

Annual Report 2019

Lifetri Groep B.V.



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1. Composition of the Board

The composition of the Management Board is shown below:

Management Board

P.D.A. Wits, CEO¹

I.A.T. van den Bosch, CFRO²

Installed and resigned

I. van Hoek, CEO a.i.³

T.P.M. Stoop, CFRO a.i.⁴

D.L. Wanek⁵

V.L.T. Zampiga⁶

¹ Installed as at 1 February 2019

² Installed as at 1 April 2019

³ Installed as at 13 June 2018 and resigned as at 1 February 2019

⁴ Installed as at 13 June 2018 and resigned as at 1 April 2019

⁵ Installed as at 12 October 2017 and resigned as at 16 December 2019

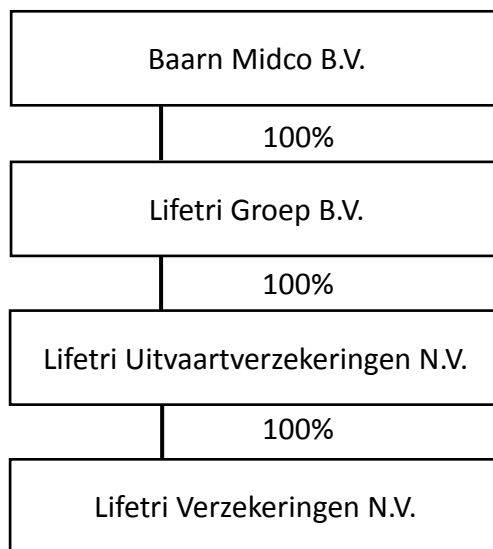
⁶ Installed as at 12 October 2017 and resigned as at 16 December 2019

2. Introduction

2.1 Lifetri Groep

Lifetri Groep B.V. (Lifetri Groep) is a holding company and the owner of Lifetri Uitvaartverzekeringen N.V. (Lifetri Uitvaartverzekeringen) and, through its subsidiary, of Lifetri Verzekeringen N.V. (Lifetri Verzekeringen).

The legal structure of control is as follows:



Lifetri Groep B.V. holds the shares of Lifetri Uitvaartverzekeringen N.V. as its main activity and is involved in mergers & acquisitions for the benefit of the group and its operating companies.

2.2 The shareholder (look through)

The ultimate shareholders, Sixth Street Partners (Sixth Street) managed investment funds, financed by institutional investors with a long term investment outlook. Sixth Street is focused primarily on the fundamental, long-term returns of its investments. Sixth Street does not guarantee a minimum return to its investors, rather Sixth Street considers many possible scenarios in assessing the business case of an investment, including the possibility of outperformance and underperformance relative to the base case. As a long-term investment manager, Sixth Street is mainly concerned with the sensible management of its investments and long-term capital creation and performance.

3. Report of the Management Board

3.1 Business Developments

General

The main subsidiary Lifetri Uitvaartverzekeringen is a funeral insurer in the Netherlands, wholly owned by Lifetri Groep. The activities of Lifetri Uitvaartverzekeringen consist of selling in-kind funeral insurance policies to private consumers in the Netherlands and servicing the existing clients. Lifetri Uitvaartverzekeringen is the full owner of Lifetri Verzekeringen, a company with a small funeral portfolio.

Lifetri Groep, Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen have unity of management, meaning that the same two persons have been appointed as members of the Management Board (MB) of each separate entity. With due respect to and compliance with the articles of association, charters and characteristics of each legal entity, Lifetri Groep is organisationally managed as a whole, sharing strategy and resources, executing the strategy.

Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen have a Supervisory Board in place.

Below paragraphs describe business developments of the group as a whole.

Business strategy

Lifetri Groep's ambition is to become the best life insurer service book by focusing primarily on giving excellent and relevant service to existing customers. We intend to grow this business through mergers and acquisitions, finding and providing relevance through digital means. We believe that customers needs are not currently met by the industry. Customers want to be supported and helped to be able to make their own choices. The sale of a product or a service we provide is a logical consequence of information or data they have provided to us and on which we have based that specific offering to insure something or rather not insure it if that doesn't fit their need. This means not creating fear but rather focusing on what is important to them. Talking about their lives not money, taking about their interests not products.

We have formulated our mission as follows:

We don't want to insure people, we want to make people self-assured.

We do this by providing our knowledge and having sincere interest in their lives of every customer. By mapping the largest financial life events and making it transparent and easy to understand and simply showing that not all worries and fears are realistic and need insurance. Selling insurances is for us therefore not a purpose but a way to engage with customers about their lives.

*First earn trust
Then sell*

*First give
Then earn*

During 2019 the main focus for Lifetri Groep was fourfold:

1. stabilizing and professionalizing the organisation, at the same time providing the best service possible to our clients,
2. finishing the setup and integration of the N.V. Nederlandse Uitvaart Verzekering Maatschappij (Nuvema) acquisition,
3. actively looking for M&A opportunities resulting in a major transaction acquiring Klaverblad Leven N.V. (Klaverblad Leven), a portfolio of capital based funeral insurance policies and term life insurance policies and
4. preparing the organisation for the closing of the transaction, designing and building the new Target Operating Model to be able to start servicing the Klaverblad Leven client base.

Strategic and management improvement

Anticipating the appointment of the new MB, the MB ad interim rightly focused in Q1 2019 on building the basics for growth and tying up loose ends and of the Nuvema acquisition, closed in 2018.

The new MB realized the company needed more direction, focus and a strong Target Operating Model suitable for growth and flexibility. They started creating the Lifetri Groep strategy to their personal insights and beliefs: the service book strategy executed by a client purpose driven digital insurer, focused on the long term. Showing and explaining this strategy helped win the Klaverblad Leven deal.

For all of 2019 most key positions have been occupied by highly qualified external hires. In order to be able to build own capabilities and be cost-efficient, recruitment and selection processes and job profiles have been upgraded, enabling Lifetri Groep to replace all external hires on key positions with permanent staff.

Cost reduction, productivity, service & quality improvement

The successful acquisition of Klaverblad Leven in May 2019 was followed by the set up and execution of major change programmes to both improve the current way of working and to fundamentally prepare the organisation for servicing the Klaverblad customers and policies. Although running the existing organization was possible, a consistent higher investment was required to reach the desired professional level.

The focus on continuous improvement and enabling people in the process to improve their own work and way of working by means of lean implementation, from May 2019 onwards, resulted in a very appreciated improvement of both efficiency (less waste), employee engagement and effectivity (from 6-8 days customer waiting time to same day handling).

As a consequence of the service book strategy & digital approach and the realization that customer needs were more effectively and efficiently met through digital means, regretfully all field sales staff have been made redundant in Q3 2019 and subsequently individually supported in the reorganisation process. As from Q1 2020 a specialized desk was setup who manages the customer relationship and provides advice through webcam and other digital means. Also non

effective use of Google advertising has been stopped, in July 2019 to focus on improving the Cost Per Acquisition and enabling reinvestment in Search Engine Optimization.

Rebranding of Nuvema to Lifetri, the IT disentanglement from Conservatrix and IT security improvements have been realized over the course of 2019.

Further professionalization for growth

The legacy Nuvema organization was adequate for an in-kind basic license funeral insurer. All based on a non-digital approach, a field sales staff on the ground, a simple risk profile. The organization was not ready for future and long term growth.

In order to be successful in the new strategy; servicing customers well and growing in size to also profit from economies of scale, a lot of changes were initiated by the new MB such as:

- creating a clear M&A strategy, process and focus on key targets,
- the acquisition of Klaverblad Leven,
- the change from a bond based Strategic Asset Allocation (SAA) to a more diversified SAA
- preparing further for the low interest environment,
- a completely new HR policy and implementation of key items for people to feel valued and enabled to perform at their best,
- a solid IT architecture with clear Core and Non-core choices, loosely couple infrastructure, focus on data and preparations for migration and integration of the Klaverblad and Nuvema portfolio,
- reorganizing and choosing the right people to stay and come on board, and finally
- building an inclusive culture focusing on recognizing people's key strengths and development.

As a newcomer Lifetri has started designing and building a new platform with state of the art processes and systems. In parallel, Lifetri has steadily and diligently upgraded finance, asset & liability management, risk management, performance management and HR.

Effective M&A activities

Based on continuous learnings through retrospectives in various M&A transactions in 2019, we have continuously adapted our M&A process, redefined existing roles and plot and defined missing roles.

Preparing the organisation for the closing of the transaction and the start of services to the Klaverblad Leven client base.

At the time of the signing of the Share Purchase Agreement at the start of May 2019, a program has been defined to prepare for the start of services to the Klaverblad Leven client base, encompassing all aspects of migrating the portfolio, integrating two organisations, delivering the services, from facilities and housing to HR, from marketing & sales to design of policy administration processes, actuary, risk and accounting & reporting. Once this is finished this will provide Lifetri Groep with a modern and scalable platform for funeral insurance products and individual life insurance products.

Main components are the setup of a new IT landscape, a new front and back-end with an efficient integration layer enabling quick changes to the front without having to change the administration, migration of all policies and fully replacing the Lifetri Groep's legacy IT landscape with advanced and proven solutions.

In 2019 we have selected and contracted an IT SAAS solution for our back end and a software development partner to help us develop our front end to get a head start. Ultimately the front-end will be developed inhouse by our own digital team to enable effective and fast time to market. The implementation of the new platforms has already started and will take the larger part of 2020.

Due to the current need for more flexibility in working space, a more modern way of working and the growth of the organisation a new and larger office location will be needed to house our expanded staff. In 2019 we have selected our new office space in Bisonspoor, Maarssen. The move to these new premises is scheduled for May 2020.

3.2 Risk Management

The MB has expressed its risk appetite in a statement that serves as a foundation for all risk monitoring activities. The annual ORSA gives further detailed input and insights for managing all the significant risks. The scope of risk management consists of financial and non-financial risks (including compliance risk). Lifetri Groep uses the three lines of defence (LoD) model for its organisation.

The performance of an Asset & Liability Management (ALM) study is used to steer the solvency targets and implement a Strategic Asset Allocation (SAA) target portfolio. Within the first line the tasks, responsibilities and authorizations have been segregated between the investment manager the investment risk manager, the actuarial and finance departments, the ALCCO and finally the MB.

Day-to-day monitoring of the portfolio is performed by the internal asset manager. The selection of investments and, if applicable, of external asset managers is based on the investment policy and specifically the key criteria. Investment proposals are prepared by the investment manager seeking positive ALCCO advice, before submitted to the MB for decision-making. The investment risk manager, using the investment proposal checklist, verifies the documentation to be send to the ALCCO, and thereafter the MB, to assess completeness and ensure that all required process steps are adhered to.

In addition there are second- and third-line key functions for risk management, compliance, the actuarial function (all second line), and the internal audit function (third line). All final investment proposals need to be reviewed by second line risk management, before being submitted to ALCCO, and thereafter MB for approval.

Lifetri Groep's risk management takes into consideration the unique characteristics of its subsidiaries Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen.

3.3 Capital Management

Capital Management aims to protect policyholder's rights and being able to capture financial setbacks without endangering the continuity of the business. Therefore Lifetri Groep wishes to hold an extra buffer apart from the technical reserves and the regulatory solvency capital (SCR).

The target solvency level is set at 160%, while the norm solvency level is set at 135%. At 31 December 2019 the solvency level of Lifetri Verzekeringen was 970% and of Lifetri Uitvaartverzekeringen was 179%, making Lifetri Groep's subsidiaries well-capitalised and solvent companies.

3.4 Events after the Balance Sheet date

On 1 May 2019, Lifetri Groep announced its intention to acquire 100% of the shares of Klaverblad Leven. At the end of the financial year 2019 the group was awaiting the approval of the Dutch central bank (the approval has been received in 2020) before being able to proceed with the acquisition. As such, the financial effects of this transaction have not been recognised at 31 December 2019. The operating results and assets and liabilities of the acquired company will be consolidated from 31 March 2020 18:00 hours CET.

The acquisition is expected to increase our market share, to increase our volumes thereby improving our cost efficiency and to offer – together with the current Lifetri portfolios – a good basis for further growth.

At the time the financial statements were authorised for issue, the group had not yet completed the accounting for the acquisition of Klaverblad Leven. In particular, the fair values of the assets and liabilities have only been determined provisionally as the independent valuations have not been finalised. It is also not yet possible to provide detailed information about each class of the acquired net assets or goodwill.

Lifetri Uitvaartverzekeringen N.V. and Lifetri Verzekeringen, subsidiaries of Lifetri Groep B.V., will be impacted by this acquisition as they will share Lifetri Groep services with the newly acquired entity Klaverblad Leven.

On 11 March 2020 the World Health Organization declared the Corona virus infection a pandemic. In response, governments in Europe and elsewhere, including the Dutch Government, have issued very impactful measures to control the pandemic. Worldwide financial market prices have severely declined, both fixed income and equity. Due to the long term nature of our life insurance business we expect no serious long term impact on our continuity, as evidenced by the results of the scenarios modelled in our Own Risk and Self Assessment (ORSA). In the short term, management, employees, partners and suppliers need to be very resourceful to handle all kind of impediments and obstacles to our normal way of working, raised by the implementation of government's measures and our compliance of it.

Hilversum, 24 April 2020

Management Board

P.D.A. Wits

I.A.T. van den Bosch

4. Risk Governance and Capital Management

4.1 Risk Management

Scope

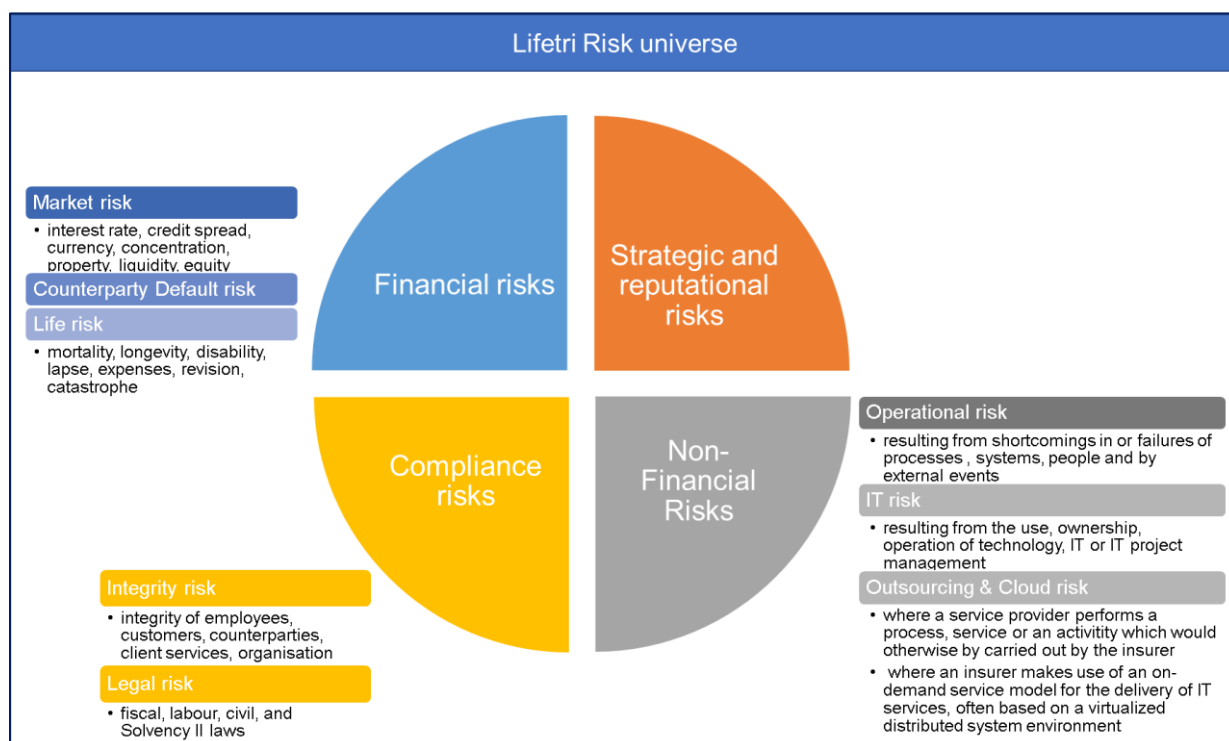
Risks are inherent in daily business. The insurer applies risk management processes to keep the risk within acceptable levels. These levels are defined in Lifetri Groep's Risk Appetite Statements and limits (see paragraph further below).

Lifetri Groep management, with the independent opinion of 2nd line Risk management and Compliance, determines the different risk types to which Lifetri Groep is, or could be, exposed (hereafter Risk Universe).

This Risk Universe is based, among other things, on relevant laws and regulations (e.g. Solvency II) and on Lifetri Groep's risk profile.

Lifetri Groep's Risk Universe is divided in four major risk categories: Strategic and reputational risks, Financial risks, Non-financial risks and Compliance risks.

The risk categories are divided in main risk types with detailed sub risks; see the figure below.



Lifetri Risk Universe

The financial risk types which Lifetri Groep uses are in line with the Solvency II regulation, and also recognize that different types of investment instruments can result in more than one risk category. The financial risks follow the Solvency II categorisation of market risks (interest rate,

credit spread, currency, concentration, property, liquidity and equity), counterparty default risk and actuarial life risks (mortality, longevity, disability, lapse, expenses, revision and catastrophe).

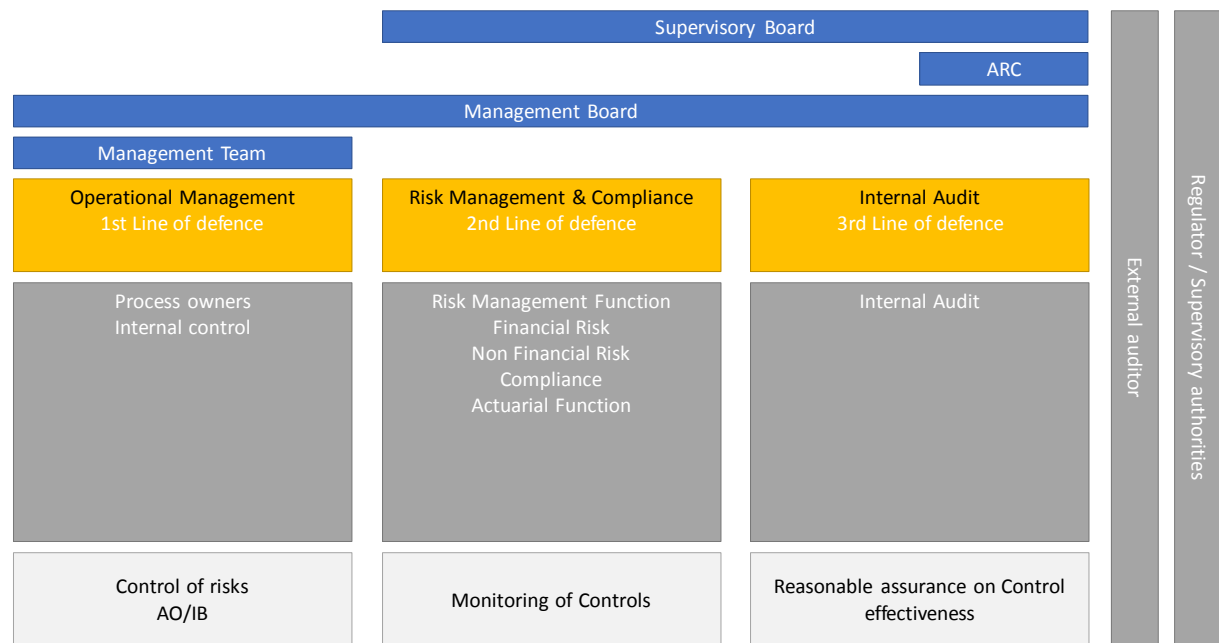
The other risk types are generally more qualitative in nature.

The non-financial risk categories include: operational risk (caused by failures of processes, systems, people or external events), IT risk (including information security, continuity, integrity and availability of information systems and processes), outsourcing & Cloud computing risk.

Compliance risk categories include legal risk and integrity risk.

Organisation

The responsibilities for managing risks follow the governance structure of Lifetri Groep, which is based on three Lines of Defence (3LoD).



The first line of defence is the business itself, which is responsible for adherence with applicable laws and regulations, and for its own internal control of all activities and underlying processes.

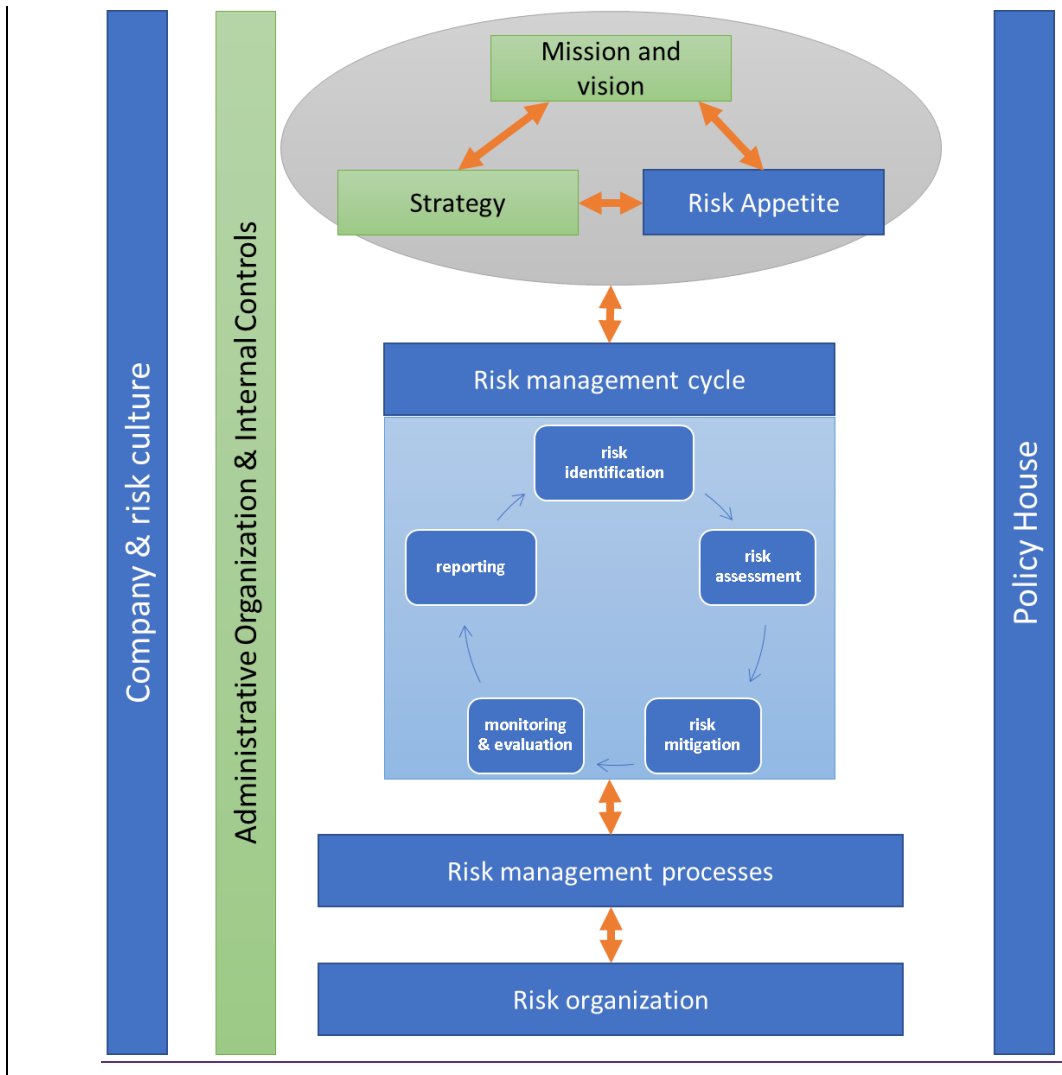
The business is responsible for:

- Identifying and managing risks and handling incidents which impact the risk profile;
- Applying the risk management framework;
- Executing and monitoring an effective administrative organization & internal controls (AO/IC);
- Complying to all applicable laws and regulations.

The measures of internal control are amongst others: guidelines, committee structures, monitoring and segregation of duties, adequate AO/IC and countervailing checks and balances.

The second line risk management has as its primary responsibility supporting the business with and providing advice for the completeness and accuracy of risk identification. Second line provides countervailing power by challenging, evaluating, monitoring and reporting independently about the risks. The second line key governance functions have a special focus at

whether the internal control measures are adequate to mitigate risks. Second line compliance advises the organization with the objective to meet requirements of laws and regulations and monitors if the business activities actually comply with these requirements. The risk management cycle below depicts the risk management process.



The third line of defence is the Internal Audit function, which gives reasonable assurance on the design, existence and operating effectiveness of the internal control system of the first and second lines of defence.

Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen have established a Supervisory Board whose duties, powers and working methods are regulated in the 'Supervisory Board charter'. The SB supervises the MB and its key functions and is informed at least annually or earlier if needed on the topics of risk management, laws and regulations and adherence thereof by Lifetri Uitvaartverzekeringen and by Lifetri Verzekeringen.

The Solvency II key functions are independent, report directly to the MB and have direct access to the ARC/SB for escalations.

Risk Appetite Statements and Limits

The risk appetite of Lifetri Groep is described in the risk appetite statements which include qualitative statements as well as quantitative measures expressed relative to earnings, capital, risk measures, liquidity and other relevant measures related to operational and IT risks, reputation and integrity risks, as well as business ethics and conduct.

The risk appetite articulates at a high level, for each major risk type, Lifetri Groep's relative preference for that risk. Setting the risk appetite is inextricably part of strategy setting. Various factors may affect Lifetri's views of that risk, such as:

- The solvency position;
- The return that is expected to be earned;
- The importance of that risk in executing the business strategy;
- How well the risk diversifies with other risks; and
- The current operating and economic environment.

The risk appetite contains a number of qualitative and quantitative risk appetite statements and is defined for both financial and non-financial risks and compliance. The risk appetite statements are supported by risk tolerances for material risk types. This ensures plans and risk appetite are appropriately aligned.

Risk appetite defined

The risk appetite is further specified by quantitative risk limits for different risk categories in the investment policy. The policy also contains the investment beliefs. The main risk being interest rate risk is managed by limiting the economic hedge ratio and the Solvency II hedge ratio (including the ultimate forward rate – UFR) within separate, preset boundaries. The interest rate risk is also limited by a maximum tolerated impact on solvency of a 50 bp change in interest rates. A higher impact is tolerated at higher solvency levels. Others risk are being limited and monitored – amongst others - through Solvency Capital Risk (SCR) limits, cash limits, rating-based and issuer limits.

Risk appetite setting

The risk appetite statements are reviewed periodically to ensure their continuing relevance in providing guidance to the business. The risk appetite statements are established by the Management Board and approved by the Supervisory Board and completed alongside the business and financial planning process.

Breaching a risk tolerance level serves as a red alert for management: the risk position must be reduced. For day-to-day operational monitoring purposes, the risk tolerances are translated into risk limits. Breaching a risk limit (if defined for the risk type), however, acts more like an early-warning signal. Action is required, unless there are good reasons to maintain the current risk level and the risk is accepted by the Management Board.

Reporting

Periodic reports are prepared for the various risk categories, which are discussed in the relevant governance bodies. The reporting calendar managed by Finance contains an overview of these reports and other key management information.

In general, each of the 3LoD have their own report(s) as follows:

- 1st line reporting: the managers of the departments issue various management reports which analyze and explain the performance of financial and non-financial indicators for their responsibility area. Depending on the nature of the report the frequency is monthly or quarterly.
- 2nd line reporting: reports by the 2nd lines of defence, i.e. Risk Management and Compliance, contain an independent 2nd line review on the 1st line. Compliance reports in a combined report with non-financial risk management. The frequency of the reports is quarterly. The Actuarial Function reports once a year.
- 3rd line reporting: internal audit has its own reports which are discussed with the SB / ARC.

Depending on the nature of the report they are discussed in the Management Board, Management Board-Risk Compliance Committee, ALCCO and/or SB/ARC. The Financial Risk Management report is specifically discussed in the Asset Liability Capital Committee (ALCCO) and Management Board. The outcomes and possible improved risk responses resulting from these discussions are recorded in the meeting minutes and action list of the respective governance bodies.

Strategic Asset Allocation

As described in the investment policy and investment plan, Lifetri Groep has developed a SAA target portfolio. The SAA target consists of approximately 50% of liquid bonds and for 50% in illiquid assets, such as real estate and mortgages. The main considerations are a robust, long-term stable solvency ratio and reduction of interest rate risk by long-dated sovereign bonds. The main precondition is the liabilities extending over seventy years.

The government bonds are predominantly Austrian, French and Belgian bonds, partly for the available longer maturities, partly for earning a spread over German government bonds. The amount of cash has been reduced significantly for safety reasons by investing in short-term Dutch government bonds. In 2019, Lifetri Groep was in the process of gradually building the residential mortgages portfolio, consisting of an owner occupied mortgages fund, and a bespoke structure for buy-to-let mortgages.

Own Risk and Solvency Assessment (ORSA)

Lifetri Uitvaartverzekeringen has a national Basic licence and Lifetri Verzekeringen has an EU Solvency II licence. The ORSA is mandatory only for the latter. Lifetri Groep does not have a license. Given the relative size and the reinsurance of liabilities in Lifetri Verzekeringen, the ORSA projections have focused on Lifetri Uitvaartverzekeringen, with Lifetri Verzekeringen treated as a strategic equity position. The ORSA 2019 has as its starting point 30 September 2019 and is looking forward ten years. The ORSA 2019 is an update of the earlier risk assessment 2018.

The main goal of the ORSA is in showing the continuous compliance with the prescribed capital requirements. In particular, it should show the validity of the target solvency level of 160%. The outcomes of the Best Estimate scenario show the target solvency level is adequate and Lifetri Uitvaartverzekeringen is able to transfer its obligations at a relevant market rate. A wide set of scenarios has been tested. Relevant scenarios are a permanent low interest rate scenario and a scenario of a severe credit crisis. The former scenario underlines the importance of the compensating effect of the investment income for the future loss on the UFR in the valuation of

the liabilities. The latter scenario is important for the SAA, also comprising residential mortgages and real estate. An additional analysis has been performed on the total level of the expenses.

Operational set-up and risks

The organisation from which financial and non-financial risks emanate is relatively operational in nature.

Lifetri Groep has company policies to support the effective governance and risk management of Lifetri Groep. Lifetri Groep has organized this in a Policy House that documents which company policy documents are required.

In addition, Lifetri Groep has a number of regulations ('regelingen') which describe in detail how certain policy is performed, such as the Incident regulation. Finally, Lifetri Groep has several elaborate documents ('uitwerkingen') which record the outcomes or results of applying policy processes e.g. risk appetite statements (RAS), the Systematic Integrity Risk Analysis (SIRA), the Own Risk and Solvency Assessment (ORSA) and the Code of Conduct.

The Policy House is reviewed each year for completeness or possible necessary changes and is formally enacted in the Risk & Compliance Committee.

To comply with laws and regulations always is an important focus at an insurer. Where appropriate non-compliance issues are analysed and being solved.

The General Data Protection Regulation (GDPR) does not stipulate retention periods for personal data, but minimum and maximum periods follow from other legislation (e.g. on taxes). Information should not be retained longer than needed for the purpose for which it was collected or used. Lifetri Groep has a Data Protection Officer (DPO) to independently monitor the privacy of data.

4.2 Capital Management

Solvency and Risk Appetite

The management of capital is governed by the Capital Policy. The measure for adequacy of the capital position is the regulatory Solvency II ratio, defined as the ratio of eligible Own Funds (OF) over the Solvency Capital Requirement (SCR). The Capital Policy is aimed at being able to capture financial setbacks without endangering the continuity of the business. Therefore Lifetri Groep wishes to hold an extra buffer apart from the technical reserves and the regulatory solvency capital. The target solvency level is set at 160%, while the norm solvency level is set at 135%. The underpinning of the target and lower limits is provided in the Capital Policy and assessed yearly in the ORSA. The target ratio could be increased if the economic valuation of the liabilities shows that a higher amount of assets is required to transfer the liabilities to a third party. Lifetri Groep applies the Standard Formula.

Both solvency levels are part of a more detailed capital intervention ladder in the Capital Policy. Above the target solvency level no measures are needed; below the lower limit measures will be taken, and in between these levels actions are being considered and prepared. A short-term measure to increase available capital is a capital injection; a short-term measure to decrease the SCR is a de-risking of market risks from the investment portfolio. Other medium- and long-term measures such as retaining profits, cost reduction, pricing, outsourcing, reinsurance and strategic measures are listed in the Capital Policy. In practice, management intervention actions may further prevent risks.

Eligible Own funds

Solvency II distinguishes between three Tiers of Own funds (Tier I, II and III) and restricts the use (eligibility) of Tier 2 and Tier 3 capital in the determination of the solvency level. The positive difference between assets and liabilities, when valued on a Solvency II basis, constitutes core capital. For the Company this capital is Tier I capital, implicating no difference between available and eligible own funds in the determination of the solvency level. The available Deferred Tax Liability does not influence the eligible own funds. The difference between shareholder funds and Eligible Own Funds is being the difference between the fair value provision and SII provision after tax.

5. Financial Statements

The financial statements concern the period 1 January 2019 – 31 December 2019 and have been compiled in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the Annual Reporting Guidelines of the Dutch Accounting Standards Board. The notes on page 17 to 33 form an integral part of these financial statements.

The financial statements do not include the consolidated accounts, as Lifetri Groep's parent Baarn Midco B.V. reports the consolidated accounts (based on legal exemption under Section 408 of the Dutch Civil Code 2).

5.1 Financial Developments

In 2019 the financial net result of Lifetri Groep was EUR -35,732 million (2018: EUR -4,113 million), mainly due to the change in the result of its subsidiary Lifetri Uitvaartverzekeringen ad EUR -33,811 million (2018: EUR -1,844 million) as an effect of interest developments.

Due to both the transfer of personnel from Lifetri Uitvaartverzekeringen to Lifetri Groep as from 1 January 2020 and the change of pension scheme and pension provider, a provision for pension indexation obligations has been formed ad EUR 0.659 million.

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5.2 Balance Sheet

Assets

<i>in thousands of euros</i>		31 December 2019	31 December 2018
Financial fixed Assets			
Investments in subsidiary	(1.)	50,662	56,444
Deferred tax assets	(2.)	511	77
Total financial fixed Assets		51,173	56,521
Short term receivables			
Other receivables		25	10
Total short term receivables		25	10
Cash and cash equivalents	(3.)		268
Total Assets		51,197	56,799

Liabilities

<i>in thousands of euros</i>		31 December 2019	31 December 2018
Shareholders' funds			
Share capital	(4.)	0	0
Share premium	(5.)	58,497	58,497
Revaluation reserve subsidiary	(6.)	29,611	1,583
Other reserves	(7.)	-4,113	-
Result before appropriation	(8.)	-35,732	-4,113
Total shareholders' funds		48,264	55,967
Insurance liabilities			
For own risk		-	-
Net insurance liabilities		0	0
Provisions			
Pension obligations	(9.)	659	-
Total provisions		659	0
Other short-term liabilities	(10.)	2,274	832
Total Liabilities		51,197	56,799

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5.3 Income Statement

<i>in thousands of euros</i>	2019	12 October 2017 to 31 December 2018
Operating income		
Other investment income	-6	-1
Total operating income	-6	-1
Operating expenses (1.)		
Staff, overhead and depreciation costs	-2,137	-2,305
Total operating expenses	-2,137	-2,305
Investment management expenses	-213	-
Result before tax	-2,355	-2,306
Income tax (2.)	434	77
Result from subsidiary (3.)	-33,811	-1,884
Net Result	-35,732	-4,113

5.4 Statement of Comprehensive Income

<i>in thousands of euros</i>	2019	12 October 2017 to 31 December 2018
Net result	-35,732	-4,113
Change revaluation reserve investments	-	1,583
Change revaluation reserve subsidiary	28,028	-
Total amount recognized directly in equity	28,028	1,583
Total comprehensive income	-7,704	-2,530
Share premium contribution	0	58,497
Movement shareholders' funds	-7,704	55,967

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5.5 Cash Flow Statement

<i>in thousands of euros</i>	2019	12 October 2017 to 31 December 2018
Cash flow from operational activities		
Result for the year	-35.732	-4.113
Adjusted for:		
Result from subsidiary	33.811	1.884
Interest on banks	6	1
Tax expense	-434	-77
Changes in:		
Receivables	-15	-10
Liabilities	605	832
Pension obligation	659	-
Cash used in operating activities:	-1.100	-1.483
Taxation Paid	-	-
Interest Received	-6	-1
Net cash from operating activities	-1.106	-1.484
Cash flow from investing activities		
Investments and advances:		
Investment in Subsidiary	-	-56.745
Net cash from investing activities	-	-56.745
Cash flow from financing activities		
Capital contribution	-	58.497
Cash flow from financing activities	-	58.497
Net increase/decrease in cash	-1.106	268
Cash and cash equivalents beginning of period	268	-
Cash and cash equivalents end of period	-838	268

5.6 Accounting Principles

Lifetri Groep B.V. ('the Company') with a statutory seat in Amsterdam, is a private limited liability company under Dutch law, Chamber of Commerce registration number 69827540, with its registered office in Hilversum. 100% of the shares of the Company are held by Baarn Midco B.V.

General

The financial statements have been compiled in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code and the Annual Reporting Guidelines of the Dutch Accounting Standards Board. This implies that Guideline 605 has been applied in the preparation of this annual report.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a

cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets. A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities. Unless stated otherwise, assets and liabilities are recognised at their fair value. Income and expenses are allocated to the relevant year.

The financial statements have been drawn up on the basis of the going concern principle.

The financial statements are presented in euros ('EUR'), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand.

Business combinations

A business combination is a transaction whereby the Company obtains control over the assets and liabilities and the activities of the acquired party.

Business combinations are accounted for using the 'purchase accounting' method on the date that control is transferred to the Company (the acquisition date). The transaction price is the cash consideration or equivalent agreed as part of the acquisition, or the fair value of the consideration transferred at the acquisition date. Transaction costs that are directly attributable to the business combination are allocated to the transaction price. In case of deferred payment of the consideration, the transaction price is the discounted value of the consideration.

The group recognises the identifiable assets and liabilities of the acquiree at the acquisition-date. These assets and liabilities are recognised individually at their fair values, provided that it is probable that future economic benefits will flow to the group (assets) or settlement will result in an outflow of resources embodying economic benefits (liabilities), and the cost or fair value of it can be measured with reliability.

An agreed possible adjustment to the purchase price that is contingent on future events is included in the purchase price if the adjustment is probable and the amount can be measured reliably. It is also possible that a previous estimate of the adjustment to the purchase price must be revised. Such adjustments to the purchase price, that are recorded as changes in estimates, will also result in an adjustment to (positive or negative) goodwill. The adjusted goodwill is amortised prospectively from the date of the adjustment of the purchase price.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements. Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of financial statements, the nature and estimated effects of the events are disclosed in the financial statements.

There are no subsequent events recognised in the balance sheet.

Use of estimates

The preparation of the financial statements requires the Management Board and management to make estimates and assumptions that can influence the application of accounting principles and the reported value of assets and liabilities. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

During the financial year 2019 the Dutch Tax Authorities planned to change the corporate income tax rates. The proposed change from 20,5% to 21,7% has been taken into account, because it has been approved in the "Eerste Kamer" as per 17-12-2019.

The following accounting policies are in the opinion of management the most critical in preparing these financial statements and require judgements, estimates and assumptions.

Fair value hierarchy

Financial assets and liabilities are categorised into the following fair value hierarchy.

Quoted prices in an active market (unadjusted, market observable prices) are sought first. If such prices are not available or if there is no active market, financial instruments are measured using input available in the market other than market prices: measurement derived from pricing. If no direct external or derived market prices are available, the Company uses brokers' quotes.

Published prices in active markets (Level 1)

Fair value measured at Level 1 only uses quoted prices (unadjusted) in active markets for identical assets and liabilities. An active market is one in which transactions take place with sufficient frequency and volume so that prices are regularly available. Examples are equity securities, bonds and investment funds listed on active markets.

Measurement method based on significant observable market inputs (Level 2)

Fair value measured at Level 2 uses inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If an asset or liability has a given contractual term, a Level 2 input variable must be observable for practically the full term of that asset or liability. Level 2 involves the following input variables:

- quoted prices for similar (i.e. not identical) assets/liabilities in active markets;
- input variables other than quoted prices observable for the asset (for example, interest rates and yield curves observable at customary intervals, volatility, early redemption spreads, loss ratio, credit risks and default percentages);
- input variables arising mainly from, or confirmed by, observable market data by correlation or other means (market-confirmed inputs).

Examples of assets or liabilities at Level 2 are financial instruments measured using discounted cash flow models. These are based on observable market swap yields, on investment property measured using observable market data and quoted debt instruments or equity securities in a non-active market.

Measurement method not based on significant observable market inputs (Level 3)

Fair value measured at Level 3 uses inputs for the asset or liability that are not based on significant observable market data. Unobservable inputs can be used if observable inputs are not

available, so fair value can still be measured at the reporting date in situations where there is no or almost no active market for the asset or liability.

Equipment

The fair value of equipment is not materially different from the carrying value. The carrying value is determined by historical cost less accumulated depreciation and impairment.

Bonds

Bonds are measured at fair value. The fair value of investments are measured using the fair value hierarchy as described above. Changes in the fair value of investments are recorded in the investment revaluation reserve within the shareholder's funds, less any provision for deferred tax. When investments are sold or impaired the accumulated fair value adjustments are released from the revaluation reserve to the income statement. When the fair value is below cost price, the negative fair value adjustment is recorded in the income statement in the period in which the negative fair value change occurs. Quoted bonds in active markets are measured at fair value level 1, unquoted are measured at fair value level 2.

Mortgages

Mortgages are measured at fair value. The fair value of mortgages is measured using the fair value hierarchy as described above and conform article 75 of the Solvency II Directive (2009/138/EC), applying to the valuation of mortgage loans. This article provides that mortgage loans of insurance undertakings are valued at the amount for which they could be exchanged between knowledgeable and willing independent parties in an arm's length transaction. If no observable prices for the mortgage loans are available, it is required to make as much use as possible of relevant information from the market when determining the fair value of the mortgage loans. It stipulates that if the fair value cannot be determined on the basis of quoted prices in an active market (Level 1), it should be determined on the basis of observable market data of comparable market instruments (Level 2).

The Level 3 valuation method should only be applied when insufficient observable and relevant market data are available to perform a full valuation based on observable inputs. In that case the value of each loan part is calculated using the following steps:

1. Determining the contractual cash flows per mortgage loan part based on the mortgage loan (part) characteristics, adjusted for expected prepayments by applying a CPR.
2. Determining the discount factor using mortgage loan rates in the primary market as of the valuation date for mortgage loans with similar characteristics as the mortgage loan (part) to be valued.
3. Discounting the cash flows with the relevant discount rate.
4. Determining mortgage loan part value.

For loans in arrears and default, an adjustment is made to the cash flows to reflect the higher probability of default and loss-given-default. There is currently no indication that a (constant) default rate must be applied for BTL loans that are current.

Changes in the fair value of investments are recorded in the investment revaluation reserve within the shareholder's funds. When investments are sold or impaired the accumulated fair value adjustments are released from the revaluation reserve to the income statement. When the

fair value is below cost price, the negative fair value adjustment is recorded in the income statement in the period in which the value change occurs.

Other loans

Loans are measured at fair value whereas discounted cash flows are calculated against the interest rate associated with the duration of that cash flow. Changes in the fair value of investments are recorded in the investment revaluation reserve within the shareholder's funds, less any provision for deferred tax. When investments are sold or impaired the accumulated fair value adjustments are released from the revaluation reserve to the income statement. When the fair value is below cost price, the negative fair value adjustment is recorded in the income statement in the period in which the negative fair value change occurs.

Receivables and other financial assets

Receivables and other financial assets are initially recognised at fair value and subsequently measured at amortised costs, using the effective interest rate method, less impairment. A provision is created in case debtors have financial difficulties, on an individual basis. Receivables related to reinsurance contracts are short-term receivables from reinsurance companies.

Cash

Cash is directly available funds held in bank accounts. The carrying value of cash is regarded as a good approximation of the fair value, as these assets are of a short-term nature. Cash is measured against fair value Level 1.

Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of profit distribution.

Financial instruments that are designated as financial liability by virtue of economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

The purchase of own shares is deducted from the other reserves.

Share premium

Amounts contributed by the shareholder(s) of the Company in excess of the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire shares of the Company.

Revaluation reserve

Increases in the value of assets that are measured at fair value are included in the revaluation reserve. An exception to this are financial instruments and other securities that are measured at current value; increases in the value of such assets are recognised directly in the profit and loss account. In addition, a revaluation reserve is established for such assets with a corresponding charge against other reserves if frequent market quotations are not available.

The revaluation reserve is established per individual asset. It is not to exceed the difference between the carrying value based on historical cost and the carrying value based on fair value. The revaluation reserve is reduced by any realised revaluation.

If an asset is sold, any revaluation reserve pertaining to that asset is released and credited to other reserves. Any related deferred tax liability, calculated at the current tax rate, is offset against the revaluation reserve.

Provisions

Provisions are created for concrete or specific risks and obligations existing on the balance sheet date, where the magnitude is uncertain, but which can be reasonably estimated.

Insurance liabilities

The initial recognition of the acquired provision for insurance liabilities is calculated on basis of the fair value equal to the discounted value of the best estimate cash flows on basis of a market consistent discount rate excluding the ultimate forward rate (UFR).

The Solvency II provision for insurance liabilities is calculated based on the interest rate structure published by the regulatory authority, including volatility adjustment.

The Solvency II provision is the sum of:

- the expected value equal to the present value of the future annual payments plus the future costs of the insurances minus the gross premiums on the basis of best estimate assumptions;
- the required risk margin, given the calculated solvency capital requirement on the basis of the risks quantified for the company.

The provision for insurance liabilities is calculated on the basis of the Solvency II principles, plus the not amortized part of the difference between the fair value provision at acquisition date and SII provision. This difference will be amortized in the coming years in line with the main driver of aforementioned difference, being the impact on the provision with regard to the development of the UFR.

Provisions for deferred taxes

Deferred tax assets and liabilities are measured at nominal value. Provisions for deferred taxes concern the tax claim that rests on all qualifying differences between commercial valuations and valuations for tax purposes of assets and liabilities, as well as the amount for which the reserves permitted for tax purposes have been created.

The provisions are created in relation to a lower valuation for tax purposes of equities, bonds, loans and immovable property.

The provision is calculated on the difference between the tax and commercial value of the asset or liabilities, multiplied by the current company tax rate of 21.7%.

Long-term liabilities

Long-term liabilities include liabilities with a remaining term longer than one year.

The long-term liabilities are initially valued at fair value and are subsequently valued at amortised cost, on the basis of the effective interest rate method.

Short-term liabilities

The short-term liabilities have an expected term of a maximum of one year.

Premiums earned for own account

Premiums earned for our own account consist of regular gross premiums and single premiums minus outgoing reinsurance premiums.

Yields from investments

This includes the proceeds realised on investments such as bonds.

Unrealised gain or loss on investments

Unrealised equity price changes, determined for each individual fund that can no longer be withdrawn from the revaluation reserve created in previous years are debited to the profit and loss account. Unrealised price gains, determined for each individual fund, that pertain to price losses charged to the profit and loss account in previous years are recovered and credited to the profit and loss account.

Claims and benefits paid

The benefit payments own account consists of the total liabilities arising from the payment of life insurance policies minus the amounts to be received from the reinsurers.

Change in technical provisions for life insurance

The change in technical provisions is equal to the difference between the opening balance and the final balance of the technical provision.

This item therefore includes all the effects of financial transactions, adjustments to economic actuarial principles and deviations between actual and the previously applied assumptions.

Operating expenses

Operating expenses are determined on a historical basis and are allocated to the financial year to which they relate.

Income tax

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is calculated on the result in accordance with the profit and loss account at a tax rate of 21.7%, with due consideration to the tax facilities.

Cash flow statement accounting principles

The statement of cash flows, prepared according to the indirect method, shows the structure of and changes in cash and cash equivalents of the Company during the financial year from cash flows arising from operating activities, investing activities and financing activities. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without significant risk of changes in value. The cash flows from investing activities primarily comprise changes in investment securities (such as securities available for sale or loans to customers). Financing activities include all cash flows from transactions involving the issuing of own shares and paid share premium. Cash flows from operating activities include all other activities, which belong to the principal revenue-generating activities.

Related parties

All legal entities, natural persons and other related companies that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities, natural persons and other related companies that can control the Company are considered to be a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes as far as they are not transacted under normal market conditions. The nature, extent and other information are disclosed if this is

necessary in order to provide a true and fair view. Related party transactions not on an arm's length basis have not occurred.

Investments in subsidiaries

Participating interests where significant influence can be exercised over the business and financial policies are valued according to the equity method on the basis of net asset value. If measurement at net asset value is not possible because the information required for this cannot be obtained, the participating interest is measured according to the visible equity. In assessing whether the Company has significant influence over the business and financial policies of a participating interest, all facts and circumstances and contractual relationships, including potential voting rights, are taken into account.

The net asset value is calculated on the basis of the Company's accounting policies.

If the Company transfers an asset or a liability to a participating interest that is measured according to the equity method, the gain or loss resulting from this transfer is recognised to the extent of the relative interests of third parties in the participating interest (proportionate determination of result). Any loss that results from the transfer of current assets or an impairment of fixed assets is fully recognised. Results on transactions involving transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests are eliminated to the extent that these cannot be regarded as having been realised.

Unrealised profits on transactions with participating interests that are accounted for at net asset value are eliminated to the extent of the Company's share in the participating interest. This elimination is allocated to the share of result from participating interests and the net asset value of the participating interest.

The Company realises the eliminated result as a result of a sale to third parties, depreciation or impairment of the transferred assets recognised by the participating interest.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed.

Impairments of fixed assets

Tangible and intangible fixed assets are assessed at each reporting date whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit to which the asset belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash-generating unit, the loss is first allocated to goodwill allocated to the cash-generating unit. Any residual loss is allocated to the other assets of the unit pro rata to their book values.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset (or cash-generating unit).

An impairment loss of goodwill is not reversed in a subsequent period.

Contrary to what is stated before, at each reporting date the recoverable amount is assessed for the following assets (irrespective of whether there is any indicator of an impairment):

- intangible assets that have not been put into use yet;
- intangible assets that are amortised over a useful life of more than 20 years (counting from the moment of initial operation/use).

5.7 Notes to the Balance Sheet

Specification fair value hierarchy

<i>in thousands of euros</i>	Level 1	Level 2	Level 3	Total
Subsidiary	-	50,662	-	50,662
At 31 December	-	50,662	-	50,662

Investments:

Investments in subsidiary (1.)

Investments in subsidiary

<i>in thousands of euros</i>	2019	2018
Share capital contribution in subsidiary	45	45
Share premium contribution	56,700	56,700
Revaluation reserve	30,051	1,583
Other reserve	-2,323	-
Result from subsidiary	-33,811	-1,884
At 31 December	50,662	56,444

The Company holds 100% of the issued shares in Lifetri Uitvaartverzekeringen, statutory seat in Baarn.

Deferred tax assets (2.)

Deferred tax assets

<i>in thousands of euros</i>	2019	2018
At 1 January	77	-
income tax receivable P&L	434	77
At 31 December	511	77

Cash and cash equivalents (3.)

Bank account is held at Rabobank and is at the free disposal of Lifetri Groep.

Shareholder's funds

Share capital (4.)

Share capital

<i>in thousands of euros</i>	2019	2018
At 1 January	0	-
Contribution	-	0
At 31 December	0	0

The issued and paid up capital of the company amounts to EUR 0.01 (2018: EUR 0.01) divided into one share of EUR 0.01.

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Share premium (5.)

Share premium

<i>in thousands of euros</i>	2019	2018
At 1 January	58,497	-
Share premium contribution	-	58,497
At 31 December	58,497	58,497

The share premium concerns the income from the issuing of shares in so far as this exceeds the nominal value of the shares (above par value). The share premium is freely distributable.

Revaluation reserve subsidiary (6.)

Revaluation reserve subsidiary

<i>in thousands of euros</i>	2019	2018
At 1 January	1,583	-
Revaluation reserve subsidiary	28,028	1,583
At 31 December	29,611	1,583

Other reserve (7.)

Other reserve

<i>in thousands of euros</i>	2019	2018
At 1 January	-	-
Result last bookyear	-4,113	-
At 31 December	-4,113	-

Result before appropriation (8.)

Result before appropriation

<i>in thousands of euros</i>	2019	2018
At 1 January	-4,113	-
Result current year	-35,732	-
Mutation to other reserve	4,113	-
Result last bookyear	-	-4,113
At 31 December	-35,732	-4,113

Pension obligations (9.)

Pension obligations

<i>in thousands of euros</i>	2019	2018
At 1 January	-	-
Contribution	659	-
At 31 December	659	-

Due to both the transfer of personnel from Lifetri Uitvaartverzekeringen to Lifetri Groep as from 1 January 2020 and the change of pension scheme and pension provider, a provision for pension indexation obligations has been formed ad EUR 0.659 million.

Other short-term liabilities (10.)

Other short-term liabilities

<i>in thousands of euros</i>	2019	2018
Deposit	-	563
Subsidiary	715	192
Other group companies	23	-
Tax and social contributions	30	-
Creditors	426	76
Accrued operational expenses	240	-
Banks	837	-
Interest banks	4	1
At 31 December	2,274	832

Events after the balance sheet date

On 1 May 2019, Lifetri Groep announced its intention to acquire 100% of the shares of Klaverblad Leven. At the end of the financial year 2019 the group was awaiting the approval of the Dutch central bank (the approval has been received in 2020) before being able to proceed with the acquisition. As such, the financial effects of this transaction have not been recognised at 31 December 2019. The operating results and assets and liabilities of the acquired company will be consolidated from 31 March 2020 18:00 hours CET.

The acquisition is expected to increase our market share, to increase our volumes thereby improving our cost efficiency and to offer – together with the current Lifetri portfolios – a good basis for further growth.

At the time the financial statements were authorised for issue, the group had not yet completed the accounting for the acquisition of Klaverblad Leven. In particular, the fair values of the assets and liabilities have only been determined provisionally as the independent valuations have not been finalised. It is also not yet possible to provide detailed information about each class of the acquired net assets or goodwill.

Lifetri Uitvaartverzekeringen N.V. and Lifetri Verzekeringen, subsidiaries of Lifetri Groep B.V., will be impacted by this acquisition as they will share Lifetri Groep services with the newly acquired entity Klaverblad Leven.

On 11 March 2020 the World Health Organization declared the Corona virus infection a pandemic. In response, governments in Europe and elsewhere, including the Dutch Government, have issued very impactful measures to control the pandemic. Worldwide financial market prices have severely declined, both fixed income and equity. Due to the long term nature of our life insurance business we expect no serious long term impact on our continuity, as evidenced by the results of the scenarios modelled in our Own Risk and Self Assessment (ORSA). In the short term, management, employees, partners and suppliers need to be very resourceful to handle all kind of impediments and obstacles to our normal way of working, raised by the implementation of government's measures and our compliance of it.

5.8 Notes to the Income statement

Operating expenses (1.)

Staff, overhead and depreciation costs

<i>in thousands of euros</i>	2019	12 October 2017 to 31 December 2018
Other staff expenses	-1,659	-361
Recharges from group companies	-522	
Staff expenses	-2,181	-361
General and administrative expenses	75	-
Recharges from group companies	-30	-1,944
Overhead expenses	45	-1,944
Total expenses	-2,137	-2,305

The MB remuneration amount to EUR 828.534k including both the ad interim board members and the permanent board members.

The auditor's expenses have been accounted for in Baarn Midco B.V.'s annual report.

Income tax (2.)

The tax receivable recognized in the profit and loss for 2019 amounts to EUR 434k. The effective tax rate is 21.7%.

Result from subsidiary (3.)

This concerns the share of the Company in the results of its subsidiary Lifetri Uitvaartverzekeringen N.V.

5.9 Contingent liabilities and commitments

The operation of the Company is planned to be located to Bisonspoor in Maarsse in a fully furnished office space. The contracted rental expense per annum is EUR 176k, which will be year amended according to the rental index. The contracted rental period will end at 28-02-2025.

Fiscal Unity

The Company is part of the fiscal unity which also includes Baarn Midco B.V., Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen. As a result the Company is liable for all tax claims within the fiscal unity.

Cashpool

The Rabobank accounts of the Company are included in the Lifetri cash pool provided by Rabobank. The Lifetri cashpool consists of the Rabobank accounts of the Company, Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen.

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Hilversum, 24 April 2020

Management Board

Philippe Wits

Ilse van den Bosch

Other Information

6. Appropriate result according to the Articles of Association Independent auditor's report

According to the company's articles of association, the results are at the disposal of the Shareholders' General Meeting.

7. Independent auditor's report



Independent auditor's report

To: the General Meeting of shareholders of Lifetri Groep B.V.

Report on the accompanying financial statements

Our opinion

We have audited the financial statements 2019 of Lifetri Groep B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Lifetri Groep B.V. as at 31 December 2019, and of its result for the year ended on 31 December 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2019;
- 2 the income statement for the year ended on 31 December 2019;
- 3 the statement of comprehensive income for the year ended on 31 December 2019;
- 4 the cash flow statement for the year ended on 31 December 2019; and
- 5 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Lifetri Groep B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- composition of the Board;
- the introduction;
- report of the managing Board;
- other information pursuant to Part 9 of Book 2 of the Dutch Civil Code;



Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is/are responsible for the preparation of the other information, including the report of the managing Board, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of management for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as the Management Board determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.



Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Utrecht, 24 April 2020

KPMG Accountants N.V.

A.J.H. Reijns RA