Registered number: 16121173

HAZEL RESIDENTIAL PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 5 DECEMBER 2024 (DATE OF INCORPORATION) TO 31 DECEMBER 2025

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COMPANY INFORMATION

Directors	Oskari Tammenmaa (appointed 5 December 2024) CSC Directors (No.1) Limited (appointed 5 December 2024) CSC Directors (No.2) Limited (appointed 5 December 2024)
Company secretary	CSC Corporate Services (UK) Limited
Registered number	16121173
Registered office	10th Floor 5 Churchill Place London E14 5HU United Kingdom
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT United Kingdom

Introduction

The Directors present the Strategic Report of Hazel Residential PLC (the "Company") for the period from 5 December 2024 (date of incorporation) to 31 December 2025.

Principal activities, business review and future developments

The Company, a public company with limited liability, was incorporated on 5 December 2024 in the United Kingdom and registered in England and Wales under the Companies Act 2006, to act as a special purpose vehicle to raise funding through the issuance of the notes and to apply the proceeds to acquire a portfolio of owner occupied and buy-to-let Mortgage Loans and their related security.

On 28 March 2025 (the "Closing Date") the Company, as part of a securitisation transaction, raised funding by the issue of £247,235,000 Class A Loan notes, £273,265,000 Class A notes, £19,010,000 Class B notes, £17,540,000 Class C notes, £13,160,000, Class D notes, £5,850,000 Class E notes, £5,850,000 Class F notes, £8,770,000 Class RFN notes and £2,920,000 Class Z notes due in December 2068 (the "Notes"). All Notes, excluding the Class A Loan notes, are listed on the London Stock Exchange with an optional redemption date on the interest payment date (“IPD”) falling in March 2028 (the “ORD”) and a final maturity date in December 2068. The Notes were issued at par and the total proceeds from the issuance of the Notes amounted to £593,600,000. In addition to the Notes, the Company also issued certificates (the “Residual Certificates”). The Residual Certificates represent the right to receive payments, on a pro rata and pari passu basis, from the residual funds in the priority of payments to the extent funds are available. The payments will only be made after the ORD as up to and including that date, excess available revenue receipts must first be credited to the Excess Cashflow Reserve Fund Ledger, which is used to cover any shortfall in amounts needed to pay interest on the Class RFN Notes and the Class Z Notes. The Notes and the Certificates are limited recourse obligations of the Company.

The Company applied the total proceeds from the issuance of the Notes to pay an initial consideration of £577,988,305 to acquire the beneficial title to a portfolio of owner-occupied and buy-to-let Mortgage Loans and their related security (the "Mortgage Loans") from Morgan Stanley Principal Funding Inc (the "Seller"). On the Closing Date, prior to the sale to the Company, the Seller acquired the Mortgage Loans from Santander UK Plc (the "Originator" or the "Servicer"). The Mortgage Loans were originated between 1999 and 2024 by the Originator (with the majority being well seasoned), and are secured by first-ranking charges over residential properties located in the United Kingdom. The remaining proceeds were applied to fund the premium of an interest rate swap in the amount of £5,235,000, to pay day-one expenses of £1,727,863, and to establish a liquidity reserve fund of £7,807,500 and a general reserve fund of £964,950 (together, the "Reserve Funds").

Following the issue of the Residual Certificates to the Seller on the Closing Date, the Seller transferred 95 per cent of the Residual Certificates to one or more third party investors. The directors concluded that the Seller substantially transferred all the risks and rewards of ownership of the Mortgage Loans as a result of the transaction. This is consistent with the fact that in the Seller's financial statements, the transfer of the ownership of the beneficial interest in the Mortgage Loans resulted in their derecognition. The directors of the Company have therefore concluded that it is appropriate to account for the beneficial interest acquired in the Mortgage Loans by recognising the Mortgage Loans on the Company's Statement of financial position. The day 1 value of the Mortgage Loans represented the initial consideration paid to the Seller to acquire the beneficial interest along with the fair value of the Residual Certificates at the Closing Date. Please refer to the table disclosed in Note 13 for further details on the Notes and the Residual Certificates.

The Company's functions and business activities are set out in the prospectus dated 28 March 2025 which also summarises the terms and conditions of the Notes and the legal agreements setting out the terms of the securitisation (the "transaction documents"). The Company's obligation to pay principal and interest on the Notes and amounts due on the Residual Certificates and its operating and administrative expenses will be met primarily from payments of principal and revenue received from the Mortgage Loans. The directors do not anticipate any changes to the present level of activity, or the nature of, the Company's business in the foreseeable future.

Streamlined energy and carbon reporting

The Company is out of scope for Streamlined Energy and Carbon Reporting ("SECR") as it does not meet the relevant numerical thresholds in relation to turnover and number of employees. The Company acknowledges recommendations provided by the Task Force on Climate-related Financial Disclosures ("TCFD"). However, as a special purpose vehicle with no physical presence or workforce, the Company has determined that TCFD disclosures (which are intended for companies with operational footprints) are not applicable at this time. The directors will continue to monitor any changes in the climate risk environment.

Key performance indicators

Given the nature of the Company's activities, the directors consider the performance of the Mortgage Loans and the related borrowing under the Notes to be the key performance indicator for the Company. The aggregate principal outstanding of the Mortgage Loans was £334,615,422 as at the period end with an impairment provision of £1,384,945 recognised against the gross carrying value of the Mortgage Loans. The principal repaid on the Mortgage Loans was used to redeem the Notes on each IPD. At the end of the period, the amortised cost of the Notes and Residual Certificates amounted to £357,662,364.

The directors monitor activities that could result in a trigger event. The main trigger events monitored are in relation to the payment of interest and principal to the senior note holders, as this could in turn lead to an event of default. Up to the date of signing, all the required interest and principal has been paid to the senior noteholders. The full details of the possible trigger events are contained within the transaction documents.

A change in the credit rating assigned to the Company's Notes is also considered to be an indicator of the performance of the Company. The credit ratings were first assigned at the time of issue and are then monitored and reviewed by the Credit Rating Agencies and reflect the likelihood of full and timely payment to the note holders of interest and principal when due. There have been no changes in rating from the Closing Date.

The class Z and RFN notes are unrated.

The directors monitor the quarterly arrears profile of the Mortgage Loans disclosed in the quarterly investor reports:

Delinquencies days	**Aug-25**	**Nov-25**	**Feb-26**
days	%	%	%
Current and up to 30 days	53.54	52.13	49.97
>30 <=60 days	34.77	35.16	36.61
>60<=90 days	2.33	2.51	2.46
>90	9.35	10.21	10.96
Total	**100.00**	**100.00**	**100.00**

	31 December 2025
Aggregate principal of Mortgage Loans in arrears (£)	115,471,754
Mortgage Loans with one to five months in arrears (£)	84,711,432
Mortgage Loans with six months or more in arrears (£)	30,760,322
Total number of Mortgage Loans in arrears	1,598

Key performance indicators (continued)

As of 31 December 2025 only 1 loan had been taken into repossession and sold.

Principal risks and uncertainties

The Company's activities expose it to a number of risks and uncertainties which are largely mitigated by the structure of the transaction and discussed in detail within the transaction documents. The key business risks affecting the Company and its management are set out in the Future developments and Financial instruments sections below.

Future developments

The key future developments which the directors expect to have the greatest impact on the Company, due to its impact on the performance of the Mortgage Loans (in particular, future cashflows, default rates and collateral values) relate to pressures resulting from uncertainty and changes in the macroeconomic environment.

The UK has faced significant economic uncertainty in recent years. As of May 2026, the Consumer Price Index (CPI) inflation rate, as reported by the Office for National Statistics (ONS), is 3.3%. Although it has reduced significantly since 2022 and 2023, it is still higher than the government's long-term target of 2.00%. To mitigate the risk of inflationary spikes, the Bank of England has implemented further cuts reducing its base rate to 3.75% as of May 2026.

Additionally, the increase in employers' National Insurance contributions from April 2025 has raised labour costs for businesses, potentially placing upward pressure on unemployment. At the same time, a higher-for-longer interest rate environment and ongoing cost pressures are constraining both business investment and consumer demand. Furthermore, the recent escalation in the Iran–Israel conflict, including the involvement of the US, has increased global geopolitical uncertainty. Heightened tensions in the Middle East, including disruption to key energy transit routes, have contributed to volatility in energy prices and financial markets. The evolving nature of the situation presents downside risks to global growth through potential supply chain disruption, inflationary pressures, and reduced investor confidence. While the extent and duration of the effect of this economic uncertainty remains unclear, there is a risk of financial instability for the Company; for example, a detrimental effect on the UK economy may ultimately impact the borrowers' ability to repay the Mortgage Loans , or on the Servicer's ability to continue to effectively service the Mortgage. However, as at the reporting date there has been no material impact from these macroeconomic factors on the Company's financial performance or cash flows.

The Company will continue to monitor the effect these macroeconomic factors have on borrowers' ability to service their Mortgage Loans and on UK property prices, and therefore the performance of the Company.

Financial instruments

The Company is mainly exposed to credit risk, liquidity risk, market risk and interest rate risk. The principal nature of such risks is summarised below.

The Company's operations are financed primarily by the means of the Issued Notes. The Servicer administers the Mortgage Loans under a servicer agreement with the Company. In administering the Mortgage Loans, the Servicer applies their own formal risk management and control procedures with respect to the day-to-day management of the Mortgage Loans.

Financial instruments (continued)

Credit risk

Credit risk reflects the risk that the underlying borrowers or other transaction parties will not meet their obligations as they fall due. The Company's business objective rests on the performance of the Mortgage Loans. The Company considered the Seller's assessment of the borrowers' expected ability to service the Mortgage Loans according to their contractual terms, deeming this to be a primary factor in assessing the credit risk of the Mortgage Loans and making the decision to lend at the inception of each Mortgage Loan. However, given the time which has elapsed since origination, the Directors consider the assessment of credit risk at origination to now be less important than the recent performance of the Mortgage Loans. Accordingly, the Directors monitor performance of the Mortgage Loans or any deviation from expected terms or missed payments.

Credit risk is minimised by the fact that the collateral underlying the Mortgage Loans is deemed to be good quality and provide a steady cash flow for the Company to discharge all expenses. Credit risk is monitored and managed on a regular basis through the review of publicly available quarterly investor reports (the "investor reports") prepared by the cash manager and monthly servicer reports (the "servicer reports") prepared by the Servicer. These are reviewed in detail by senior management of the relevant counterparties involved in preparation of these reports. The Company assesses the recoverability of its assets at each Balance Sheet date and makes an allowance for impairment losses.

At period end, the Company was party to an interest rate swap with Morgan Stanley & Co. International plc. The credit risk of the swap relates only to the cash flows exchanged by the counterparties. The swap counterparty is subject to a trigger event based on its rating per the transaction documents.

Liquidity risk

Liquidity risk is defined as the risk of being unable to fulfil current or future payment obligations in full on the due date. The objective of the Company’s liquidity management is to ensure the sufficient funds are available to meet the Company’s commitments. Liquidity risk is minimised by the fact that repayments are made on the Notes and Residual Certificates only to the extent that funds are available on the basis of limited recourse. The Company can also use the Reserve Funds to manage any remaining liquidity risk. The Reserve Funds include proceeds initially funded from the proceeds of the issuance of the Notes and thereafter available revenue receipts are applied to top up the Reserve Funds to the target (if required) in accordance with the terms of the priority of payments.

Market risk

The Company is exposed to market risk in the form of movements in the fair value of the interest rate swap which the Company has entered into.

Interest rate risk

Interest rate risk exists where interest rates on assets and liabilities are set on different bases or reset at different times. The net interest margin is dependant on the movements of interest rates and can create mismatches in cash flows (non-current assets or liabilities) or repricing dates (floating assets or liabilities). The Company is subject to the risk of a mismatch between the rate of interest (including margin) payable in respect of the Mortgage Loans and the rate of interest (including margin) payable in respect of the Notes. Some of the Mortgage Loans in the mortgage portfolio pay a rate of interest set by reference to the base rate from time to time of the Bank of England (the Bank of England Base Rate), while the Company's liabilities under the floating rate Notes are based on the compounded daily SONIA rate for the relevant period. In addition, subject to certain restrictions, standard variable rate Mortgage Loans in the mortgage portfolio pay or will pay a rate of interest that may be set by reference to a metric other than the Bank of England Base Rate.

Financial instruments (continued)

Interest rate risk (continued)

The Company has established the Reserve Funds to cover shortfalls in interest payments for the most senior classes of Notes, to the extent that interest income from the Mortgage Loans is insufficient, to cover the amount of interest owed to the senior noteholders. As a result, the Company uses derivative financial instruments to mitigate residual interest rate risk. At the year end the Company was party to interest rate swap to hedge against interest rate risk arising from the resetting of interest rates of assets and liabilities on different bases.

Currency risk

The Company is not exposed to currency risk as all its financial instruments are denominated in pound sterling (“GBP”).

Directors' statement of compliance with Section 172(1) of the Companies Act 2006

As an SPV, the governance structure of the Company is such that the key policies have been predetermined at the time of issuance. The Directors have had regards to the matters set out in section 172(1) of the Companies Act 2006 as follows:

a) the transaction documents have been formulated to achieve the Company’s purpose and business objectives, safeguard the assets and promote the success of the Company with a long term view and as disclosed in Note 1 in accordance with relevant securitisation legislation the Company is only permitted to retain minimal profit;

b) the Company has no employees;

c) Company is a securitisation vehicle and therefore key stakeholders are the noteholders and the certificate holders. The transaction documents determine the nature and quality of assets that can be securitised and how the cash flows from securitised assets are distributed. Relationships are also fostered with suppliers and others via professional third parties who have been assigned operational roles with their roles strictly governed by the transaction documents and fee arrangements agreed in advance.

d) The Company has no customers, other than the underlying borrowers;

e) as a securitisation vehicle the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment;

f) the Company maintains a reputation for high standards of business conduct via professional third parties who have been assigned operational roles. Fee arrangements have been agreed in advance and supplier invoices paid strictly in accordance with the transaction documents including a priority of payments, if applicable; and

g) the Company has a sole member with the issued shares all held on a discretionary trust basis for charitable purpose.

This report was approved by the board and signed on its behalf by:

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Oskari Tammenmaa
per pro CSC Directors (No.1) Limited
Director
Date: 29 June 2026

The Directors present their report and the audited financial statements of the Company for the period ended 31 December 2025.

Corporate governance

The Directors have been charged with governance in accordance with the underlying transaction documents describing the structure and operation of the transaction. The governance structure of the Company is such that the key activities have been predetermined and the operational roles have been assigned to third parties and are strictly governed by the corresponding transaction documents concerning those roles.

The transaction documents provide for procedures that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used in the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure, to achieve business objectives whilst enabling them to comply with all statutory obligations.

Due to the nature of the securities which have been issued, the Company is exempt from the disclosure requirements of the Financial Conduct Authority pertaining to the Disclosure and Transparency Rules (DTR) as detailed in DTR 7.1 audit committees and DTR 7.2 corporate governance statements (save for DTR 7.2.5 requiring a description of the features of the internal control and risk management systems), which would otherwise require the Company respectively, to have an audit committee in place and to include a corporate governance statement in the report of the directors. The directors are therefore satisfied that there is no requirement for an audit committee, or a supervisory body entrusted to carry out the functions of an audit committee. The directors have established processes regarding internal control and risk management systems to ensure their effective oversight of the financial reporting process.

Share capital

The issued share capital consists of 49,999 Ordinary Shares of £1 each of which 25% are partly paid and 1 Ordinary Share of £1 fully paid.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"), and applicable law).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Statement of Directors' responsibilities in respect of the financial statements (continued)

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

Results and dividends

The statement of comprehensive income of the Company is set out on page 18 and shows the profit after tax of £22,682 for the period. Under the terms of the securitisation the Company retains £250 (the "Issuer Profit") on each IPD which is credited to the retained profit ledger as described in the transaction documents. The Issuer profit for the period was £750, which forms part of the profit for the financial period. Up to the ORD, any residual funds in excess of this amount are credited to the Excess Cashflow Reserve Fund Ledger. After the ORD, any residual cash flows are paid to the Residual Certificate holders as deferred consideration. Therefore, whilst over the life of the transaction the profit or loss shown in the statement of comprehensive income in any accounting period may differ from this amount, due to timing differences and non-cash accounting adjustments, such as the effective interest rate, the movement in the fair value of the interest rate swap and movements in the impairment provision, such profits or losses are expected to reverse over the life of the transaction, leaving the Company ultimately with retained earnings equal to the aggregate Issuer profit accruing over the life of the transaction.

The Directors do not recommend the payment of a dividend for the period ended 31 December 2025.

Directors

The Directors of the Company who were in office during the period and up to the date of signing the financial statements were:

Oskari Tammenmaa (appointed 5 December 2024)
CSC Directors (No.1) Limited (appointed 5 December 2024)
CSC Directors (No.2) Limited (appointed 5 December 2024)

CSC Corporate Services (UK) Limited was appointed Company secretary 05 December 2024 and continued to act as secretary for the period ending 31 December 2025. The Directors and their immediate relatives did not hold a beneficial interest in the ordinary share capital of the Company.

Directors' interest in contracts

The Company has no employees and services required are contracted from third parties. The directors received no remuneration from the Company in respect of qualifying services rendered during the period.

During the period, fees of £38,812 was charged by CSC Capital Markets UK Limited in respect of corporate services provided to the Company, including the provision of directors, of which none were accrued at year end.

Going concern

In order to form a view as to the most appropriate basis of preparation of these financial statements, the Directors have assessed the likelihood of whether the Company will continue trading over the foreseeable future versus the likelihood of either intending to or being forced to either cease trading or to place the Company into liquidation.

Going concern (continued)

The ability of the Company to meet its obligations on the Notes and to meet its operating and administrative expenses is dependent principally on the performance of the Mortgage Loans. The Notes are a limited recourse obligation of the Company, secured over the Mortgage Loans, and the Company's ability to pay amounts due on the Notes - being principal, fixed coupon and variable return - are, in substance, limited to the application of the receipts from the Mortgage Loans under the terms of the priority of payments as set out in the transaction documents. The Reserve Funds are also available to make interest payments to senior noteholders if interest arrears would otherwise occur.

The Directors have performed an assessment of going concern. In terms of the going concern, the focus was on the Company's position in respect of the potential for reduced cash flows to trigger an event of default, amounts that may be deferred per the transaction documents, and the operational resilience of the Company.

The Directors have concluded that should there be an economic event resulting in a significant decrease in the revenue receipts from the portfolio of Mortgage Loans, the credit enhancement provided to the Company is sufficient to cover the fixed coupon interest due on the Notes and the expense obligations of the Company for a period in excess of 12 months following the date of approval of the Annual Report and Financial Statements.

The Directors are satisfied that the Company will continue to be able to meet its liabilities as they fall due. For this reason the Directors have adopted the going concern basis in preparing the financial statements.

Financial risk management

Information on financial risk management is included in the financial instruments section of the Strategic Report.

Charitable and political donations

During the period the Company made no donations to charities.

Third party indemnities

Qualifying third party indemnity provisions for the benefit of the Directors were in force during the period under review and remain in force as at the date of approval of the financial statements.

Future developments

Information on future developments is included in the principal activities, business review and future developments section of the Strategic Report.

Directors' confirmations

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

- the Director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Subsequent events

There have been no significant events affecting the Company since year end.

Independent auditors

The auditor, PricewaterhouseCoopers LLP, was appointed as the first auditor of the Company during the period under review and are to remain in office until the concluding of the Company's first annual general meeting. Having expressed their willingness to continue in office and pursuant to section 489 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP will be proposed at the forthcoming annual general meeting.

This report was approved by the board and signed on its behalf:

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Oskari Tammenmaa
per pro CSC Directors (No.1) Limited
Director
Date: 29 June 2026

Independent auditors’ report to the members of Hazel Residential PLC

Report on the audit of the financial statements

Opinion

In our opinion, Hazel Residential PLC’s financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 December 2025 and of its profit and cash flows for the period from 5 December 2024 to 31 December 2025;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the “Annual Report”), which comprise:

- the Balance Sheet as at 31 December 2025;
- the Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity for the period then ended;
- the Statement of Cash Flow for the period then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC’s Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

Our audit approach

Context

The Company is a special purpose entity ("SPE") that forms part of a securitisation structure, established for the purpose of acquiring mortgage loans (the "Mortgage Loans") via the issuance of residential mortgage-backed notes (the "Notes") and certificates (the "Residual Certificates"). The Notes issued by the Company are listed on the London

Stock Exchange and the Residual Certificates are not listed. The activities of the Company are conducted primarily by reference to a series of transaction documents (the "transaction documents").

Overview

Audit scope

- The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment and other qualitative factors.
- We tailored the scope of our audit to ensure that we performed sufficient work to enable us to opine on the financial statements.
- We identified all material classes of transactions, account balances and disclosures, including those that were considered qualitatively material, and conducted our work over those accordingly.

Key audit matters

- Impairment of the Mortgage Loans
- Errors in accounting due to a lack of understanding of the transaction
- Errors in the priority of payments (the "Waterfall") due to lack of understanding of the transaction

Materiality

- Overall materiality: £3,590,233 based on 1% of total assets.
- Performance materiality: £1,795,117.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

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

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Impairment of the Mortgage Loans The risk of a material misstatement in the Mortgage Loans impairment provision is a significant risk because of the judgement involved in determining the definition of a loss event and the subjectivity involved in estimating the recoverable amount if the property is repossessed. We note that as the Company reports under UK GAAP (FRS102 with IAS 39), provisioning is on an incurred loss basis. This means that as the portfolio reduces there is an increased risk of latent credit risk building up, which only ultimately occurs in the event of a future economic event (e.g. increases in base rate,	In response to this key audit matter we: • Understood and evaluated the design and implementation of relevant controls; • Tested the reasonableness of key assumptions and judgements used in the impairment modelling and provisioning applied by management by reference to the portfolio and independently sourced data; • Tested the mathematical accuracy of the model used to calculate the impairment provision;

reduction in house prices, increase in unemployment) or at the expected maturity date of the loan (e.g. if there is no repayment plan for an interest only loan). As such, consideration of loss events that have occurred but not yet been reported is important, along with the recoverable amount of the collateral. As referenced in Note 2, there is significant judgement involved in management's determination of the necessity for, and quantum of, any impairment provision against the Loans. Related disclosures in the Financial Statements: Note 2. Accounting Policies - Critical accounting judgements and estimates Note 9. Mortgage Loans Note 17: Financial instruments - Credit risk	• Re-performed the arrears categorisation and, for a sample of mortgage loans, tested the cash collections in order to provide evidence relating to the completeness of the population classified as impaired; • For a sample of the Mortgage Loans, tested the existence of a legal charge, over the collateral properties; • Critically assessed the reasonableness of management's point estimate, based on our analysis of the Mortgage loans and their performance post year end; • Assessed the appropriateness of the disclosures in the financial statements in accordance with FRS 102.
Errors in accounting due to a lack of understanding of the transaction As this was the first period for which financial statements were prepared for the Company, there is a risk that due to unfamiliarity and complexity of the transaction, the accounting may not fully reflect all aspects of the underlying transaction. The directors have concluded that the Seller achieved derecognition on the sale of the Loans to the Company as a result of the sale of the Residual Certificates to a third party and have therefore recognised the Loans on the Company's Balance sheet. The Mortgage Loans, Notes and Certificates are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method and will be reduced by any payments or effective interest rate adjustments occurring during the period. Related disclosures in the Financial Statements: Note 2. Accounting Policies - Critical accounting judgements and estimates Note 9. Mortgage Loans Note 13. Creditors	In response to this key audit matter, we: • Reviewed the terms of the securitisation in order to ensure that the director's conclusions regarding the accounting for the Company's purchase of a beneficial interest in the Mortgage Loans is consistent with the requirements of IAS 39; • Tested the calculations and reconciliations of underlying the fair values of the Mortgage Loans, Notes and Residual Certificates at initial recognition and subsequent measurement at amortised cost; • Assessed the appropriateness of the disclosures in the financial statements in accordance with FRS 102.
Errors in the priority of payments (the "Waterfall") due to lack of understanding of the transaction As a SPE, the Company is required on each Interest Payment Date ("IPD") to pay out receipts on the Loans in accordance with a priority of payments, set out in the transaction documents. This ensures that creditors, including noteholders, receive payments in accordance with their seniority in the priority of payments. The correct sequencing of payments at each IPD, as well as the appropriate use of cash flows to fund the reserves, is therefore important, given the limited recourse nature of the Notes. As this was the first period of Waterfall preparation, there is a heightened risk that payments have not been made in line with those prescribed by the transaction documents. Related disclosures in the Financial Statements:	In response to this key audit matter, we have: • Agreed that the Waterfalls prepared during the period were consistent with the priority of payments set out in the transaction documents; • For a sample of Waterfalls prepared during the period, compared the available amounts for distribution to the amount received in respect of the Mortgage Loan and verify the split of interest and principal received; and • Verified the payments made to the bank statements of the Company.

Note 3. Interest receivable and similar income Note 4. Interest payable and similar expenses Note 9. Loans Note 12 and Note 13. Creditors	

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Company's financial statements.

Materiality

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

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£3,590,233.
How we determined it	1% of total assets
Rationale for benchmark applied	The Company is a not for profit entity, whose main priority is to remit the cash received in respect of its assets so as to repay its liabilities.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 50% of overall materiality, amounting to £1,795,117 for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the lower end of our normal range was appropriate.

We agreed with the directors that we would report to them misstatements identified during our audit above £179,512 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- Reviewing the directors' going concern assessment. This sets out why the directors believe that the Company will continue in operational existence for the foreseeable future and why they anticipate that the Company will have adequate funds available to meet its obligation as they fall due;
- Performing an assessment to identify factors that could impact the going concern basis of accounting, including the key terms of the transaction as set out in the transaction documents, such as what constitutes an event of default;
- Inspecting the transaction documents to agree that the Notes are limited recourse instruments and that certain expenses can be deferred if there are insufficient funds; and
- Assessing the appropriateness of the disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to any breach of the listing requirements of the London Stock Exchange under which the offering circular was issued on 24 March 2025 or of the transaction documents, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Making inquiries with those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Testing of the reconciliation of the financial statements to the period end servicer's reports and to the bank statements of the Company;
- Considering the reasonableness of key judgements and assumptions used by the management in developing accounting estimates, including a critical assessment of the presence of management bias; and
- Testing journals using a risk-based approach.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the Company for the financial year ended 31 December 2025. Our uninterrupted engagement covers 1 financial year.

Andrew Batty (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 June 2026

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2025

	Notes	For the period from 5 December 2024 to 31 December 2025
		£
Interest receivable and similar income	3	28,505,959
Interest payable and similar expenses	4	(20,398,355)
Net interest income		8,107,604
Movement in fair value of the Derivatives	14	(3,974,133)
Impairment charge	9	(1,384,945)
Operating expenses	6	(2,725,656)
Profit before taxation		**22,870**
Taxation	8	(188)
Profit for the financial period		**22,682**
Other comprehensive income for the period		—
Total comprehensive income for the period		**22,682**

All the amounts relate to continuing activities.

The accompanying notes 1 to 22 form an integral part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2025
Registered number 16121173

	Notes	As at 31 Dec 2025
		£
Fixed assets		
Mortgage Loans	9	173,771,625
		173,771,625
Current assets		
Mortgage Loans	9	155,061,967
Cash at bank and in hand (restricted)	10	27,622,535
Debtors	11	1,306,262
Derivatives	14	1,260,867
		185,251,631
Creditors: amounts falling due within one year	12	(156,387,676)
Net current liabilities		**28,863,955**
Total assets less current liabilities		**202,635,580**
Creditors: amounts falling due after more than one year	13	(202,600,397)
Net assets		**35,183**
Capital and reserves		
Called up share capital	15	12,501
Profit and loss account		22,682
Total shareholder's funds		**35,183**

The accompanying notes 1 to 22 form an integral part of the financial statements.

The financial statements on pages 18 to 38 were approved and authorised for issue by the Board on 29 June 2026 and were signed on its behalf:

....

Oskari Tammenmaa
per pro CSC Directors (No.1) Limited
Director
Date: 29 June 2026

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2025

	Called-up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 5 December 2024 (date of incorporation)	—	—	—
Shares issued during the period	12,501	—	12,501
Total comprehensive income for the period	—	22,682	22,682
At 31 December 2025	**12,501**	**22,682**	**35,183**

The accompanying notes 1 to 22 form an integral part of the financial statements.

HAZEL RESIDENTIAL PLC

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2025

	Note	For the period ended 31 December 2025 £
Cash flows from operating activities		
Net cash outflow from operating activities	**18**	(1,575,509)
Tax paid		—
		(1,575,509)
Cash flows from investing activities		
Acquisition of the Mortgages Loans		(577,988,305)
Principal repayments on Mortgage Loans	**9**	251,524,360
Protective advances	**9**	(841,748)
Interest income received on Loans		20,371,659
Interest received on bank balance		2,182,761
Net cash used in investing activities		(304,751,273)
Cash flows from financing activities		
Proceeds from issuance of Notes	**13**	593,600,000
Payment on inception of interest rate swap	**14**	(5,235,000)
Redemption of notes	**13**	(236,994,879)
Interest paid on Notes		(20,060,638)
Interest received on swap	**3**	2,639,834
Net cash generated from financing activities		333,949,317
Increase in cash at bank and in hand		27,622,535
Cash at bank and in hand at the start of the period		—
Cash at bank and in hand at the end of the period		27,622,535

The accompanying notes 1 to 22 form an integral part of the financial statements.

1. General information

Hazel Residential PLC was incorporated on 5 December 2024 in the United Kingdom and registered in England and Wales under the Companies Act 2006, as a public Company limited by shares. The address of its registered office is 10th Floor, 5 Churchill Place, London, United Kingdom, E14 5HU.

The Company, a public company with limited liability, was incorporated on 5 December 2024 in the United Kingdom and registered in England and Wales under the Companies Act 2006, to act as a special purpose vehicle to raise funding through the issuance of the notes and to apply the proceeds to acquire a portfolio of owner occupied and buy-to-let Mortgage Loans and their related security. Further information is included in the "Principal activities, business review and future developments " section of the Strategic report.

2. Accounting Policies

2.1. Statement of Compliance

The Company has adopted and is in compliance with United Kingdom Accounting Standards, Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (the "FRS 102") and the Companies Act 2006.

2.2. Adjusting the Statement of Comprehensive Income

The Directors have adjusted the format of the statement of comprehensive income as allowed under the Companies Act 2006. This adjustment takes into account the opinion of the directors that net interest income constitutes a more appropriate reflection of the Company’s activities than turnover and cost of sale in the statement of comprehensive income.

2.3. Basis of preparation

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. As permitted by Section 11 of FRS 102, the provisions of IAS 39 have been applied consistently with respect to the recognition and measurement of financial instruments. The significant accounting policies which have been applied consistently throughout the period to the Company's financial statements are set out below. The presentational currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

2.4. Going concern

In order to form a view as to the most appropriate basis of preparation of these financial statements, the Directors have assessed the likelihood of whether the Company will continue trading over the foreseeable future versus the likelihood of either intending to or being forced to either cease trading or to place the Company into liquidation.

The ability of the Company to meet its obligations on the Notes and to meet its operating and administrative expenses is dependent principally on the performance of the Mortgage Loans. The Notes are a limited recourse obligation of the Company, secured over the Mortgage Loans, and the Company’s ability to pay amounts due on the Notes - being principal, fixed coupon and variable return - are, in substance, limited to the application of the receipts from the Mortgage Loans under the terms of the priority of payments as set out in the transaction documents. The Reserve Funds are also available to make interest payments to senior noteholders if interest arrears would otherwise occur.

2. Accounting Policies (continued)

2.4. Going concern (continued)

The Directors have performed an assessment of going concern. In terms of the going concern, the focus was on the Company's position in respect of the potential for reduced cash flows to trigger an event of default, amounts that may be deferred per the transaction documents, and the operational resilience of the Company.

The Directors have concluded that should there be an economic event resulting in a significant decrease in the revenue receipts from the portfolio of Mortgage Loans, the credit enhancement provided to the Company is sufficient to cover the fixed coupon interest due on the Notes and the expense obligations of the Company for a period in excess of 12 months following the date of approval of the Annual Report and financial statements.

The Directors are satisfied that the Company will continue to be able to meet its liabilities as they fall due. For this reason the Directors have adopted the going concern basis in preparing the financial statements.

2.5. Interest receivable and similar income and interest payable and similar charges

Interest income on financial assets that are classified as Mortgage Loans and receivables and interest expense on financial liabilities measured at amortised cost is determined using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liabilities and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount. When calculating the effective interest rate, the Company estimates cashflows considering all contractual terms of the financial instrument but does not consider future credit losses.

2.6. Segmental analysis

The whole Company's operations are carried out in the United Kingdom and the results and net assets are derived from its acquisition of the Mortgage Loans and therefore the directors only report one business and one geographic segment.

2. Accounting Policies (continued)

2.7. Financial instruments

Mortgage Loans

The Mortgage Loans are non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market. They are classified under IAS 39 as Mortgage Loans and receivables. The Mortgage Loans and related transaction cost are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. The initial fair value of the Mortgage Loans is based on the initial consideration paid and the directors' assessment of the expected deferred consideration to be paid to the Residual Certificates holders. The discount inherent in the acquisition price of the Mortgage Loans is accreted as a part of the effective interest rate over the expected life of the transaction, being the period up to the ORD.

Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the assets are impaired. Impairment on the Mortgage Loans is discussed under the Impairment section of the accounting policies.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes

The Notes are classified as other financial liabilities and are initially recognised at fair value at the date of issuance of the liability and are subsequently measured at amortised cost using the effective interest rate method. The cost associated with the issuance of the Notes is accreted over the expected life of the structure as part of the effective interest rate. The holder of the majority of the Residual Certificates has the option to purchase the Mortgage Loans on or after the optional redemption date in March 2028 which would result in the early redemption of the Notes.

If the option is not exercised the margins over the reference rate on the Notes will be increased. As such the payments on Notes are impacted due to the option and increase in the margin. Whilst these features of the Notes are considered to represent embedded derivatives, the economic characteristics and risks of such features are closely related to the economic characteristics and risks of the Notes. As such these embedded derivatives are not required to be separated and accounted for as a derivative.

The Notes are limited recourse liabilities of the Company. Payments due on each IPD are dependent on the Company's receipt of payments from the underlying Mortgage Loans. However, the Company's legal obligation to repay the principal and interest on the Notes remains in place until the final maturity date, irrespective of the actual performance of the Mortgage Loans. Consequently, in calculating the amortised cost of the Notes, the Company does not take into account any anticipated future credit gains or potential write-offs related to the Notes.

2. Accounting Policies (continued)

2.7. Financial instruments (continued)

Impairment of Mortgage Loans

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. These indicators primarily relate to arrears in scheduled payments past due by more than 30 days. If there is objective evidence that an impairment loss on a financial asset classified as Mortgage Loans and receivable has been incurred, the Company measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset.

Impairment losses are recognised in the Statement of comprehensive income and the carrying amount of the financial asset reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance. Once an impairment loss has been recognised on a financial asset, interest income is recognised on the carrying amount using the rate of interest at which estimated future cash flows were discounted on measuring impairment. The key assumptions for recoverability relate to estimates of the probability of any account going into default, cash flows from borrowers' accounts, their timing and expected proceeds from the sale of repossessed collateral.

These key assumptions are based on observed data from historical patterns and are updated as new data becomes available from the Servicer.

Derivative financial instruments

The derivative instrument utilised by the Company is an interest rate swap. Such instruments are used for economic hedging purposes to alter the risk profile of an existing underlying exposure of the Company in line with its risk management policy. Derivative financial instruments are classified as held for trading and recorded at fair value, with any gain or loss on re-measurement being recognised in the statement of comprehensive income. The Company does not enter into speculative derivative contracts. The Company does not apply hedge accounting. The fair value of the interest rate swap is the estimate amount that the Company would receive or pay to terminate the instrument at the reporting date and is calculated by discounting future cash flows using observable market data at the date. The fair value of the derivative financial instruments is derived from counterparty valuations.

2.8. Taxation

The Directors are satisfied that the Company meets the definition of a "securitisation company" under the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) and that no incremental unfunded tax liabilities will arise. As a result, no deferred tax is recognised.

Under the powers conferred by the Act, secondary legislation was enacted in 2006 which ensures that, subject to certain conditions being met and an election being made, for periods commencing on or after 1 January 2007, corporation tax for a 'securitisation company' will be calculated by reference to the profit of the securitisation company required to be retained in accordance with the relevant capital market arrangement.

2. Accounting Policies (continued)

2.9. Residual Certificates

The Company issued the Residual Certificates to the Seller as part of the consideration for the purchase of the Mortgage Loans, in accordance with the Mortgage Purchase Agreement. The Residual Certificates were subsequently transferred to a third party, following which they were classified as other financial liabilities and are initially recognised at fair value at the date of issuance of the liability. The expected obligation on the Residual Certificates to pay deferred consideration is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

The amortised cost of the Residual Certificates is calculated using a discounted cash flow model whereby the expected cash outflows are discounted at the original effective interest rate. The assumptions used in this model were the constant default rate, constant pre-payment rate, the average interest rate and the expected life of the Mortgage Loans. Any remeasurement gains or losses arising as a result of a change in future cash flows are recorded as effective interest rate adjustments in the Statement of Comprehensive Income.

The Residual Certificates represent the right to receive payments on a quarterly basis from the residual funds in the priority of payments. The payments on the Residual Certificates are impacted by the change in the spread, prepayments and extent of credit losses. Whilst these features of the Residual Certificates are considered to represent embedded derivatives, the economic characteristics and risks of features are closely related to the economic characteristics and risks of Mortgage Loans. As such these embedded derivatives are not required to be separated and accounted for as a separate derivative.

2.10. Cash at Bank and in hand (restricted)

Cash at bank and in hand comprise cash balances recorded in the Statement of financial position. All withdrawals from the Company's bank accounts are governed by the detailed priority of payments set out in the underlying transaction documentation and as such are considered restricted.

2.11. Critical accounting judgements and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The judgments and estimates involved in the Company's accounting policies that are considered by the directors to be the most important to the portrayal of the Company's financial condition and that have a significant effect on the amounts recognised in the financial statements, are discussed below:

2. Accounting Policies (continued)

Critical Judgements (continued)

Recognition of the Mortgage Loans

On Closing Date, the Company acquired a portfolio of Mortgage Loans from the Seller. There is judgement involved in determining whether or not the transfer of the beneficial interest in the Mortgage Loans from the Seller to the Company resulted in the Seller transferring substantially all the risks and rewards associated with the Mortgage Loans to the Company. The judgement is considered a critical judgment as it impacts whether the transfer of the Mortgage Loans qualified for derecognition from the perspective of the Seller, thereby enabling the Company to recognise the Mortgage Loans as its own assets or whether the Company should instead derecognise the cash and other consideration paid and recognise a receivable from the Seller. The directors have concluded that, following the transfer of the Residual Certificates to a third party, the Seller qualified to derecognise the Mortgage Loans and therefore that it is appropriate to recognise the Mortgage Loans on the Company's Statement of financial position.

Critical Estimates

Impairment losses on the Mortgage Loans

The level of potential credit losses on the Mortgage Loans is uncertain and could depend on a number of micro and macroeconomic factors that may affect repayment conditions and the value of the underlying collateral. The Company estimates the expected cash flows from borrowers after taking account of expected proceeds from realisable security less estimated forced sale discount. The Company assesses impairment provisions based on historical and incurred loss experience and will calculate and recognise impairment when there is objective evidence of an impairment event having occurred, for example a missed repayment, in line with the stated accounting policy on Impairment. The Mortgage Loans are considered in default when the borrower has missed the equivalent of more than three full payments.

The fair value of collateral is derived using the original valuation on the completion of the Mortgage Loans adjusted for indexation, along with the use of a haircut of 30% (+9.69% for flats/apartments) as a Forced Sale Discount. This adjusted collateral value is capped at the current balance of the Mortgage Loans if it is higher. Management has performed sensitivity analysis on the key inputs and assumptions used in the impairment assessment. The results of such sensitivities are as follows:

Sensitivity	Impact on Impairment
5% increase in the indexed valuations	Decrease by £427,003
5% decrease in the indexed valuations	Increase by £589,668
5% increase in the FSD	Increase by £1,707,285
5% decrease in the FSD	Decrease by £218,849

3. Interest receivable and similar income

	For the period ended 31 December 2025 £
Interest income from Mortgage Loans	21,909,762
Interest income on bank account	2,407,109
Net interest rate swap income	2,639,834
Accretion of discount on Mortgage Loans	1,549,254
	28,505,959

4. Interest payable and similar expenses

	For the period ended 31 December 2025 £
Interest expense on Notes	20,236,012
Remeasurement adjustment on Certificates	162,343
	20,398,355

5. Profit before taxation

	For the period ended 31 December 2025 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements (excluding VAT)	80,000
VAT @ 20%	16,000
	96,000

No non-audit services were provided by PricewaterhouseCoopers LLP during the period.

The directors have agreed with the Company's auditors that the auditor's liability to damages for breach of duty in relation to the audit of the Company's financial statements for the year to 2025 should be limited to the greater of £5,000,000 or five times the auditor's fees, and that in any event the auditor's liability for damages should be limited to that part of any loss suffered by the Company as is just and equitable having regard to the extent to which the auditor, the Company and any third parties are responsible for the loss in question. The shareholders approve this limited liability agreement, as required by the Companies Act 2006, by a resolution dated 27 May 2026.

6. Operating expenses

	For the period ended 31 December 2025 £
Servicer and special servicer fee	830,147
Other fees	638,913
Legal fees	1,121,784
Corporate service fees	38,812
Audit fees	96,000
	2,725,656

7. Directors and Employees

The Company has no employees and services required are contracted from third parties. The directors received no remuneration from the Company in respect of qualifying services rendered during the current period. During the period, fees of £38,812 were paid to CSC Capital Markets UK Limited for the provision of corporate administration to the Company, which included the provision of the directors to the Company.

8. Taxation

	For the period ended 31 December 2025 £
a) The Company tax charge in the period	
UK corporation tax charge on the profit for the period at an effective rate of 25%	188
Total current tax	188

b) Factors affecting the company tax charge for the period

	For the period ended 31 December 2025 £
Profit before taxation	22,870
UK corporation tax charge on the profit for the period at 25%	5,718
Effects of:	
Accounting profit not taxed in accordance with SI 2006/3296	(5,718)
Cash profit taxed in accordance with SI 2006/3296	188
Total tax charge for the period	**188**

For UK corporation tax purposes, the Company has been considered as a Securitisation Company under the ‘Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)’. Therefore, the Company is not required to pay corporation tax on its accounting profit or loss. Instead, the Company is required to pay tax on its retained profits as specified in the documentation governing the transaction. In accordance with the prospectus, the Company is expected to retain an amount of £250 per IPD.

As announced in the March 2023 Budget, the UK’s corporation tax was increased to 25% from 1 April 2023 for taxable profits of £250,000 and over. The small profits rate of 19% is chargeable if a company’s taxable profits fall below £50,000 per annum (with marginal relief available where the profits are between these amounts). The small profits rate and marginal relief is not available for Close Investment Holding Companies (CIHC). In the interest of prudence, the Company (defined as a securitisation company) closely resembles a CIHC and will therefore be subject to the main 25% rate of corporation tax.

9. Mortgage Loans

The Mortgage Loans are secured by first charges over residential properties in England, Wales and Scotland.

	As at 31 Dec 2025
	£
Opening balance	—
Mortgage Loans - Principal Acquired	584,829,344
Discount on acquisition	(5,946,139)
Day one book value of the Mortgage Loans acquired	578,883,205
Redemptions of the Mortgage Loans	(251,524,360)
Protective advances	841,748
Capitalised interest	468,690
Accretion of discount on Mortgage Loans	1,549,254
	330,218,537
Opening impairment	—
Charge for the period	(1,384,945)
Closing impairment	(1,384,945)
Closing book value as at 31 December 2025	**328,833,592**

	31-Dec-25
The expected maturity profile of the Loans was as follows:	**£**
Amounts due within one year	155,061,967
Amounts due after more than one year	173,771,625
	328,833,592

10. Cash at bank and in hand (Restricted)

	31-Dec-2025
	£
Cash at bank and in hand (Restricted)	27,622,535
	27,622,535

The cash at bank is held with Santander UK PLC. Santander UK PLC has been rated Aa3 by Moody's. All withdrawals from the Company's bank accounts are governed by the detailed Priority of Payments set out in the underlying transaction documents and as such are considered restricted.

11. Debtors

	31-Dec-25
	£
Other Debtors	12,501
Accrued interest on Mortgage Loans	1,069,413
Accrued interest on bank account	224,348
	1,306,262

12. Creditors: amounts falling due within one year

	31-Dec-25
	£
Accrued expenses	165,108
Corporation tax payable	188
Interest accrual on Notes	175,374
Other Creditors	985,039
Issued Notes	155,061,967
	156,387,676

13. Creditors: amounts falling due after more than one year

	31-Dec-25
	£
Issued Notes	201,543,154
Certificates	1,057,243
	202,600,397

The optional redemption date for the Notes is March 2028 and the contractual final maturity date for the Notes is in December 2068. Notes are based on Compounded Daily SONIA and are secured over the Mortgage Loans.

As at 31 Dec 2025

Issued Notes	ISIN	Interest rate	Opening Balance	Repayments	Closing Balance
			£	£	£
Class A Loan	N/A	SONIA + 0.85%	247,235,000	(112,571,428)	134,663,572
Class A	XS3021375871	SONIA + 0.85%	273,265,000	(124,423,451)	148,841,549
Class B	XS3021375954	SONIA + 1.20%	19,010,000	—	19,010,000
Class C	XS3021376093	SONIA + 1.60%	17,540,000	—	17,540,000
Class D	XS3021376176	SONIA + 2.00%	13,160,000	—	13,160,000
Class E	XS3021376333	SONIA + 3.25%	5,850,000	—	5,850,000
Class F	XS3021376416	SONIA + 4.25%	5,850,000	—	5,850,000
Class RFN	XS3021376507	SONIA + 6.00%	8,770,000	—	8,770,000
Class Z	XS3021376762	SONIA + 7.50%	2,920,000	—	2,920,000
			593,600,000	**(236,994,879)**	**356,605,121**

13. Creditors: amounts falling due after more than one year (continued)

As at 31 December 2025	ISIN	Interest rates	Carrying Value at Day 1	Payments	EIR Adjustment	Closing Carrying Value
			£	£	£	£
Certificates						
Residual Certificates	XS2959463261	N/A	894,900	—	162,343	1,057,243
			894,900	**—**	**162,343**	**1,057,243**

14. Derivatives

	31 December 2025
	£
Day one value of Derivatives	5,235,000
Movement of fair value	(3,974,133)
	1,260,867

15. Called up share capital

	As at 31 Dec 2025
	£
Allotted, called up and fully paid	
1 Ordinary share of £1	1
Allotted, called up and partly paid:	
49,999 Ordinary shares of £1.00 each of which 25% partly paid	12,500
	12,501

The Company is not subject to any externally proposed capital requirements except for the minimum requirement under the Companies Act 2006. The Company has not breached the minimum requirement.

16. Profit and loss account

	31 December 2025
	£
Opening balance	—
Profit for the financial period	22,682
Closing balance	**22,682**

17. Financial instruments

The narrative disclosure required by Financial Reporting Standard 102 in relation to the nature of the financial instruments used during the period to mitigate credit, interest rate and liquidity exposure is shown in the Strategic report under the heading 'Financial instruments'. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The Company's exposure to risk on its financial instruments and the management of such risk is largely determined from inception of the securitisation transaction. The Company's activities and the role of each party to the transaction is clearly defined and documented.

Following initial set-up, the directors monitor the Company's performance, reviewing quarterly reports on the performance of the Mortgage Loans. Such review is designed to ensure that the terms of the documentation have been met, that no unforeseen risks have arisen and that the noteholders have been paid on a timely basis.

Credit risk
The ability of the Company to meet its obligations to make principal and interest payments on the Notes and to meet its operating and administrative expenses is dependent on the extent that it has such amounts available to it. Credit risk exists on the Mortgage Loans.

Credit risk reflects the risk that the underlying borrowers or other transaction parties will not meet their obligations as they fall due. The Company's principal business objectives rest on the purchase of mortgage loan portfolio. Although the underlying Mortgage Loans are secured by first charges over the residential properties in England, Wales, Northern Ireland and Scotland, the Company considered the evaluation of a borrowers' ability to service a loan according to its terms to be the principal factor in assessing the credit risk. The maximum exposure to credit risk arising on the Company's financial assets at the reporting date is disclosed in the table below.

	Carrying value 2025	Maximum exposure 2025
	£	£
Loans	328,833,592	328,833,592
Other debtors	1,306,262	1,306,262
Cash at bank (Restricted)	27,622,535	27,622,535
	357,762,389	**357,762,389**

The credit quality and fair value of collateral for the Mortgage Loans (excluding accreted discount) are summarised as follows:

As at 31 Dec 2025

Arrears Profile	Number of Loans	Percentage	Outstanding balance on Mortgage Loans	Impairment	Fair value of collateral (capped)
		%	£	£	£
Current	2,686	62.70	219,143,671	—	219,143,671
< 1= month	669	15.62	41,399,708	(148,032)	41,251,676
1 month to <= 3 months	365	8.52	29,132,746	(200,705)	28,932,041
> 3 months	564	13.17	44,939,297	(1,036,208)	43,903,089
	4,284	**100.00**	**334,615,422**	**(1,384,945)**	**333,230,477**

The Mortgage Loans are secured by first charges over residential properties in England, Wales and Scotland.

17. Financial instruments (continued)

Credit risk (continued)

The fair value of collateral above is based on an estimate by indexing the valuation performed at the time of borrowing using the Nationwide Pricing Index. The estimate of fair value is based on indexing the valuation performed at the time of borrowing using the Nationwide Pricing Index and capped at the amount of the underlying Mortgage Loans if the indexed valuation is greater.

As at 31 Dec 2025

Range of LTV Ratios as at 31 December 2025	Aggregate principal of Loans	Percentage	Number of Loans	% of Total
	£	%		%
<60%	109,365,485	32.68	2,407	56.19
>=60% to < 70%	53,583,738	16.01	551	12.86
>=70% to < 80%	87,850,502	26.25	701	16.36
>=80% to < 90%	55,462,121	16.57	419	9.78
>=90% to < 100%	21,908,969	6.55	155	3.62
>=100%	6,444,607	1.94	51	1.19
	334,615,422	**100.00**	**4,284**	**100.00**

Interest rate risk

Interest rate risk exists where assets and liabilities have interest rates set under different bases or which reset at different times. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of the Mortgage Loans and the Notes (its principal assets and liabilities) are similar. A significant portion of the underlying Mortgage Loans is held at a fixed rate, so the derivatives are in place to hedge the mismatch on the floating Notes. As such, the Company does not have a material net exposure to interest rate risk and therefore no sensitivity analysis is presented.

As a result, the Company uses derivative financial instruments to mitigate residual interest rate risk. At the period end the Company was party to interest rate swap to hedge against interest rate risk arising from the resetting of interest rates of assets and liabilities on different bases.

17. Financial instruments (continued)

Interest rate risk (continued)

Interest on the floating rate liabilities is determined and payable quarterly in arrears at the following rates above the Compounded Daily SONIA:

As at 31 Dec 2025

Issued Notes	ISIN	31 December 2025	Interest rate
		£	
Class A Loan	N/A	134,663,572	SONIA + 0.85%
Class A	XS3021375871	148,841,549	SONIA + 0.85%
Class B	XS3021375954	19,010,000	SONIA + 1.20%
Class C	XS3021376093	17,540,000	SONIA + 1.60%
Class D	XS3021376176	13,160,000	SONIA + 2.00%
Class E	XS3021376333	5,850,000	SONIA + 3.25%
Class F	XS3021376416	5,850,000	SONIA + 4.25%
Class RFN	XS3021376507	8,770,000	SONIA + 6.00%
Class Z	XS3021376762	2,920,000	SONIA + 7.50%
		356,605,121	

The Notes are limited recourse obligations dependent on receipt of principal and interest from the borrowers on each IPD. The Class A Notes always rank ahead of other classes of Notes.

Currency profile
All of the Company's financial assets and liabilities are denominated in sterling.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at an unacceptably high cost. The Company's ability to meet payments as they fall due is dependent on timely receipt of funds which may be delayed due to slow repayment on the Mortgage Loans.

The Notes are subject to mandatory redemption in part on each interest payment date in an amount equal to the principal received or recovered in respect of the Mortgage Loans. If not otherwise redeemed or purchased and cancelled, the Notes will be redeemed at their principal amounts outstanding on the interest payment date falling in December 2068. However, due to the limited recourse obligations of the Company in respect of the Notes, the Company is only obliged to make repayments of interest on the Notes to the extent that repayments are received from the Mortgage Loans.

17. Financial instruments (continued)

Liquidity risk (continued)
The table below reflects the undiscounted contractual cash flows of financial liabilities at the balance sheet:

2025	Carrying Value	From 1 month to 3 months	From 4 months to 1 year	From 1 year to 5 years	Gross Cashflows
	£	£	£	£	£
Notes	356,605,121	46,794,531	108,267,436	201,543,154	356,605,121
Accrued interest on Notes	175,374	4,165,577	9,988,701	10,658,501	24,812,779
Residual Certificates	1,057,243	—	—	1,625,888	1,625,888
Other creditors	985,039	985,039	—	—	985,039
	358,822,777	**51,945,147**	**118,256,137**	**213,827,543**	**384,028,827**

The Notes have no contractual amortisation profile and instead, principal repayments on the Mortgage Loans are used to redeem the Notes. If not otherwise repaid the Notes will follow the repayment profile of the Interest payable on the Class A, B, C, D, E, F, RFN and Z floating rate Notes has been based on current SONIA rates. The Certificates have no notional but the Company is required to make payment on them, to the extent that there are cash flows to do so, at each interest payment date, in accordance with the priority of payments set out in the transaction documents.

As a consequence, the Directors have concluded that it was most appropriate to base the maturity profile for the Notes on the contractual cashflows that will arise if the underlying mortgage assets pay their expected cash flows, but assuming that the Notes are repaid on the optional redemption date. The timing of the undiscounted cash flows set out in the table above is dependent on the uncertain timing of cash receipts from the securitised assets and thus the table sets out an estimate derived from observable market data.This differs from expected cash flows due to the requirement to use principal received on the Loans to repay the Notes at each Interest Payment Date, in accordance with the priority of payments. Therefore, an equivalent portion of the notes will be required to be repaid on the next interest payment date.

18. Reconciliation of profit for the financial period to net cash outflow from operating activities

	For the period ended 31 December 2025
	£
Cash flows used in operating activities	
Profit before taxation	22,870
Impairment Charge	1,384,945
Accretion of discount on the Mortgage Loans	(1,549,254)
Remeasurement adjustment on Certificates	162,343
Movement in fair value of the derivatives	3,974,133
Increase in creditors	1,150,147
Interest payable on Notes	20,236,012
Interest income from Mortgage Loans	(21,909,762)
Interest income on bank account	(2,407,109)
Net interest rate swap income	(2,639,834)
Net cash generated from operating activities	(1,575,509)

19. Analysis of changes in Net debt

	As at 5 Dec 24	Issuance	Repayments	Cashflow	As at 31 Dec 2025
	£	£	£	£	£
Cash and cash equivalents	—	—	—	27,622,535	27,622,535
Issued Notes	—	(593,600,000)	236,994,879	—	(356,605,121)
	—	**(593,600,000)**	**236,994,879**	**27,622,535**	**(328,982,586)**

The Residual Certificates are not considered to form part of the net debt of the Company, as they were issued as consideration for the purchase of the Mortgage Loans and payments on them are solely dependent upon cash receipts into the Company.

20. Parent undertaking and ultimate controlling party

The entire share capital of the Company is held by Hazel Residential Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales ("Holdings"). The entire issued share capital of Holdings is held on a discretionary trust basis under a share trust deed by the legal parent company, CSC Corporate Services (UK) Limited, a company incorporated in the United Kingdom and registered in England and Wales. The address of its registered office is 10th Floor, 5 Churchill Place, London, United Kingdom, E14 5HU. CSC Corporate Services (UK) Limited is a wholly owned subsidiary of CSC Capital Markets UK Limited. However, whilst Holdings is the legal owner of the Company, it does not have any power under the transaction documents. As such, it is not considered to be the Company's controlling party. It is the view of the Directors that the Company does not have an ultimate controlling party.

21. Related party transactions

The Company has no employees and services required are contracted from third parties. The directors received no remuneration from the Company in respect of qualifying services rendered during the current period. During the period, fees of £38,812 were paid to CSC Capital Markets UK Limited for the provision of corporate administration to the Company, which included the provision of the directors to the Company.

22. Post balance sheet events

There have been no significant events affecting the Company since the end of the reporting period.