compliance Officer any time they are interacting with competitors regarding potentially commercially sensitive areas or contemplating entering into a contract or arrangement that might involve any of the above or any other situation that raises antitrust concerns.

#### 4.4 Insider Trading

The United States and many other countries have laws that prohibit buying or selling securities for personal gain based on material nonpublic information. Examples of material information may include entry into or changes to significant contracts with customers or suppliers, significant proposed acquisitions or divestitures by the Company, the Company's non-announced financial performance, or new product or service offerings not yet announced.

---

Covered Persons must comply with all applicable insider trading laws. For more information and restrictions, please see the Company's Insider Trading Policy.

#### 4.5 International Trade Control Requirements

The Company is committed to complying with applicable trade international control requirements including import and export controls, embargoes, and other economic sanctions. Covered Persons involved in exports, imports, or other transfers must be mindful that, in certain instances, governmental licenses or other approvals may be required for the international movement or transmission of goods, services, software, and technical information, and sometimes even for release of technical information or source code to a foreign person within the same country. When importing merchandise, the Company needs to pay customs duties as required and to accurately report to customs authorities the value, classification, and country-of-origin of the merchandise. In addition, Covered Persons must be sensitive to prohibitions on certain activities associated with locations that are designated as being embargoed and entities or individuals that are designated as being sanctioned (or are directly or indirectly controlled by designated parties). Finally, Covered Persons should be sensitive to communications that relate to an international boycott. Responding to such communications may be impermissible, and the Company may be required to report them to the U.S. government.

#### 4.6 Government Inquiries and Investigations

From time to time, the Company and Covered Persons may be contacted by, or receive requests for information from, government investigators during a governmental investigation. Covered Persons must not destroy or alter documents relevant to, provide inaccurate or misleading information about, or otherwise obstruct a government investigation. Covered Persons should immediately notify their manager and the Compliance Officer if they are contacted by or receive a request for information from a government investigator. However, as noted below in the Reporting and Discussion Protections section, Covered Persons are not required to do so.

#### 4.7 Reporting and Discussion Protections

Nothing in this Code prevents you from:

- Communicating with any government agency, department, commission, or law enforcement including to provide documents or other information, without notice to the Company;
- Sharing compensation information about yourself or others (unless you only have access to this information due to your job responsibilities); or

---

- Discussing or disclosing information about unlawful acts in the workplace, including reporting violations of law to any regulator or law enforcement.

## 5. INTEGRITY

### 5.1 Bribery and Corruption

The Company prohibits bribery and corruption in all forms. The Company prohibits seeking any improper advantage in business dealings and is committed to avoiding even the appearance of impropriety in interactions with government officials, competitors, customers, suppliers, business partners, and other third parties. Covered Persons must abide by the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and any other applicable anti-corruption, anti-bribery and anti-kickback laws.

The Company prohibits improper payments and benefits. Specifically, Covered Persons are prohibited from offering, promising, paying, or authorizing the payment, directly or indirectly, of anything of value to influence any act of the recipient contrary to the recipient's duty or to secure any improper advantage. Similarly, Covered Persons are prohibited from accepting anything of value in exchange for maintaining a business relationship or granting a business advantage.

Covered Persons may not use their personal funds to engage in any activity that is otherwise directly prohibited by this Code and applicable Company policies, nor may they make, authorize, or condone improper payments through customers, suppliers, business partners, or other third parties.

For more information and restrictions, please see the Company's Anti-Corruption Policy.

### 5.2 Gifts

The Company recognizes that reasonable gifts can create goodwill and promote sound working relationships. However, a gift may trigger anti-corruption laws when it is offered or given under circumstances where it could be construed as an improper incentive.

Gifts may be provided only if they are offered in connection with legitimate business activities (i.e., the promotion or demonstration of the Company's products or services, the execution or performance of a contract, or other sound business justification) and in compliance with the Company's Anti-Corruption Policy.

Covered Persons must be particularly cautious when providing anything of value to government officials. Before offering or providing a gift to a government official or their family members, Covered Persons must obtain prior written approval from the Compliance Officer. For more information and restrictions, please see the Company's Anti-Corruption Policy.

---

### 5.3 Conflicts of Interest and Corporate Opportunities

Covered Persons are expected to pursue the Company's best interests when acting on the Company's behalf. This means avoiding situations where their personal relationships or interests interfere or potentially interfere with, or could be seen as interfering with, the interests of the Company as a whole. These situations are called "conflicts of interest."

Conflicts of interest can arise when a Covered Person takes action or has an outside interest, duty, responsibility, or obligation that may make it difficult to perform their duties and responsibilities to the Company objectively and effectively. They can also arise when a Covered Person has a personal or close familial relationship that could be seen as interfering with their responsibility to the Company. Some examples of conflicts of interest may include:

- Hiring a close family member or close friend to provide services to the Company;
- Service as a member of the board of directors of a competitor or accepting payments or other benefits from a competitor;
- Having a significant financial interest in a competitor or a business that does business with the Company or seeks to do business with the Company, other than holding a direct interest of less than 1% in the stock of a publicly traded company;
- Loans by the Company to, or guarantees by the Company of obligations of, Covered Persons<sup>1</sup> or their family members;
- Accepting certain outside employment; and
- Personally benefitting, or having a family member benefit, from a Company procurement decision.

Covered Persons must disclose any actual or potential conflict of interest to the Compliance Officer in writing. In appropriate circumstances, the Compliance Officer can approve certain relationships or transactions that may otherwise have given the appearance of creating a conflict of interest.

Covered Persons also may not compete with the Company or take personal advantage of business opportunities that the Company might want to pursue.<sup>2</sup> Covered Persons must not take for themselves personally (or for the benefit of family members or other close personal relationships) opportunities that are

---

<sup>1</sup> Loans by the Company to, or guarantees by the Company of obligations of, any director or executive officer or their family members are expressly prohibited.

<sup>2</sup> With respect to the Company's non-employee directors, subject to Article IX of the Company's Bylaws.

---

discovered through the use of Company property, information, position or relationship with the Company. Even opportunities that are acquired through independent sources may be questionable if they are related to the Company's existing or proposed lines of business. Significant participation in an investment or outside business opportunity that is directly related to the Company's existing or proposed lines of business must be preapproved by the Compliance Officer. Covered Persons with questions about a corporate opportunity must contact the Compliance Officer.

Directors and officers may not participate in any deliberation or decision-making process relating to transactions in which such director or officer has a potential conflict of interest, or which involves a situation where that director or officer may be considered to be competing with the Company or taking advantage of a Company corporate opportunity.

All related-party transactions, whether or not deemed to be a conflict of interest, must be approved in accordance with the Company's Related-Party Transactions Policy.

#### 5.4 Competition and Fair Dealing

The Company strives to compete vigorously and to gain advantages over its competitors through superior business performance, not through unethical or illegal business practices. Covered Persons may not use improper means to acquire proprietary information from others, possess trade secret information, or induce disclosure of confidential information from past or present employees of other companies. If a Covered Person becomes aware of the improper acquisition of this type of information, the Covered Person must report it immediately.

Covered Persons are expected to deal fairly and honestly with anyone with whom they have contact in the course of performing their duties or providing services to the Company and not engage in unfair business practices. Covered Persons involved in procurement have a special responsibility to adhere to principles of fair competition in the purchase of products and services by selecting suppliers based exclusively on typical commercial considerations, such as quality, cost, availability, service, and reputation, and not on the receipt of special favors. Covered Persons involved in sales have a special responsibility to abide by all Company policies regarding selling activities, including Company policies relevant to revenue recognition. Further, no Covered Person may take unfair advantage of anyone through manipulation, concealment, abuse, use of privileged information, misrepresentation of facts, or any other unfair dealing practice.

### 6. Protecting Company Assets

#### 6.1 Confidential Information

Confidential information includes all nonpublic information (regardless of its source) that might be of use to the Company's competitors or harmful to the

---

Company or its customers if disclosed. Covered Persons must not disclose the Company's confidential information, including operational, financial, trade-secret, or other business information externally without express authorization, and they must exercise caution in sharing such information internally, except where there is a business need to know. Covered Persons must also take care to prevent the unauthorized disclosure of confidential information, including storing such information securely and being cautious when discussing this information in public settings. Covered Persons must also take care when using social media to ensure that no confidential information is disclosed. When in doubt, Covered Persons should presume that Company emails, voicemails, and other communications and information about the Company are confidential. For more information and restrictions, please see the Company's Corporate Communications and Social Media Policy.

Additionally, Covered Persons must respect and maintain the confidentiality of personal information belonging to other Covered Persons. Covered Persons are also responsible for protecting and maintaining the confidentiality of any information entrusted to us by customers, suppliers, business partners, and other third parties. For more information, please see the Company's Written Information Security Policy and other policies regarding data protection and privacy.

This Code also prohibits the illegal use of anyone else's intellectual property or confidential information, including information obtained from a prior employer or business partner.

This section does not prohibit Covered Persons from sharing the information set forth in the Reporting and Discussion Protections section above.

## 6.2 Protection and Proper Use of Company Assets

All Covered Persons are expected to protect the Company's assets and ensure their efficient use for legitimate business purposes. These assets include the Company's proprietary information, including intellectual property such as trade secrets, "know-how," patents, trademarks, logos, and copyrights, as well as business and marketing plans, engineering and manufacturing ideas and designs, databases, records, customer information, and any nonpublic financial data or reports. Theft, carelessness, and waste have a direct impact on the Company's business and operating results. The Company's physical property, such as computer equipment, buildings, furniture and furnishings, office supplies, products, and inventories, should be used only for activities related to an employee's employment, although incidental personal use is permitted. Similarly, unauthorized use or distribution of the Company's proprietary information is prohibited. Any theft, misuse, or suspected theft or misuse of the Company's assets that becomes known to a Covered Person must be reported immediately.

---

### 6.3 Data Security

Covered Persons must be vigilant to protect against cybersecurity threats, including phishing, malware, and ransomware. Covered Persons must follow Company policies and guidance about ways to mitigate these threats. For more information and restrictions, please see the Company's Data Security Policy.

## 7. Care for Our Communities

### 7.1 Lobbying Activities and Political Contributions

The Company recognizes the right to lawfully lobby regarding issues that affect the Company and its business operations. Covered Persons are not authorized to lobby on the Company's behalf without approval from the Compliance Officer.

Any political contributions on the Company's behalf, including allowing the use of Company facilities by politicians, political parties, or candidates, must be preapproved in writing by the Chief Executive Officer (the "CEO") (after consultation with the Compliance Officer. Requests for political contributions must be submitted for approval to the CEO. The CEO, in consultation with the Compliance Officer will review the request and, if appropriate, elevate the request to the Board for approval. Covered Persons may not use personal funds to make political contributions in the Company's name or to obtain improper business or business advantages for the Company.

While you are free to participate fully in the political process with your own resources, you should not use Company resources or perform political activities (such as working on a political campaign or conducting business as a public official) during work time. It is also impermissible for a Covered Person to encourage or request a subordinate employee to make a personal contribution of funds or services to any candidate or holder of public office, or a person or group promoting a position on a public issue or candidate. For more information and restrictions, please see the Company's Anti-Corruption Policy.

### 7.2 Charitable Contributions

The Company encourages Covered Persons to volunteer and give back to their communities. However, Covered Persons may only use Company resources to personally support charitable or nonprofit institutions that are specifically sanctioned or supported by the Company. If you would like to invite the Company to volunteer with or contribute to an organization, please contact the Compliance Officer. For more information and restrictions, please see the Company's Anti-Corruption Policy.

## 8. Administration of This Code

The Audit Committee is responsible for reviewing this Code as set forth in the Audit Committee's charter and overseeing the establishment of procedures for the prompt internal reporting of

---

violations of this Code. It may request reports from the Compliance Officer or other members of management about the implementation of this Code and may take any steps in connection with the implementation of this Code as it deems necessary, subject to the limitations set forth in this Code. The Audit Committee will have the authority to review and assess this Code and recommend revisions for approval by the Board. The Company will notify Covered Persons of any material changes to this Code.

#### 9. No Rights Created

This Code is a statement of fundamental principles, policies, and procedures that govern the conduct of the Company's Covered Persons. It is not intended to and does not create any legal rights for any business partner, supplier, vendor, competitor, stockholder, or any other nonemployee or entity.

#### 10. Amendments and Waivers of This Code

Any amendment of this Code must be in writing and must be authorized by a majority of the members of the Board. Any request for waivers from this Code must be made in writing to the Compliance Officer and must be authorized by a majority of the members of the Board or, to the extent permissible under applicable laws, rules, and regulations, a committee of the Board if the Board has delegated such authority to a committee. Waivers of this Code are anticipated to only occur in rare circumstances and where there is extraordinary justification for the waiver. Any such amendment or waiver of this Code will be publicly disclosed if required by applicable laws, rules, and regulations.

#### 11. Disclaimers

This Code may be modified from time to time, the latest version of which will be displayed on the Company's website. Additionally, this Code supersedes and replaces any prior code of business conduct. To the extent there are any conflicts between this Code and any other Company policies or procedures, the more restrictive requirements shall apply. This Code was designed to be compliant with all applicable laws, rules, and regulations, but the Company recognizes that legal changes may occur. Therefore, to the extent any provisions of this Code conflict with applicable laws, the provisions of the applicable laws shall apply.

---

NEPTUNE INSURANCE HOLDINGS INC.  
CODE OF BUSINESS CONDUCT AND ETHICS  
FORM OF ACKNOWLEDGMENT

I certify that I have read, understood, and agree to comply with and be subject to the terms of the Company's Code of Business Conduct and Ethics (the "Code"). I agree that I will be subject to sanctions imposed by the Company, in its discretion, for violation of the Code, and that the Company may give stop-transfer and other instructions to the Company's transfer agent against the transfer of Company securities as necessary to ensure compliance with the Code. I acknowledge that one of the sanctions to which I may be subject as a result of violating the Code is termination of my employment or independent contract for cause, or if I am a director, requested resignation from, or no renomination to, the Board. Capitalized terms not defined herein shall have the meanings ascribed to them in the Code.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

---



## NEPTUNE INSURANCE HOLDINGS INC.

### INSIDER TRADING POLICY

(Adopted and approved on September 19, 2025, and effective as of the Company's initial public offering; first amended by the Board on February 23, 2026)

#### 1. Purpose

Neptune Insurance Holdings Inc. (collectively with its subsidiaries, the "**Company**") is committed to promoting high standards of honest and ethical business conduct and compliance with applicable laws, rules, and regulations. As part of this commitment, the Company has adopted this Insider Trading Policy (this "**Policy**") with respect to Transactions (as defined herein) in common stock, options to purchase common stock, debt securities, preferred stock and derivative securities, such as put and call options, warrants, swaps, caps, and collars (collectively, "**Securities**") of the Company, as well as the Securities of publicly traded companies with which the Company has a business relationship, for the purpose of promoting compliance with applicable laws, rules, and regulations by directors, officers, and employees of the Company, as well as temporary employees and designated contractors (each, a "**Covered Person**," or "**you**").

"**Transactions**" means purchases, sales, pledges, hedges, loans, or other transactions in publicly traded Securities and "**Transact**" means the act of engaging in a Transaction. For the avoidance of doubt, Transactions include gifts (including without limitation donations), unless exempted as described in Section 4.3 of this Policy, subsequent sales of the Company's Securities issued pursuant to equity awards, the Company's Pre-IPO 2025 Plan (the "**Pre-IPO Plan**") and the Company's 2025 Employee Stock Purchase Plan ("**ESPP**"), as well as broker-assisted sales for the purpose of generating the cash needed to cover the costs of stock option exercises and/or tax withholding related to the exercise or settlement of equity awards.

Federal and state securities laws prohibit the purchase or sale of a company's Securities by anyone who is aware of material non-public information ("**MNPI**"), as that term is defined in Section 3 below. These laws also prohibit anyone who is aware of MNPI from disclosing this information to others who may trade. Companies and their controlling persons (for instance, directors and officers) may also be subject to liability if they fail to take reasonable steps to prevent insider trading by Company personnel.

The adverse consequences for insider trading violations can be staggering and include potential criminal and civil liability and/or disciplinary action. Penalties for insider trading include fines of up to \$5.0 million, jail sentences of up to twenty (20) years and civil penalties of up to three (3) times the profit gained or loss avoided. The Securities and Exchange Commission (the "**SEC**") has imposed large penalties even when an individual did not profit from the trading or disclosure. The SEC, stock exchanges, and the Financial Industry Regulatory Authority use sophisticated electronic surveillance techniques to uncover insider trading, and there is a very high likelihood that federal or other regulatory authorities will detect and prosecute insider trading violations involving even small dollar amounts.

Individuals who violate this Policy may be subject to disciplinary action as detailed in the Company's **Code of Business Conduct and Ethics**, as well as potential ineligibility for future



participation in the Company's equity plans. In addition, if the Company becomes aware of a violation of this Policy, the Company may inform the appropriate governmental authorities. In determining consequences resulting from a violation of this Policy, the Compliance Officer (as defined herein) will consider a number of factors, including, but not limited to, the individual's culpability, cooperation with the investigation, the individual's past violations, if any, consistency with consequences for other violations, if any, the availability of restitution, penalties assessed by regulators, the need for deterrence, and extent of the harm to the Company, including the impact on Company culture. "**Compliance Officer**" for this Policy means the Company's general counsel (the "**General Counsel**"); provided that in the event there is no General Counsel or the General Counsel is unavailable, the Company's Chief Operating Officer & Chief Financial Officer ("**CFO**") is authorized to serve as the Compliance Officer in the interim or to designate another person as the Compliance Officer. "**Pledging Compliance Officer**" for this Policy means the Company's Chief Financial Officer or, in the event that the Company's Chief Executive Officer or Chief Financial Officer is the Preclearance Person (as defined herein), the Chair of the Audit Committee (the "**Audit Committee**") of the Board of Directors of the Company (the "**Board**").

## 2. Scope

This Policy applies to all Covered Persons. This Policy also applies to each Covered Person's family members who reside with them, anyone else who lives in such Covered Person's household, and any family members who do not live in the Covered Person's household but whose Transactions in the Company's Securities are directed, influenced, or controlled by such Covered Person (such as parents or children who consult with the Covered Person before they trade in the Company's Securities). In addition, this Policy applies to all corporations, partnerships, limited liability companies, trusts, and other entities whose Transactions in the Company's Securities are directed, influenced, or controlled by any Covered Person. All such family members and entities are considered Covered Persons for purposes of this Policy.

The portions of this Policy relating to trading while in possession of MNPI, and the disclosure of that information to others, continue to apply to Transactions in the Company's Securities even after termination of employment or association with the Company, if the MNPI was obtained as the result of your role as a Covered Person. In addition, if you are subject to a Quarterly Blackout Period and/or a Special Blackout Period (each, a "**Blackout Period**"), as set forth below in Section 7, you must abide by the applicable trading restrictions until at least the end of each applicable trading restriction.

## 3. Material Non-Public Information

For purposes of this Policy, "**Material Non-Public Information**" or "**MNPI**" means any Material information about a company that is Non-Public.

Information is "**Material**" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, hold, or sell the Company's Securities. Any information that could reasonably be expected to affect the price of the Security is Material. The information may be positive or negative. Common examples of information that may be Material include:

---

- information regarding financial results, financial condition, and financial forecasts, including estimates of financial results or changes in previously announced estimates of financial results;
- significant proposed mergers, acquisitions, investments, or divestitures;
- gain or loss of significant customers;
- entry into, renewal, termination, or changes to significant contracts;
- layoffs or restructurings;
- cybersecurity incidents and data breaches;
- developments in significant litigation or government investigations;
- public or private debt or equity offerings;
- significant changes in senior management or the Board;
- new product or service offerings; or
- capital allocation developments, such as share repurchases and dividends.

It is not possible to define all categories of Material information, and you should recognize that the public, the media, and the courts may use hindsight in judging what is Material. Further, the Materiality of particular information is subject to reassessment on a regular basis. Therefore, it is important to “play it safe” and assume information is Material if you are in doubt and consult with the Compliance Officer.

Information is “**Non-Public**” until the information is broadly disseminated in a manner sufficient to ensure its availability to the investing public generally, without favoring any special person or group. Information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or an SEC filing) and the investing public has had time to absorb and evaluate it. Ordinarily, information about the Company should not be considered public until at least one (1) full trading day has passed following its formal release to the market. Release of information to the media does not immediately mean the information has become publicly available. Information may still be Non-Public even though it is widely known within the Company.

#### **4. Transacting in the Securities While in Possession of MNPI Is Prohibited**

- 4.1 You are prohibited from Transacting in the Company’s Securities while aware of MNPI about the Company. It makes no difference whether or not you relied upon or used MNPI in deciding to Transact—if you are aware of MNPI about the Company, the prohibition applies.



- 4.2 You are also prohibited from Transacting in the Securities of other publicly traded companies with which the Company has a business relationship while aware of MNPI about those companies learned in connection with your role as a Covered Person. Such MNPI may include, but is not limited to, negotiations over mergers, acquisitions, divestitures, or renewal or termination of significant contracts or other arrangements.
- 4.3 These prohibitions do **not** apply to:
- 4.3.1 Transactions made pursuant to a 10b5-1 Plan meeting the requirements of Section 9 below.
  - 4.3.2 The exercise of stock options or option-like awards if the exercise price is paid in cash or through the Company withholding a portion of the shares underlying the options.
  - 4.3.3 The Company's withholding of the Company's Securities underlying equity awards to satisfy tax withholding requirements.
  - 4.3.4 The purchase of the Company's Securities under the Pre-IPO Plan
  - 4.3.5 The purchase of the Company's Securities under the ESPP.
  - 4.3.6 Transfers by will or the laws of descent and distribution or transfers for tax-planning purposes in which your beneficial ownership and pecuniary interest in the transferred the Company's Securities does not change.
  - 4.3.7 *Bona fide* gifts of the Company's Securities, unless you have reason to believe that the recipient intends to Transact in the Company's Securities while you are aware of MNPI about the Company, or you are subject to a Blackout Period and you have reason to believe the recipient intends to Transact in the Company's Securities during such Blackout Period.
  - 4.3.8 Transactions in mutual funds that are invested in the Company's Securities.

## **5. Disclosure of MNPI Is Prohibited; No "Tipping"**

You may not disclose MNPI about the Company or any other publicly traded company with which the Company has a business relationship learned in connection with your role as a Covered Person to others, make recommendations or express opinions to others about investments in or the prospects of the Company or those companies while in possession of this information, or otherwise make unauthorized disclosure or use of this information (collectively, "**Tipping**"). Tipping can result in legal liability and consequences under this Policy even if you did not benefit from the resulting Transaction.

Any written or verbal statement that would be prohibited under the law or under this Policy is equally prohibited if made on the internet or through social media platforms, regardless of whether Covered Persons use their own name or a pseudonym, including the disclosure of MNPI about the

---

Company or with respect to other publicly traded companies with which the Company has a business relationship that you learn in connection with your role as a Covered Person.

## **6. Other Prohibited Transactions**

You may not:

- 6.1 Engage in short sales of the Company's Securities (sales of the Company's Securities that are not then owned), including "sales against the box" (short sales not exceeding the number of shares already owned).
- 6.2 Trade in derivatives of the Company's Securities, such as exchange-traded put or call options and forward transactions.
- 6.3 Purchase any financial instruments (such as prepaid variable forward contracts, equity swaps, collars, or exchange funds) or otherwise engage in any transactions that hedge or offset any decrease in the market value of the Company's Securities or limit your ability to profit from an increase in the market value of the Company's Securities.
- 6.4 Hold the Company's Securities in a margin account or pledge the Company's Securities as collateral for a loan, except to the extent you have obtained preclearance of such transaction in accordance with Section 7.3. Company Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of MNPI or is otherwise not permitted to trade in the Company's Securities, under some circumstances, such a sale could result in unlawful insider trading. Due to these considerations, any such pledging arrangement must comply with all applicable insider trading policies and the preclearance procedures of Section 7.3.
- 6.5 Except under a 10b5-1 Plan meeting the requirements of Section 9 below, establish standing or limit orders for Transactions in the Company's Securities for more than two (2) business days, and any such Transactions must otherwise comply with the restrictions and procedures of this Policy.

## **7. Blackout Periods; Preclearance of Transactions; Other Compliance Procedures**

Except under a 10b5-1 Plan meeting the requirements of Section 9 below or pursuant to a Transaction that is not prohibited in accordance with Section 4.3:

- 7.1 No Restricted Person (as defined below) may Transact in the Company's Securities during a Quarterly Blackout Period regardless of whether they are actually aware of MNPI during that period. A "**Restricted Person**" means each person designated as such by the Compliance Officer for purposes of this Policy, as set forth in Appendix A. Such persons are determined to be at an enhanced risk of possessing

---

MNPI during periods of time proximate to quarterly announcements of financial results, and therefore must exercise greater diligence to comply with insider trading prohibitions. This includes employees and contractors (i) directly involved in the quarter-end close or financial reporting process, including individuals who, during the relevant period, prepare, review, consolidate, or analyze quarterly or annual financial results; participate in the preparation or review of earnings releases, guidance, or related external disclosures; or have access to preliminary, draft, or forecasted financial information not yet publicly disclosed; or (ii) who are otherwise a Covered Person who has been designated by the Compliance Officer as a “Restricted Person” because of their position, responsibilities, or actual or potential access to MNPI, or because their role otherwise makes it likely they will have awareness of MNPI in proximity to quarterly announcements of financial results.

The Compliance Officer maintains a list of all Restricted Persons. At least once per fiscal year, and more frequently when there are significant changes in personnel, the Compliance Officer will reevaluate the list of Restricted Persons. You will be notified by the Compliance Officer if you are considered a Restricted Person under this Policy, and will remain a Restricted Person until notified otherwise by the Compliance Officer.

“**Quarterly Blackout Periods**” are in effect with respect to each quarterly announcement of financial results, starting on the 15<sup>th</sup> day of the third month of each fiscal quarter (provided, if the 15<sup>th</sup> day of the month is not a business day, then the next business day) and ending when one (1) full trading day has passed following the public announcement of the Company’s quarterly financial results.<sup>1</sup>

The Compliance Officer will notify Restricted Persons by email when the Quarterly Blackout Period begins and ends. Even if you have not been notified, you must not Transact in the Company’s Securities during the Quarterly Blackout Period. If you have questions about a Quarterly Blackout Period, you should consult the Compliance Officer.

For the avoidance of doubt, Covered Persons who are not subject to Quarterly Blackout Period trading restrictions remain subject at all times to the prohibitions on trading while in possession of MNPI under this Policy and applicable law.

- 7.2 In addition to Quarterly Blackout Periods, from time to time the Compliance Officer may decide to impose a “**Special Blackout Period**” for Covered Persons who are aware of particular information that the Compliance Officer considers likely to be MNPI. A Special Blackout Period may be imposed in connection with a potential acquisition, anticipated positive or negative announcements of financial

---

<sup>1</sup> For example, if the Company announces earnings before trading begins on a Tuesday, the first time you can buy or sell the Company’s securities is the opening of the market on Wednesday (assuming you are not aware of other MNPI at that time). If, however, the Company announces earnings after trading begins that Tuesday, the first time you can buy or sell the Company’s securities is the opening of the market on Thursday.



results, cybersecurity incidents, or other potentially Material developments. The Compliance Officer will determine on an ongoing basis who is subject to a Special Blackout Period and notify such individuals. Even if you have not been notified, if you reasonably believe you are or should be subject to a Special Blackout Period, you must adhere to the following prohibition. If you are subject to a Special Blackout Period, you may not Transact in the Company's Securities until notified by the Compliance Officer that the Special Blackout Period has ended.

Any person made aware of a Special Blackout Period should not disclose the existence of the Special Blackout Period to anyone else. If you have questions about a Special Blackout Period, you should consult the Compliance Officer.

### 7.3 Preclearance of Transactions and 10b5-1 Plans; Related Procedures

7.3.1 Prior to Transacting in the Company's Securities, or entering into or modifying a 10b5-1 Plan for purposes thereof (collectively, "**Preclearance Events**"), each of the Company's directors and officers as defined by Rule 16a-1(f) under the Exchange Act ("**Section 16 Officers and Directors**"), and each of such person's family members and entities (to the extent they are also considered Covered Persons for purposes of this Policy) (each, a "**Preclearance Person**") must submit a request for preclearance to the Compliance Officer. If the Compliance Officer is a Preclearance Person, they must submit a preclearance request to the Audit Committee of the Board. The Preclearance Person who desires to Transact in a Preclearance Event must submit a certification that the Preclearance Person is not in possession of MNPI, in the form attached hereto as Exhibit A, at least two (2) days prior to any desired Preclearance Event. The Preclearance Person or other applicable Covered Person will be permitted to proceed only after having the request for preclearance approved by the Compliance Officer (or Audit Committee) in writing or via email in writing. For the avoidance of doubt, the preclearance procedures described in this Section 7.3.1 apply only to Preclearance Events and do not apply to Pledging Preclearance Events, which are subject to the separate procedures set forth in Section 7.3.2 below.

7.3.2 While the Company discourages Preclearance Persons from pledging (or hypothecating) the Company's Securities as collateral for a loan and from holding the Company's Securities in a margin account as collateral for a margin loan, Preclearance Persons may pledge, hypothecate, or hold the Company's Securities in a margin account as collateral for a margin loan (each, a "**Pledging Preclearance Event**"), if they receive approval for such Pledging Preclearance Event by the Pledging Compliance Officer in accordance with the terms of this Section 7.3.2. Any pledges or hypothecations of Company Securities made prior to the effective date of this Policy are not subject to the foregoing limitation or the preclearance requirements of this Section 7.3.2. Additionally, Preclearance Persons may hold Company Securities in a margin account without prior approval so

---

long as such the Company's Securities are not held in the margin account for purposes of providing collateral for a margin loan.

(a) The Preclearance Person who desires to Transact in a Pledging Preclearance Event must submit (i) at least two (2) days prior to any desired Pledging Preclearance Event a certification that the Preclearance Person is not in possession of MNPI, in the form attached hereto as Exhibit A, and (ii) a request for approval of such Pledging Preclearance Event to the Pledging Compliance Officer, at least two (2) weeks prior to the proposed execution of any such Transaction (the "**Pledge Notice Period**"). The Preclearance Person or other applicable Covered Person will be permitted to proceed with the Transaction only after having the request for preclearance approved in writing by the Pledging Compliance Officer.

(b) The Pledging Compliance Officer will consider whether the terms of that loan (and the associated pledge or hypothecation of shares) are sufficient to protect the Preclearance Person and the Company from a potential transfer by the pledgee at an inappropriate time, including consideration of the amount of shares proposed to be pledged and whether the terms of the loan include (i) a sufficient loan-to-value ratio, (ii) recollateralization provisions of the loan, (iii) limitations on pledging for speculative investments or hedging, (iv) adequate notice terms and cure periods to either avoid foreclosure or satisfy disclosure obligations, and (v) review of the proposed loan terms by the Company.

7.3.3 Covered Persons must also comply with SEC Rule 144, Section 16 of the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder (the "**Exchange Act**"), and all applicable reporting requirements. As such, in connection with the preclearance process for any Preclearance Event, Preclearance Persons should provide to the Compliance Officer an analysis of how the proposed Preclearance Event complies with SEC Rule 144 and does not result in short swing profits under Section 16 of the Exchange Act. 10b5-1 Plans for Preclearance Persons should also include a provision stating that the Preclearance Person will arrange for the electronic filing of any required Form 144 with the SEC via the EDGAR system and authorize the 10b5-1 Plan broker to notify the Company of all Transactions on the Preclearance Persons behalf to ensure a Form 4 is filed in the required two (2) business days.

7.3.4 If a Preclearance Event is pre-cleared in accordance with this Policy, a Preclearance Person or other applicable Covered Person will then have three (3) business days to effect the Preclearance Event. If a Pledging Preclearance Event is pre-cleared in accordance with this Policy, a Preclearance Person or other applicable Covered Person will then have the greater of (i) three (3) business days and (ii) the then-remaining portion of the Pledge Notice Period to effect the Pledging Preclearance Event.

---

However, if a Preclearance Person or other applicable Covered Person becomes aware of MNPI or becomes subject to a Blackout Period after receiving preclearance, but before the Preclearance Event or Pledging Preclearance Event has been effected, as applicable, that person must not proceed with such Preclearance Event or Pledging Preclearance Event.

- 7.3.5 Neither the Audit Committee nor the Compliance Officer is under any obligation to approve a request under the pre-clearance procedures provided for under this Policy and may determine to reject any request for any reason even if the proposed Preclearance Event or Pledging Preclearance Event would not violate applicable securities laws or a specific provision of this Policy. The Audit Committee or Compliance Officer, as applicable, or a designee thereof should consult others, as necessary, to gather information relevant to any request under this Section 7, and maintain written records of all such requests, including the certifications required by Sections 7.3.1 and 7.3.2, respectively, and the bases for approving such requests.
- 7.3.6 Approval of any request under these preclearance procedures does not insulate you from liability under applicable securities laws. The ultimate responsibility for determining whether an individual is in compliance with applicable securities law rests with that individual in all cases.

#### 7.4 Other Procedures

- 7.4.1 In communicating MNPI to Covered Persons, all Covered Persons must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information. This includes taking precautions to prevent unauthorized disclosure of MNPI about the Company in accordance with such other policies. Prohibitions and procedures relating to the internal and external dissemination of MNPI are addressed in the Company's Employee Handbook.
- 7.4.2 The Company shall provide annual training programs designed to promote compliance with insider trading laws and this Policy. Participation by Covered Persons (excluding family members and entities considered Covered Persons for purposes of this Policy) in such programs is mandatory.
- 7.4.3 As appropriate and directed by the Compliance Officer, Covered Persons will be required to complete and sign or confirm electronically an Insider Trading Policy Acknowledgement substantially in the Form of Acknowledgement attached hereto. Each such acknowledgement shall form a part of the certifying individual's permanent personnel file.

---

## 8. Exceptions

Transactions prohibited by Sections 4, 6, or 7 hereof may be exempted from the prohibitions set forth in this Policy if, prior to the Transaction, the Compliance Officer determines that the Transaction is not inconsistent with the purposes of this Policy and exceptional circumstances apply and communicate a specific, narrow, limited exception to you in writing.

The existence of a personal financial emergency does not excuse you from compliance with this Policy and will not be the basis for an exception to this Policy.

## 9. Planned Trading Programs

### 9.1 10b5-1 Plans

9.1.1 It is not a violation of this Policy to Transact in the Company's Securities while you are aware of any MNPI or during a Blackout Period if: (i) the Transactions are made pursuant to a written trading plan (a "**10b5-1 Plan**") that complies with the requirements of this Policy and Rule 10b5-1(c) (as such rule and regulations may be amended from time to time by the SEC, including any SEC Staff interpretations relating thereto) ("**Rule 10b5-1**") under the Exchange Act; (ii) the 10b5-1 Plan was not entered into while you were subject to a Blackout Period; (iii) the 10b5-1 Plan contains a representation certifying that, on the date of adoption of the 10b5-1 Plan, you (a) are not aware of MNPI about the Company or its Securities; and (b) adopted the 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5-1 under the Exchange Act; and (iv) if required by Section 9.1.2, the 10b5-1 Plan was pre-cleared in writing in advance by the Compliance Officer; provided, however, that any and all Transactions in the Company's Securities under a 10b5-1 Plan that satisfies the conditions in clauses (i) through (iv) shall not qualify for the foregoing exception if after you have entered into the 10b5-1 Plan the Compliance Officer determines that you have failed to act in good faith with respect to it, including with respect to modifications and terminations.

9.1.2 Preclearance Persons must submit a proposed 10b5-1 Plan and any modification of a 10b5-1 Plan, including termination of a 10b5-1 Plan other than pursuant to the existing terms of a 10b5-1 Plan, for preclearance in accordance with the provisions of Section 7.3 herein at least five (5) business days before the desired date of entry into or modification of such a plan.

9.2 To help demonstrate that a 10b5-1 Plan fully complies with Rule 10b5-1 and this Policy, the Company has adopted the requirements for such plans set forth in Appendix B to this Policy.

---

**10. Transactions by the Company**

The Company will not Transact in its own Securities, except in compliance with applicable securities laws.

**11. Inquiries**

Any questions about this Policy, its application to a proposed Transaction, or the requirements of applicable laws should be directed to the Compliance Officer at [alais@neptuneflood.com](mailto:alais@neptuneflood.com).

---

**NEPTUNE INSURANCE HOLDINGS INC.**

**INSIDER TRADING POLICY**

**FORM OF ACKNOWLEDGMENT**

I certify that I have read, understood, and agree to comply with and be subject to the terms of **Insider Trading Policy** (the “**Policy**”) of Neptune Insurance Holdings Inc. (the “**Company**”). I agree that I will be subject to sanctions imposed by the Company, in its discretion, for violation of the Policy, and that the Company may give stop-transfer and other instructions to the Company’s transfer agent against the transfer of Company Securities as necessary to ensure compliance with the Policy.

I acknowledge that one of the sanctions to which I may be subject as a result of violating the Policy is termination of my employment for cause, or if I am a director, requested resignation from, or no renomination to, the Board. Capitalized terms not defined herein shall have the meanings ascribed to them in the Policy.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

---

**Exhibit A**

**NEPTUNE INSURANCE HOLDINGS INC.**

**INSIDER TRADING POLICY**

**CERTIFICATION OF DIRECTORS AND OFFICERS**

Pursuant to the Company's **Insider Trading Policy** (the "**Policy**") and the requirements of applicable securities laws, I hereby certify that I am not aware of any MNPI concerning the Company. I further understand that I am not authorized to trade in any Company Securities in reliance on this certification until I receive written preclearance from the Compliance Officer, and that, even if I receive preclearance, I will not trade if I have MNPI or am subject to a Blackout Period at the time the trade is to be executed. Capitalized terms not defined herein shall have the meanings ascribed to them in the Policy. I consent to the public disclosure of required information in the Company's SEC filings regarding my 10b5-1 Plans.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

---

**Appendix A**

**NEPTUNE INSURANCE HOLDINGS INC.**

**EMPLOYEES SUBJECT TO THE QUARTERLY BLACKOUT PERIOD**

The following Restricted Persons are subject to the Quarterly Blackout Periods set forth in Section 7.1 of the Policy:

- Section 16 Officers and Directors
- Dave Abbate, Chief Accounting Officer
- Steve Aikens, Chief Marketing Officer
- Mike Dezube, Chief Data Science Officer
- Jean-Luc Eckstein, Chief Customer Officer
- Alais Griffin, General Counsel
- Brad Schulz, Chief Technology Officer & Chief Information Security Officer
- Tom Wexler, Chief Engineer

---

## **Appendix B**

### **NEPTUNE INSURANCE HOLDINGS INC.**

#### **10B5-1 PLAN GUIDELINES**

These 10b5-1 Plan Guidelines provide further requirements for entering into and operating a 10b5-1 Plan under the Company's Insider Trading Policy (the "**Policy**"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Policy.

#### **1. Good Faith**

You must act in good faith with respect to your 10b5-1 Plan under the Policy. Your failure to act in good faith with respect to a 10b5-1 Plan, including with respect to modifications and terminations, will cause the plan to no longer comply with Rule 10b5-1 and the Policy and potentially cause your prior Transactions in the Company's Securities thereunder to violate the Policy.

#### **2. Trades Outside of a 10b5-1 Plan**

Any Transaction outside of a 10b5-1 Plan may mitigate the benefits of the 10b5-1 Plan. Consequently, Covered Persons should generally not Transact in the Company's Securities (except as permitted by Section 4.3 of the Policy) outside of a 10b5-1 Plan while a 10b5-1 Plan is in effect.

#### **3. 10b5-1 Plan Adoption or Modification (including Termination); Good-Faith Considerations**

Section 9 of the Policy sets forth the requirements for entry into, or modification (including termination) of, a 10b5-1 Plan, including preclearance requirements, for Preclearance Persons. Any questions regarding proposed modifications to, or terminations other than pursuant to the existing terms of, a 10b5-1 Plan should be directed to the Compliance Officer.

While Rule 10b5-1 does not expressly forbid the early termination of a 10b5-1 Plan, the SEC has made clear that once a 10b5-1 Plan is terminated, the affirmative defense may not apply to any trades that were made pursuant to that plan if such termination calls into question whether the good-faith requirement was met or whether the plan was part of a plan or scheme to evade Rule 10b-5 under the Exchange Act. The risk associated with terminating a plan increases if the Covered Person promptly engages in market transactions or adopts a new 10b5-1 Plan. Such behavior could arouse suspicion that the Covered Person is modifying trading behavior in order to benefit from MNPI. Accordingly, Covered Persons are encouraged to not terminate 10b5-1 Plans except in unusual circumstances. For similar reasons, Covered Persons are encouraged to avoid frequent modifications of 10b5-1 Plans. Covered Persons are required to provide prompt notice of termination of any 10b5-1 Plan to the Compliance Officer. Furthermore, the Company recommends that Covered Persons refrain from engaging in new Transactions in the Company's Securities or entering into a new 10b5-1 Plan for sixty (60) days following a termination of a prior 10b5-1 Plan other than pursuant to the terms of such plan.

---

#### **4. Overlapping Plans**

Under Rule 10b5-1, Covered Persons may not have more than one (1) 10b5-1 Plan in operation at any given time, subject to certain limited exceptions. Consult with the Compliance Officer to discuss whether any of these exceptions may apply to your situation, particularly if you wish to enter into a new 10b5-1 Plan under which trades will commence shortly after an existing 10b5-1 Plan would terminate in accordance with its terms.

#### **5. Single-Trade Plans**

Covered Persons may not enter into a 10b5-1 Plan that is designed to Transact the total amount of the Company's Securities subject to the 10b5-1 Plan as a single transaction (a "**Single-Trade Plan**"), unless (i) the Covered Person has not, during the prior twelve (12)-month period, entered into another 10b5-1 Plan of the same design; and (ii) such other 10b5-1 Plan was eligible to receive the affirmative defense under Rule 10b5-1.

#### **6. Timing of First Trade (Cooling-Off Periods)**

10b5-1 Plans must be subject to a "cooling off" period pursuant to which no trading may commence after the 10b5-1 Plan is adopted until the expiration of the later of (i) ninety (90) days after the adoption of the 10b5-1 Plan; or (ii) two (2) business days following the filing of the Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted, not to exceed one hundred and twenty (120) days following adoption of the 10b5-1 Plan.

#### **7. Specific Trading Schedules**

- 7.1 The Company encourages trading schedules to provide for a pattern of regular trades occurring over time to minimize any inference that the Covered Person is not acting in good faith.
- 7.2 If the specified number of shares is not sold on a designated date for sale pursuant to a trading schedule, the unsold shares may be added to the order(s) for the following designated date of sale on a trading schedule; provided that the number of shares added to the subsequent date of sale on the trading schedule shall be limited to no more than the number of shares originally intended to be sold on the subsequent date of sale.

For example, if an individual has 5,000 aggregated, unsold shares under a 10b5-1 Plan but the trading schedule provides for only 1,000 shares to be sold per trading interval, the aggregation feature outlined in this section shall allow for trading of up to 2,000 shares in each trading interval thereafter until such time as the 5,000 aggregated, unsold shares under the 10b5-1 Plan have been sold.

#### **8. Plan Suspension & Termination**

10b5-1 Plans should include a provision that automatically suspends trading under the plan upon notice of suspension from the Company triggered by certain events. Events contemplated by such notice include underwritten public offerings by the Company and acquisition of the Company.

---

10b5-1 Plans should also include a provision automatically terminating the plan at some future date. In addition, any 10b5-1 Plan must provide for automatic termination in the event of death, a personal bankruptcy filing, the filing of a divorce petition, employment termination (in which case such automatic termination will occur at the beginning of the next open trading window), the last scheduled sale of shares, the public announcement of a merger, recapitalization, acquisition, tender or exchange offer, or other business combination or reorganization resulting in the exchange or conversion of the shares of the Company into shares of another company, or the conversion of the Company's Securities into rights to receive fixed amounts of cash or into debt securities and/or preferred stock (whether in whole or in part).

#### **9. Plan Brokers**

Unless otherwise approved by the Compliance Officer, all 10b5-1 Plans must be implemented through a broker included in a list approved by the Compliance Officer. The Compliance Officer may amend this list from time to time.

A Covered Person must not communicate any MNPI about the Company to the broker or attempt to influence how the broker exercises their discretion in any way.

---

**Summary report:**  
**Litera Compare for Word 11.10.1.2 Document comparison done on**  
**1/15/2026 2:13:53 PM**

<b>Style name:</b> Standard	
<b>Intelligent Table Comparison:</b> Active	
<b>Original filename:</b> Neptune - Insider Trading Policy v 2 (AG 1.13 clean).docx	
<b>Modified filename:</b> Neptune - Insider Trading Policy (OHS 1.15 clean).docx	
<b>Changes:</b>	
Add	29
Delete	45
Move From	3
Move To	3
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>80</b>

---



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-290613) of Neptune Insurance Holdings Inc. of our report dated February 25, 2026 relating to the financial statements, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
February 25, 2026





**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)  
OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Trevor Burgess, certify that:

1. I have reviewed this Annual Report on Form 10-K of Neptune Insurance Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. [Paragraph intentionally omitted pursuant to Exchange Act Rule 13a-14(a)];
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

**NEPTUNE INSURANCE HOLDINGS  
INC.**

By: /s/ Trevor Burgess  
Name: Trevor Burgess  
Title: Chief Executive Officer and Chairman  
of the Board of Directors  
*(Principal Executive Officer)*



Date: February 25, 2026

---



**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)  
OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jim Steiner, certify that:

1. I have reviewed this Annual Report on Form 10-K of Neptune Insurance Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. [Paragraph intentionally omitted pursuant to Exchange Act Rule 13a-14(a)];
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

**NEPTUNE INSURANCE HOLDINGS  
INC.**

By: /s/ Jim Steiner

Name: Jim Steiner

Title: Chief Financial Officer and Director  
*(Principal Financial Officer)*

Date: February 25, 2026









**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Neptune Insurance Holdings Inc. (the "Company") on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Trevor Burgess, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

**NEPTUNE INSURANCE HOLDINGS  
INC.**

By: /s/ Trevor Burgess  
Name: Trevor Burgess  
Title: Chief Executive Officer and Chairman  
of the Board of Directors  
*(Principal Executive Officer)*

Date: February 25, 2026

*The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.*





**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Neptune Insurance Holdings Inc. (the "Company") on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jim Steiner, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

**NEPTUNE INSURANCE HOLDINGS  
INC.**

By: /s/ Jim Steiner  
Name: Jim Steiner  
Title: Chief Financial Officer and Director  
*(Principal Financial Officer)*

Date: February 25, 2026

*The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.*





## NEPTUNE INSURANCE HOLDINGS INC.

### COMPENSATION RECOVERY POLICY

(Adopted and approved on September 19, 2025, and effective as of the Company's initial public offering)

#### 1. Purpose

Neptune Insurance Holdings Inc. (collectively with its subsidiaries, the "Company") is committed to promoting high standards of honest and ethical business conduct and compliance with applicable laws, rules, and regulations. As part of this commitment, the Company has adopted this Compensation Recovery Policy (this "Policy"). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder (the "Exchange Act") and explains when the Company will be required to seek recovery of Incentive Compensation awarded or paid to a Covered Person. Please refer to Exhibit A attached hereto for the definitions of capitalized terms used throughout this Policy.

#### 2. Restatements

In the event of a Restatement, the Company will seek to recover, reasonably promptly, all Recoverable Incentive Compensation from a Covered Person. Such recovery, in the case of a Restatement, will be made without regard to any individual knowledge or responsibility related to the Restatement or the Recoverable Incentive Compensation. Notwithstanding the foregoing, if the Company is required to undertake a Restatement, the Company will not be required to recover the Recoverable Incentive Compensation if the Compensation Committee determines it Impracticable to do so, after exercising a normal due process review of all the relevant facts and circumstances.

If such Recoverable Incentive Compensation was not awarded or paid on a formulaic basis, the Company will seek to recover the amount that the Compensation Committee determines in good faith should be recouped.

#### 3. Other Actions

The Compensation Committee may, subject to applicable law, seek recovery in the manner it chooses, including by seeking reimbursement from the Covered Person of all or part of the compensation awarded or paid, by electing to withhold unpaid compensation, by set-off, or by rescinding or canceling unvested stock.

In the reasonable exercise of its business judgment under this Policy, the Compensation Committee may, in its sole discretion, determine whether and to what extent additional action is appropriate to address the circumstances surrounding a Restatement to minimize the likelihood of any recurrence and to impose such other discipline as it deems appropriate.



4. No Indemnification or Reimbursement

Notwithstanding the terms of any other policy, program, agreement, or arrangement, in no event will the Company or any of its affiliates indemnify or reimburse a Covered Person for any loss under this Policy and in no event will the Company or any of its affiliates pay premiums on any insurance policy that would cover a Covered Person's potential obligations with respect to Recoverable Incentive Compensation under this Policy.

5. Administration of This Policy

The Compensation Committee will have full authority to administer this Policy. The Compensation Committee will, subject to the provisions of this Policy and Rule 10D-1 of the Exchange Act, and the Company's applicable exchange listing standards, make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary, appropriate, or advisable. All determinations and interpretations made by the Compensation Committee will be final, binding, and conclusive.

6. Other Claims and Rights

The remedies under this Policy are in addition to, and not in lieu of, any legal and equitable claims the Company or any of its affiliates may have or any actions that may be imposed by law enforcement agencies, regulators, administrative bodies, or other authorities. Further, the exercise by the Compensation Committee of any rights pursuant to this Policy will not impact any other rights that the Company or any of its affiliates may have with respect to any Covered Person subject to this Policy.

7. Acknowledgement by Covered Persons; Condition to Eligibility for Incentive Compensation

The Company will provide notice and seek acknowledgement of this Policy, in substantially the Form of Acknowledgement attached hereto, from each Covered Person, provided that the failure to provide such notice or obtain such acknowledgement will have no impact on the applicability or enforceability of this Policy. After the Effective Date, the Company must be in receipt of a Covered Person's acknowledgement as a condition to such Covered Person's eligibility to receive Incentive Compensation. All Incentive Compensation subject to this Policy will not be earned, even if already paid, until this Policy ceases to apply to such Incentive Compensation and any other vesting conditions applicable to such Incentive Compensation are satisfied.

8. Amendment; Termination

The Board or the Compensation Committee may amend or terminate this Policy at any time.

9. Effectiveness

Except as otherwise determined in writing by the Compensation Committee, this Policy will apply to any Incentive Compensation that is Received by a Covered Person on or after the Effective Date. This Policy will survive and continue notwithstanding any termination of a Covered Person's employment with the Company and its affiliates.

---

10. Successors

This Policy shall be binding and enforceable against all Covered Persons and their successors, beneficiaries, heirs, executors, administrators, or other legal representatives.

---

NEPTUNE INSURANCE HOLDINGS INC.

COMPENSATION RECOVERY POLICY

FORM OF ACKNOWLEDGMENT

I certify that I have read, understood, and agree to comply with and be subject to the terms of Neptune Insurance Holdings Inc.'s Compensation Recovery Policy (the "Policy"). I agree that I will be subject to sanctions imposed by the Company, in its discretion, for violation of the Policy, and that the Company may give stop-transfer and other instructions to the Company's transfer agent against the transfer of Company securities as necessary to ensure compliance with the Policy. I acknowledge that one of the sanctions to which I may be subject as a result of violating the Policy is termination of my employment for cause, and if I am also a director, requested resignation from, or no renomination to, the Board. Capitalized terms not defined herein shall have the meanings ascribed to them in the Policy.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

---

## Exhibit A

### NEPTUNE INSURANCE HOLDINGS INC.

### COMPENSATION RECOVERY POLICY

#### DEFINITIONS EXHIBIT

“Applicable Period” means the three completed fiscal years of the Company immediately preceding the earlier of (a) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes (or reasonably should have concluded) that a Restatement is required; or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement. The Applicable Period also includes any transition period (that results from a change in the Company’s fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence.

“Board” means the board of directors of the Company.

“Compensation Committee” means the Company’s committee of independent directors responsible for executive compensation decisions, or in the absence of such a committee, a majority of the independent directors serving on the Board.

“Covered Person” means any person who is, or was at any time, during the Applicable Period, an Executive Officer of the Company. For the avoidance of doubt, a Covered Person may include a former Executive Officer that left the Company, retired, or transitioned to an employee role (including after serving as an Executive Officer in an interim capacity) during the Applicable Period.

“Effective Date” means the date on which the registration statement covering the initial public offering of the shares of the Company’s common stock is declared effective by the U.S. Securities and Exchange Commission.

“Executive Officer” means the Company’s president, principal executive officer, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person (including an officer of the Company’s parent(s) or subsidiaries) who performs similar policy-making functions for the Company.

“Financial Reporting Measure” means a measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements (including, but not limited to, “non-GAAP” financial measures, such as those appearing in the Company’s earnings releases or Management Discussion and Analysis), and any measure that is derived wholly or in part from such measure. Stock price and total stockholder return (and any measures derived wholly or in part therefrom) shall be considered Financial Reporting Measures.

---

“Impracticable” The Compensation Committee may determine in good faith that recovery of Recoverable Incentive Compensation is “Impracticable” if: (a) pursuing such recovery would violate home country law of the jurisdiction of incorporation of the Company where that law was adopted prior to November 28, 2022 and the Company provides an opinion of home country counsel to that effect acceptable to the Company’s applicable listing exchange; (b) the direct expense paid to a third party to assist in enforcing this Policy would exceed the Recoverable Incentive Compensation and the Company has (1) made a reasonable attempt to recover such amounts and (2) provided documentation of such attempts to recover to the Company’s applicable listing exchange; or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended.

“Incentive Compensation” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive Compensation does not include any base salaries (except with respect to any salary increases earned wholly or in part based on the attainment of a Financial Reporting Measure performance goal); bonuses paid solely at the discretion of the Compensation Committee or Board that are not paid from a “bonus pool” that is determined by satisfying a Financial Reporting Measure performance goal; bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period; non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures; and equity awards that vest solely based on the passage of time and/or attaining one or more non-Financial Reporting Measures.

“Received” Incentive Compensation is deemed Received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

“Recoverable Incentive Compensation” means the amount of any Incentive Compensation (calculated on a pre-tax basis) Received by a Covered Person during the Applicable Period that is in excess of the amount that otherwise would have been Received if the calculation were based on the Restatement. For the avoidance of doubt, Recoverable Incentive Compensation does not include any Incentive Compensation Received by a person (a) before such person began service in a position or capacity meeting the definition of an Executive Officer, (b) who did not serve as an Executive Officer at any time during the performance period for that Incentive Compensation, or (c) during any period the Company did not have a class of its securities listed on a national securities exchange or a national securities association. For Incentive Compensation based on (or derived from) stock price or total stockholder return where the amount of Recoverable Incentive Compensation is not subject to mathematical recalculation directly from the information in the applicable Restatement, the amount will be determined by the Compensation Committee based on a reasonable estimate of the effect of the Restatement on the stock price or total stockholder return upon which the Incentive Compensation was Received (in which case, the Company will maintain documentation of such determination of that reasonable estimate and provide such documentation to the Company’s applicable listing exchange).

“Restatement” means an accounting restatement of any of the Company’s financial statements filed with the Securities and Exchange Commission under the Exchange Act, or the Securities Act



of 1933, as amended, due to the Company's material noncompliance with any financial reporting requirement under U.S. securities laws, regardless of whether the Company's or Covered Person's misconduct was the cause for such restatement. "Restatement" includes any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as "Big R" restatements), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as "little r" restatements).

---

