Annual Report 2021

Lifetri Groep B.V.

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1. Composition of the Management Board and Supervisory Board

The composition of the Management Board (MB) and the Supervisory Board (SB) of Lifetri Groep B.V. is shown below:

Management Board

P.D.A. Wits, CEO

M.R.E. Harkema, CFRO

J.P.M. Rijken, CIO

R. Zomer, COO

Supervisory Board

J.H.D. van Hemsbergen, Chairman

N. Albert

H. Eggens

R. Singhal

In performing their duties, the MB and SB are supported by a company secretary, E.J. Bijzitter.

Lifetri Groep B.V.

Bisonspoor 3002, 3605 LT Maarssen

Lifetri.nl

2. Introduction

2.1. Lifetri Groep

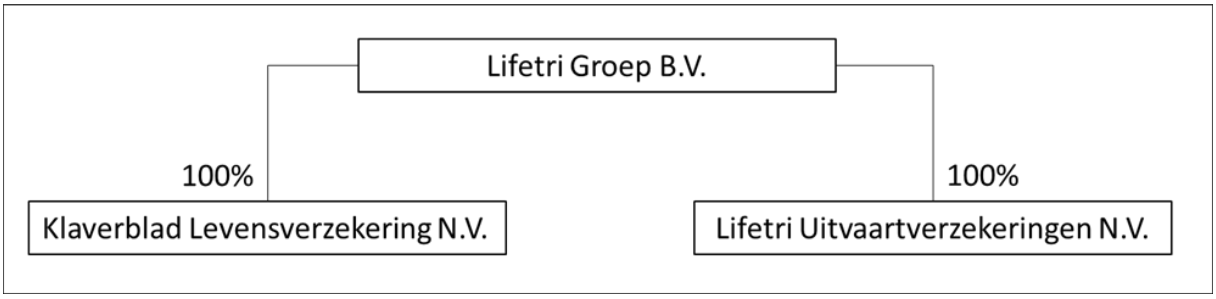
Lifetri Groep B.V. (Lifetri Groep) is the holding company of two operating companies, that acquire and service individual life insurance policies and collective pension insurance policies: Klaverblad Levensverzekering N.V. (Klaverblad) and Lifetri Uitvaartverzekeringen N.V. (Lifetri Uitvaartverzekeringen).

2.2. Key figures

in thousands of euros	2021	2020
Shareholder's funds	53,613	120,100
Eligible own funds	279,761	357,982
Solvency capital required (SCR)	152,278	116,755
Solvency II ratio	184%	307%
Net premiums earned	76,603	896,178
Claims and benefits paid	30,979	22,028
Total operating expenses	28,275	21,332
Net result	-71,486	-38,564
Employees (FTE)	98	80

2.3. Group structure and ownership

Lifetri Groep is a fully owned subsidiary of European Life Group (ELG) Holding Ltd. which in itself is ultimately owned by the Sixth Street TAO fund.



During 2021, following a restructuring process, Klaverblad Levensverzekering and Lifetri Verzekeringen N.V. merged, with Klaverblad Levensverzekering being the surviving company and Lifetri Verzekeringen N.V. being the disappearing company.

Lifetri Groep is backed by Sixth Street, a shareholder which manages over $60 billion in assets. Sixth Street is firmly committed to the life insurance and pension markets, and alongside Lifetri also has made investments in Clara Pensions (a UK pensions consolidation platform), and Talcott Resolution (a US life and pension platform with a balance sheet of over $140 billion). Sixth street is keen to grow in the life and pension markets globally, and with its own investor base being largely pension funds, a strong partner for Lifetri's strategy.

3. Report of the Management Board

3.1. Business Developments

General

Lifetri Groep, Klaverblad and Lifetri Uitvaartverzekeringen have unity of management, meaning that these entities each have a management board and a supervisory board with the same composition of board members. The report of the management Board (MB) describes the main activities during the year for the whole Lifetri group (Lifetri Groep, Klaverblad Levensverzekering and Lifetri Uitvaartverzekeringen including Lifetri Verzekeringen which merged with Klaverblad Levensverzekering). 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 and executing the strategy.

Business Strategy

Lifetri understands that uncertainty is part of life. It is the ability to deal with certainty as well as uncertainty and making the correct choices which make people self-assured. Lifetri wants to give customers the option to choose for a guarantee when some certainty is needed.

Lifetri formulated its mission as follows:

We do not want to insure people; we want to make people self-assured.

A long term solution provider.

The Lifetri group is a relatively new name but with a long history which goes back seventy years. The name Lifetri was chosen in 2018 as a reference to our ambition to grow together with our clients and refers to our roots in society.

Lifetri has approximately six hundred thousand individual insured customers for which we manage roughly € 2.5 billion assets.

Lifetri provides guarantees to (former) employees of Klaverblad cooperation and to (former) employees of Allianz Nederland since the buy-out of the Stichting Pensioenfonds Allianz Nederland Groep (SPANG). In the prior year, Lifetri took over the liabilities of SPANG via a buy-in. In 2021, the collective transfer value of € 836.3 million was completed and ahead of initial planning. The transfer of the pension arrangements was done to the satisfaction of all stakeholders most importantly the participants.

Lifetri has formulated its service book strategy to focus on providing long-term guarantees. This means providing flexible and tailor made solutions to both pension funds and life insurers. Examples of solutions offered to pension funds include transfer of lump sum with assets in kind by way of a detailed asset transition plan, HICP cover without a cap and (re)insurance solutions to (part of) the pension fund.

The pension transition in the Netherlands is a huge change with high complexity and many stakeholders and challenges. The most important focus for Lifetri is to play a meaningful role in these challenges by offering and co-creating solutions, both pre and post pension transition.

Scalable and effective platform

Over the last years Lifetri has worked hard to build up an experienced teams of professionals as well as building a modern and scalable insurance platform.

With this we are able to deal effectively and efficiently with themes such as longevity, inflation guarantees, interest rate risks, migration of IT and administrative platforms and data quality to name but a few.

The combination of both internal and external expertise make us agile and flexible.

In our design of our solutions offering we put the needs and the freedom of choice of the customer first. This at its core ensures that customers are able to make their own financial choices confidently.

The ambition can be realised as we built a modern and modular IT platform. The front-end where we differentiate ourselves in servicing customers has been built by ourselves, the back-end is a SAAS solution and therefore scalable.

The service book strategy is focused on existing customers and pension fund members and no new build up in for example DC contracts. This focus is important to ensure that the administrative processes are limited as well as the influence of future legislative changes.

This together ensures that we have a simple and manageable landscape with low costs, high service levels, flexibility and no (future) legacy.

Lifetri's unique position and solid capital base

The vision of Lifetri is that a fundamental and clear need for guarantees is currently insufficiently addressed by the Dutch insurance sector. There is limited freedom of choice, something Lifetri is committed to provide.

Lifetri is backed by Sixth Street, a shareholder which manages over $60 billion in assets. Sixth Street is firmly committed to the life insurance and pension markets, and alongside Lifetri also has made investments in Clara Pensions (a UK pensions consolidation platform), and Talcott Resolution (a US life and pension platform with a balance sheet of over $140 billion). Sixth Street is firmly committed to the life insurance and pension markets globally, and with its own investor base being largely pension funds, is a strong partner for Lifetri's strategy.

Since the acquisition of the life assurance portfolio of Nuevema, Sixth Street has deployed significant additional capital in the space in three key geographies: United States, the Netherlands and United Kingdom. Alongside the Dutch investments through Lifetri, operations in the United States are currently performed from Talcott Resolution, with a total balance sheet on excess of $140 billion following two sizable reinsurance transactions done since the platform acquisition: $20 billion reinsurance of fixed annuities from Allianz in 2021, $25 billion reinsurance of fixed annuities and ULSG products from Principal in 2022. In the United Kingdom, Since 2018, Sixth Street has backed the development of Clara Pensions the first and only approved DB pension scheme consolidator as of April 2022. Clara is committed to offer an alternative and sustainable bridge to buy-out solution to pension scheme sponsors and Trustees, facilitating and accelerating members transition from corporate balance sheets to insurance.

Sustainable Development Goals

Lifetri is a pension, life and funeral insurer that takes care of people's well-being by making them self-assured. This counts for both customers and employees. Lifetri also takes care of the planet by investing responsibly, pursuing a sustainable society for everyone, not least our pension clients.

In 2021, Lifetri has made great progress in terms of documenting and formalizing its efforts with respect to responsible investment as well as social and governance aspects within the organization. ESG (Environmental Social and Governance) lies at the heart of Lifetri's pursuit to strengthen its social and environmental impact. ESG are a set of standards for a company's operations that responsible investors use to screen investments. However, besides investing responsibly, Lifetri also aims to be a socially and environmentally responsible organization itself.

To give substance to our ESG efforts, Lifetri selected three Sustainable Development Goals (SDGs). The 17 Sustainable Development Goals lie at the heart of the 2030 Agenda for Sustainable Development, which is adopted by all United Nations Member States in 2015 and provides a shared blueprint for peace and prosperity for people and the planet, now and in the future. The three focus areas are selected based on the principle of double-materiality: the selection is based on the impact of these SDGs on Lifetri as well as Lifetri's potential contribution to these goals. The three SDGs are Good Health and Well-being (SDG 3), Quality Education (SDG 4), Climate Action (SDG 13). Lifetri's ambitions for the selected SDGs are as follows:

- Good Health and Well-being: "Ensure healthy lives and promote well-being for all at all ages". At Lifetri, we focus our efforts on Engagement, Diversity and Inclusion. This means that every employee, irrespective of someone's background, feels self-assured and encouraged to share ideas, ask questions, express doubts and make mistakes.

- Quality Education: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all". At Lifetri, this means Development and sustainable employability. Lifetri aims to encourage employees to contribute to Lifetri's vision, both individually and collaboratively, feel simultaneously autonomous and facilitated and are in control of their own career.
- Climate Action: "Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss". At Lifetri, we believe that by means of responsible investing we can contribute to a clean climate and the well-being of our stakeholders. We consider our investment impact in terms of ESG as our responsibility and aspire to continuously improve on Environmental, Social and Governance criteria.

Responsible Investing

With respect to responsible investing Lifetri made great progress in 2021. Mid 2021, we formalised our responsible investment beliefs in a Responsible Investing Policy. The policy describes our mission, beliefs and ambition, as well as guidelines on execution, monitoring, evaluation and reporting. In the following months a specific monitoring framework was designed in order to implement the new policy. This framework includes ESG screening criteria for all asset classes and thresholds for decision making. In order to obtain the required data we defined extensive ESG due diligence questionnaires for both pre- and post-investment purposes.

Financial Developments

In 2021, the financial net result of Lifetri Groep declined to € -71.5 million from € -38.6 million in 2020. This result was driven by the step down of the Ultimate Forward Rate (UFR) (that was reduced from 3.75% to 3.60%), the UFR drag and increasing risk free rates. Shareholder's funds reduced from € 120.1 million to € 53.6 million as of year-end 2021. Lifetri considers the development and drag of the UFR in its capital management. On 1 January 2022, the UFR dropped further to 3.45% which had a consequential impact of reducing the solvency ratio with a further 25%.

Lifetri manages its balance sheet on an economic basis, within the limitations of the Solvency II framework. While the increase in risk free rates impacted the Solvency II ratio adversely, the underlying economic profitability increased substantially. To evidence this, the impact of the Long-Term Guarantee measures (the volatility adjustment and the UFR) reduced from € 2,379.3 million in 2020 to € 1,692.9 million in 2021, which implies that in future periods Lifetri will require € 686.4 million less investment income to fund policy holder liabilities than it required at the end of 2020.

Gross premiums earned were € 90.2 million. The gross premium of € 902.3 million in 2020 was driven by the single premium of € 836.3 million related to the buy-out of the Allianz pension fund.

Total operating expenses in 2021 increased to € 28.3 million from € 21.3 million in 2020. The increase was mainly driven by the full consolidation of Klaverblad. In 2020 Klaverblad was only consolidated for nine months.

Corporate Focus

Towards the end of 2020 a high level corporate focus has been set for 2021 consisting of four areas of attention. Plans have been defined and executed in each of these areas.

Recalibration of the strategic asset allocation mix and acceleration of the implementation

Firstly, as the main constituent of our revenue model, the return generating strategic asset allocation mix has been recalibrated in an asset and liability management (ALM) study in the first quarter of 2021. As a result of the ALM study our strategic mix has been expanded to potentially include new asset classes private equity and infrastructure. The investment process – following the ALM study – is thorough and has taken up the rest of the year to assess these asset classes, to define preferred mandate characteristics and to select investment managers. In parallel, the implementation towards a return portfolio that meet our risk preferences has been accelerated by for instance the addition of tactical high(er) yield fixed income assets invested out of premium income and the sale of government bonds. The ramp-up during 2021 has exceeded our plan.

Ready to scale-up in pension buy outs

Secondly, pension buy-outs will increase revenues as a result of increased assets under management. The scale up in this product/market segment had two elements to it. The operational competencies have been upgraded to a volume independent set up, tuned to the services and pension scheme Lifetri offers to current and prospective pension participants. Next to the operational competencies, Lifetri has invested time in its commercial efforts, both to be invited by interested parties to commercial dealings and to share and to explain our solutions and the benefits of guarantees to the pension fund industry as a whole.

Finalize the migration of the pension participants administration and the individual life insurance policy administration

Thirdly, two major projects have taken up a lot of management attention and resources during the year with partial success. The project to migrate the pension participants administration from Stichting Pensioenfonds Allianz Nederland Groep and from pension scheme Klaverblad Levensverzekering N.V. has been successfully realised and well in advance of the expected deadline. The migration of the individual term life policy administration – part of the acquired Klaverblad individual life insurance portfolio – has been realised in the first half of 2021. The migration of the rest of the portfolio has been planned into 2022.

Development of staff and organization

Fourthly, the target operating model in terms of staff has been re-assessed and defined based on the outlook of our business plan. The organisational model used is flexible; in 2021 the organisational structure changed to accommodate the enlargement of the management board up to four members, each having more focus. The reliance on external hires has been further decreased or switched to a partnership model instead of a pure commercial model.

The second year of the COVID-19 pandemic was again challenging, having to work predominantly from home. Building on the experiences gained in the first year using efficient technology and clear communication, this was managed well.

A Works Council has been installed. All employees have been offered on-line training and assessment in IT security awareness and off-line group workshops with respect to self-assurance. Management and Managing Board have weekly joint updates and continuous attention and focus on leadership development. The measurement of employee engagement has been set up and regularly executed showing a stable 3.8 score against a maximum 5 score on a 5 point scale.

Remuneration policy

Lifetri's remuneration policy is sufficiently interesting to attract, retain and promote well-qualified employees. All this is closely linked to sound and controlled operations and is aimed at the longer term. This means, among other things, that the remuneration should not encourage employees to take excessive risks, which could compromise the careful handling of stakeholder interests. Incentives should also be built into the remuneration policy, aimed at rewarding behaviour and results that are in line with the long-term interests of Lifetri and its stakeholders.

The remuneration policy provides scope for variable remuneration for the Management Board and (to a limited extent) the senior management. The variable remuneration for this group consists of a monetary payment and honours behaviours and results in line with goals that are important to stakeholders and can therefore contribute to continuity and value creation. The criteria on which the variable remuneration is based are established on a yearly basis and comprise of at least 50% non-financial factors. As for the variable remuneration for Nominated Posts, an appropriate proportion is paid out over time. Where the variable remuneration is performance-related, the total amount of the variable remuneration is based on a combination of the assessment of the performance of the person concerned, and of their business unit, and on the total results of the company or the group to which the company belongs. The structure of the variable remuneration should not and will not encourage the taking of undesirable risks or the short-term maximisation of returns for the individual.

In accordance with Section 1:121 of the Financial Supervision Act, the maximum payable variable remuneration for the Management Board and (to a limited extent) the senior management in the year of payment never amounts to more than 20% of the fixed annual remuneration. This variable remuneration is allocated annually in arrears on the basis of the achievement of targets set in writing in advance, based on both financial and non-financial criteria. The first 60% of the variable remuneration is paid with the salary payment in the month following the adoption of the financial statements. The remaining 40% is paid out three years later. A claw-back clause is applicable. For all other staff the variable remuneration is limited to 25% of a monthly salary.

Operational Focus
Operationally the focus of 2021 has been on the improvement of running the business; in a futureproof manner as to accommodate the anticipated growth of pension participants and assets and liabilities.

Achievements
Achievements in that respect are the outsourcing of Lifetri's investment administration, the outsourcing of payroll administration, the move to the cloud of the accounting and actuarial systems, the implementation of derivatives to support interest rate management, the improvement of IT security levels, the execution of product approval and review processes for all products, the insourcing of the Privacy Officer, the approval by DNB of Lifetri's Preparatory Crisis Plan and satisfying results in fraud and privacy assessments of Stichting toetsing verzekeraars.

Tier 2 loan
Major proof of confidence in Lifetri's sustainability was given by the success of the issue of an unrated Tier 2 loan, listed in Dublin, Ireland. The ten and a half years Tier 2 loan amounts to € 80.0 million at 5.25% interest. The issuance broadens our investor base and reduces the cost of capital.

Legal governance
In 2021 Lifetri Group acquired Lifetri Verzekeringen thereafter, Lifetri Verzekeringen N.V. merged with Klaverblad Levensverzekering N.V. Klaverblad Levensverzekering will be renamed to Lifetri Verzekeringen in the course of 2022.

3.2. Asset Management

As described in its Investment Policy, Lifetri has developed a strategic asset allocation target portfolio (SAA) that has been updated early 2021. The new SAA target provides room for better asset diversification, along with better risk return characteristics for the asset portfolio to be achieved over the longer run. Please refer to paragraph 6.6 for a more detailed insight of the composition of Lifetri's assets. Our strategy of moving away from some negative yielding government bonds into a better yielding and more diversified asset mix aims to mitigate interest rate risk and inflation risk, while adding a positive spread over liability guarantees in order to contribute to a robust solvency ratio for the long run.

Over 2021, good progress has been made in shifting from government bonds into Dutch mortgages, commercial real estate debt, direct lending and emerging market debt. While at the same time safeguarding the prudent person principle. Through a thorough analysis and advanced studies and modelling we developed an ALM and subsequent SAA which optimizes the risk versus return and capital needs and at the same time ensures the long term stability required for the business model. Government bonds that remain in the portfolio are predominantly Austrian, French and Belgian bonds, especially in the longer maturities and serve to hedge long dated liabilities.

In 2021, the use of derivatives in the investment portfolio was implemented to support the management of interest rate and inflation risk. Lifetri has in the course of 2021 also adopted an improved ESG framework surrounding its investments, as laid out in its Responsible Investing Policy. The policy contains the following principles regarding Responsible Investing:

- strong corporate governance and socially responsible investing is important. Lifetri aims to invest in well governed companies in a way that minimizes negative impacts on society and the environment and, where possible, makes a positive contribution;
- certain unsustainable sectors and companies are excluded from the potential investment universe;
- Lifetri aims to integrate responsible investing in its investment process and ensures transparent reporting on investments.

For the purpose of defining its Responsible Investment strategy and policy, Lifetri has developed the following beliefs:

- Lifetri wants its customers to be able to enjoy their pensions in a sustainable world, and therefore believes it has a particular responsibility to invest responsibly and sustainably;
- Lifetri believes that to maintain our reputation and to anticipate regulatory and legal requirements it is obliged to invest responsibly according to our Responsible Investing Policy;
- Lifetri believes that in the long term, investment returns will not be harmed by responsible investing and potentially it might even improves investment returns;
- Lifetri believes that it is beneficial to the work environment for its staff if it invests responsibly and might become an attractive employer for talented professionals.

3.3. Capital Management

Capital management aims to protect policyholders’ rights, comply with regulatory requirements, and being able to capture financial setbacks without endangering the continuity of the business. Therefore, Lifetri wishes to hold an extra buffer apart from the technical reserves and the regulatory solvency capital requirement (SCR). The target solvency level is set at 160%, while the norm solvency level is set at 135%. These levels have been affirmed in 2021 as a result of the annual Own Risk & Solvency Assessment. It was further confirmed from the ORSA analysis that Lifetri Groep requires further capital injections from the shareholder to support its growth strategy.

In December 2021 Lifetri Groep issued a subordinated loan of € 80.0 million to support its growth strategy and optimise its funding costs. The subordinate loan qualifies as Tier 2 capital for solvency purposes. The term of the loan is ten years and a half year and the coupon is

5.25%. The loan was downstreamed to the two operating entities, € 65.0 million to Klaverblad Levensverzekering and € 15.0 million to Lifetri Uitvaartverzekeringen. In 2021, the shareholder injected € 5.0 million equity in Lifetri Uitvaartverzekeringen.

On 31 December 2021, the solvency level of Lifetri Groep was 184% well above its target solvency. The decrease of the ratio from 307% year-end 2021, was caused by the ineligibility of a substantial part of the Deferred Tax Asset resulting from selling assets at a profit to implement the new strategic asset allocation, the decrease of the UFR from 3.75% to 3.60%,, and the increase in interest rates. As explained above, the interest increase is beneficial to Lifetri as it reduces the impact of the Long-Term Guarantee measures significantly but has an adverse impact to the shareholder's funds in Solvency II and under Dutch generally accepted accounting principles.

3.4. Risk Management

Please refer to paragraph 5.1 for a description of Lifetri's risk management processes and organisation.

In 2021, the MB updated 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 significant risks. The 2021 ORSA results confirm the current solvency target levels. Risk management was further strengthened in 2021 by updating the control framework , and the formation of an in control statement.

Fraud policy

There is no legal definition of fraud. Lifetri assumes that fraud exists if the following three requirements are met: violating a rule; intentional abuse or deception; and unlawful advantage people involved.Fraud as a form of not acting with integrity damages trust in Lifetri, puts the affordability of insurance under pressure and is not acceptable from a societal point of view. The starting point of Lifetri's Fraud Policy is that the internal control of the business processes is adequately set up, aimed at preventing fraud. Where possible, preventive fraud is detected in these processes. However, not everything can be controlled directly through these types of processes. That is why Lifetri, in case of an indication of fraud, may perform analyses on data files.The Fraud Policy sets out the steps Lifetri takes when (suspected) fraud is indeed detected. A central role is reserved for the Fraud Control Coordinator. No cases of fraud have been identified during the current year.

3.5. Subsequent events

On 24 February, Russia invaded Ukraine. As a result of this act of war, many western countries imposed additional sanctions on Russia. Lifetri's total exposure to Russian bonds was limited to around € 5.0 million and around € 2.0 million to Ukrainian bonds. All these bonds are held through investments in Exchange Traded Funds (ETF). As the Russian bonds were excluded from the index since, the exposure to Russian bonds in the ETFs are reduced to nil.

No other events or transactions were identified that require recognition or disclosure in these financial statements.

Maarssen, 26 April 2022

Philippe Wits
Han Rijken
Rutger Zomer
Menno Harkema

4. Report of the Supervisory Board

4.1. General

The report of the Supervisory Board (SB) describes the main activities performed by the SB and its committees during the year for the whole Lifetri group (Lifetri Groep, Klaverblad Levensverzekering and Lifetri Uitvaartverzekeringen).

4.2. Composition of the SB

The SB consists of the following four members, as per the date of signing this report:

J.H.D. (Herman) van Hemsbergen (Chairman)

Date of birth	1958
Nationality	Dutch
Independence	Independent
Principal	None
Other Positions	Chair Supervisory Board, SRK Rechtsbijstand B.V. Chair Supervisory Board Veterfina Verzekeringsmaatschappij N.V. Chairman, Stichting Beheer LTP & Stichting Toegepaste Psychologie Member Advisory Board, Future of Finance
Term of Office	2020–2022, subsequent to the merger between Lifetri Groep and Baarn Midco on 1 October 2020 (1st term, which commenced in 2018)

N. (Nils) Albert

Date of birth	1967
Nationality	German
Independence	Non-independent
Principal	Managing Director Sixth Street
Term of Office	2020–2021, subsequent to the merger between Lifetri Groep and Baarn Midco on 1 October 2020 (1st term, which commenced in 2018)

H. (Henk) Eggens

Date of birth	1957
Nationality	Dutch
Independence	Independent
Principal	None
Other Positions	Member of the Supervisory board of AEGON Asset Management Hungary, Chairman of the Supervisory board of NV GEMS
Term of Office	2020-2024 (1st term)

R. (Rohan) Singhal

Date of birth	1987
Nationality	British
Independence	Non-independent
Principal	Managing Director Sixth Street
Other Positions	Board member, Northview Group
Term of Office	2020–2021, subsequent to the merger between Lifetri Groep and Baarn Midco on 1 October 2020 (1st term, which commenced in 2018)

4.3. Meetings of the Supervisory Board and its committees

In 2021, the SB held thirteen meetings: six regular meetings and seven ad-hoc meetings, which were used to discuss matters that required the attention of the SB in between regular meetings. The members of the MB are usually invited to attend the meetings, as well as such managers for presenting topics to the SB.

Due to COVID-19, most of the meetings were held by video conference. The overall attendance rate of SB members at SB meetings during 2021 was 100%. Furthermore, the SB holds informal monthly phone and video calls to discuss informally among members of the SB, to which the CEO may be invited to join. The chairman of the SB has regular contact with the CEO outside meetings, the same applies to the chairman of the ARC with the CFRO and the CIO.

Main topics discussed during the meetings were the governance of the company, the strategy and funding of the company, including the issuance of a Tier 2 loan, the budget and business plan, the financial performance, the main risks to which the company is exposed, the design and effectiveness of risk management and internal control systems, the investment plan, IT security risks, the development of business activities, investments and pension buy-in and buy-out opportunities, as well as the competitive environment, the relationship with the external regulators, including DNB and the AFM, the performance and functioning of the SB and of the MB, and ongoing for 2021, the COVID-19 crisis, and the IT migration of the Klaverblad portfolio.

During 2021, the SB spent several meetings together with the MB discussing extensively the company's strategy of becoming the best provider of long-term guarantees, focusing on external growth in the pension buy-in and buy-out market and the capabilities and budget needed to succeed in that area.

Furthermore, further to the changes in the composition of the SB and the MB, the SB and the MB dedicated considerable time in establishing and building a constructive and cooperative relationship. The SB also pays well attention to the relationship with the shareholder.

SB and MB members receive regular training on a variety of topics that are relevant for Lifetri Groep and the environment in which Lifetri Groep operates.

Performance of the SB and the MB

Each year, the SB evaluates the performance of the SB and of the MB, as well as the performance of its individual members. During the first quarter of 2021, the performance of the SB and the MB was assessed with the assistance of an external expert. The outcome of the assessment included actions to further strengthen where needed the effectiveness of board dynamics, corporate governance and checks & balances within Lifetri.

Audit and Risk committee and Nomination and Remuneration committee

The SB has established two committees: The Audit and Risk committee ("ARC") and the Nomination and Remuneration committee ("RemCo"). All members of the SB are members of the ARC. Two members of the SB are member of the RemCo. Henk Eggens acts as chairman of the ARC and Nils Albert acts as chairman of the RemCo. Until July 1, 2021, Herman van Hemsbergen acted as interim chairman of the ARC.

The ARC met six times. The MB, the internal auditor and the external auditor are usually invited to the meetings, as well as such managers for presenting topics to the ARC. The Risk, Compliance and Actuarial function are regularly invited to attend and present to the ARC. The second and third line also met in private sessions with the ARC during the year to discuss any topics they wish to raise.

Main topics discussed in the ARC during 2021 were the annual financial statements 2020 and the related report from the external auditor, the external auditor's plan for the year 2021, the quarterly performance reports, the Own Risk Solvency Assessment (ORSA), the Systematic Integrity Risk Analysis (SIRA), the issuance of a Tier 2 loan, reports from the second line functions (i.e.risk, compliance and actuarial risk), reports from internal audit, including audit findings and the internal audit plan, as well as the relationship with the internal and external auditor.

The RemCo met twice. Main topics discussed were the implementation of the remuneration policy for the MB and for the company for 2020 and the remuneration and performance objectives for 2021.

The SB would like to thank the MB and the organisation for the work performed during 2021.

Maarssen, 26 April 2022

Herman van Hemsbergen, Chairman
Nils Albert
Henk Eggens
Rohan Singhal

5. Risk Governance and Capital Management

5.1. Risk Management

Scope

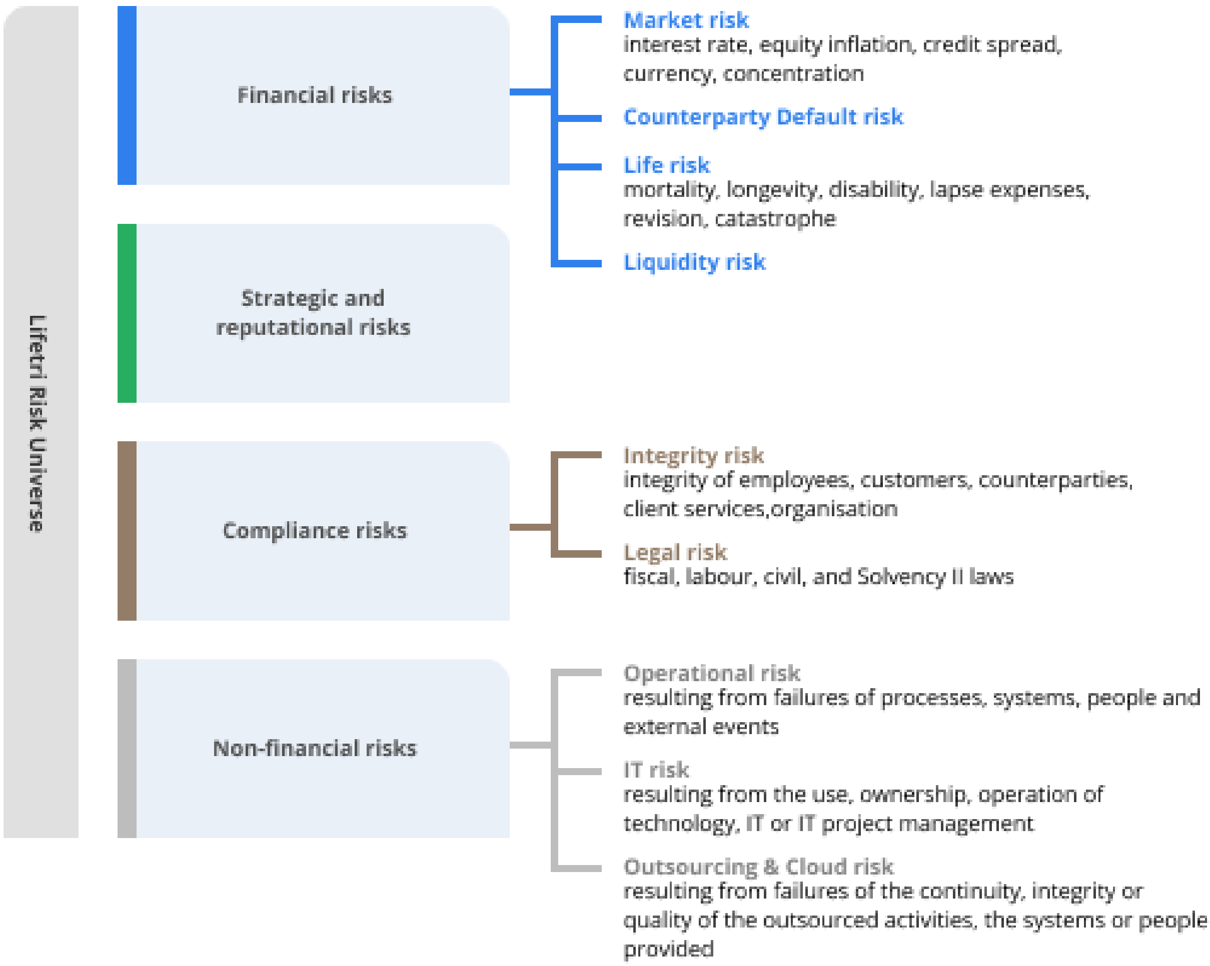
Risks are inherent in daily business. Lifetri Groep applies risk management processes to keep the risk within acceptable levels. These levels are defined in Lifetri Groep's risk appetite statements and limits (see paragraph further below).

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 and equity), counterparty default risk and actuarial life risks (mortality, longevity, disability, lapse, expenses, revision and catastrophe). In addition, Lifetri has included liquidity risk in its risk universe.

The other risk types are generally more qualitative in nature.

The non-financial risk types 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 and cloud computing risk. Compliance risk types 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).

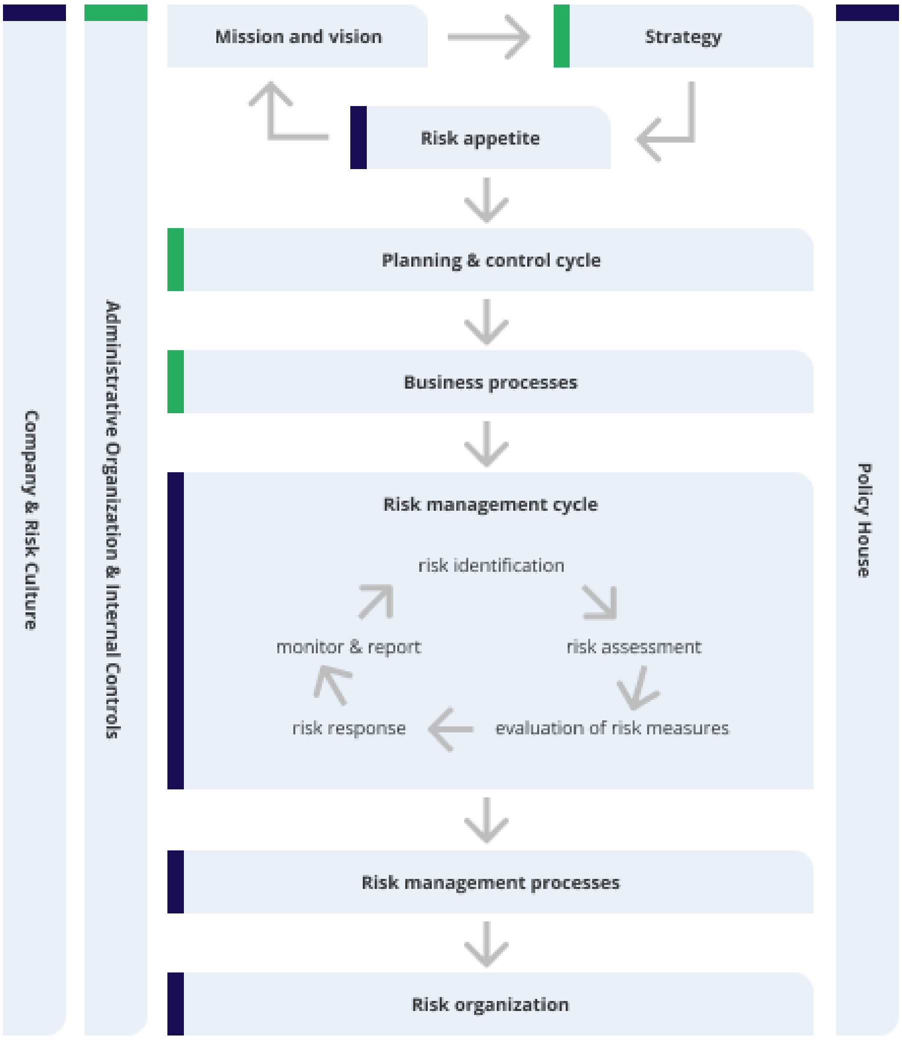
The first line of defence is the business itself, which is responsible for adherence with applicable laws and regulations, and for its own internal control of all activities and underlying processes.

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 on whether the internal control measures are adequate to mitigate risks. The second line Actuarial Function provides an objective, independent review and opinion on the calculation of technical provisions and sensitivity, the data quality, assumptions and IT systems used by the insurer for capital calculations, the best estimates, the Solvency II position, the underwriting policy (pricing and acceptance policy) and reinsurance arrangements. Second line compliance advises the organization on 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.

The Supervisory Board's 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.

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 (RAS) 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 RAS has been updated in 2021.

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.

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. Risks are being limited and monitored – amongst others - through solvency capital required (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.

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 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 analyse and explain the performance of financial and non-financial indicators for their responsibility areas. Depending on the nature of the report the frequency is monthly or quarterly. The monthly and quarterly ALCO Report combines input from Actuarial Department/Balance Sheet Management and Asset Management;
- 2nd line reporting: reports by the 2nd lines of defence, i.e. Risk management, Compliance and the Actuarial Function, and contain an independent 2nd line review on the 1st line. Risk Management and Compliance prepare the Risk Management & Compliance report on a quarterly basis. The Actuarial Function issues an annual Actuarial Function report;
- 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, ALCO or SB/ARC. The Financial Risk Management report is specifically discussed in the Asset Liability Committee (ALCO) 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.

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 policies are 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 endorsed in the Risk & Compliance Committee.

To continuously comply with laws and regulations 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.

5.2. Capital Management

in thousands of euros	31 December 2021		31 December 2020	
Excess of assets above liabilities		259,767		357,982
Tier 1	203,621		357,982	
Tier 2	79,925		0	
Tier 3	56,145		0	
Total available own funds		**339,691**		**357,982**
Eligible own funds		**279,761**		**357,982**
Solvency capital requirement				
Market risk	56,668		25,186	
Counterparty risk	10,891		19,555	
Life underwriting risk	117,986		113,302	
Diversification	-38,303		-29,066	
BSCR		**147,242**		**128,977**
Operational risk		8,378		8,268
LACDT		-3,342		-20,490
Total solvency capital requirement		**152,278**		**116,755**
Minimum capital requirement		55,770		52,541
Solvency II ratio		184%		307%
Minimum Capital required ratio		385%		684%

The changes in economic assumptions are driven by interest developments.

in thousands of euros	2021		2020	
Excess of assets above liabilities 1 January		357,982		369,995
Change UFR	-26,257		-3,438	
Model Change	1,111		25,703	
Unwind	11,662		2,795	
Portfolio development	10,319		4,824	
Operational Assumption	-9,697		-4,630	
Economic assumptions	-90,316		9,773	
Other	4,965		-47,040	
Excess of assets above liabilities 31 December		**259,767**		**357,982**

Solvency and Risk Appetite

The management of capital is governed by the Capital Management & Dividend 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 Management & Dividend Policy is aimed at being able to capture financial setbacks without endangering the continuity of the business. Therefore, Lifetri Groep wishes its subsidiaries 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 Management & Dividend 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 Management & Dividend 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 Management & Dividend Policy. In practice, management intervention actions may further prevent risks.

6. Consolidated Financial Statements

These consolidated financial statements comprise the financial statements of Lifetri Groep B.V. and its subsidiaries. The financial statements concern the period 1 January 2021 – 31 December 2021 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 starting on page 44 form an integral part of these financial statements.

6.1. Consolidated Balance Sheet

(Before appropriation of result)

Assets

in thousands of euros	notes	31 December 2021		31 December 2020	
Financial investments					
Bonds	1	1,250,481		1,951,370	
Mortgages	2	566,357		152,096[1]	
Investment funds	3	436,243		104,274	
Derivatives	4	9,504		0	
Total financial investments			**2,262,586**		**2,207,740**
Deferred tax assets	5		**127,827**		**56,741**
Short term receivables					
Policyholders	6	703		157	
Other receivables	7	6,237		20,144	
Total short term receivables			**6,940**		**20,301**
Other assets					
Equipment	8	393		510	
Cash and cash equivalents	9	176,332		252,667	
Total other assets			**176,726**		**253,177**
Total assets			**2,574,078**		**2,537,959**

1 During 2021 a part of the mortgages portfolio was reclassified to Investmentfunds. Also mortgage deposits were reclassified to other liabilities. Comparing numbers have been updated accordingly.

Liabilities

in thousands of euros	notes	31 December 2021		31 December 2020	
Group equity	10		53,613		120,100
Subordinated debt	11		79,925		0
Net insurance liabilities					
For own risk	12	2,293,537		2,313,508	
Reinsurers' share		63,034		70,411	
Total net insurance liabilities			**2,356,572**		**2,383,919**
Provisions					
Provisions other than technical provisions		0		251	
Pension obligation	13	405		560	
Total provisions			405		811
Long term Liabilities			**8,857**		**10,008**
Short term liabilities					
Derivatives		0		0	
Policyholders		3,044		6,887	
Tax and social security contributions		43,179		1,656	
Other liabilities	16	28,484		14,578	
Total short term liabilities			**74,707**		**23,121**
Total liabilities			**2,574,078**		**2,537,959**

6.2. Consolidated Income Statement

in thousands of euros	notes	2021		2020	
Insurance premiums earned					
Gross premiums		90,202		902,284	
Outgoing reinsurance premiums		-13,599		-6,106	
Net premiums earned	1		**76,603**		**896,178**
Investment income					
Interest from bonds		14,728		10,555	
Interest from mortgages		6,382		864	
Interest on bank accounts		-1,361		-513	
Income investment funds		4,716		0	
Interest on derivatives		2,105		528	
Realised gains and losses on sales of investments		140,955		16,795	
Total investment income			**167,525**		**28,229**
Unrealized gains and losses on investments	2		**-302,323**		**220,666**
Claims and benefits paid					
Gross claims and benefits paid		-43,725		-28,045	
Reinsurers' share claims		12,745		6,017	
Net claims and benefits paid	3		**-30,979**		**-22,028**
Change in technical provisions					
Gross change in technical provisions		20,135		-1,043,325	
Reinsurers share		7,376		-2,917	
Net change in technical provision			**27,511**		**-1,046,242**
Change in other provisions			**0**		**-1,300**
Interest expense			**-358**		**13**
Impairment of goodwill			**0**		**-88,500**
Operating expenses					
Staff, overhead and depreciation costs		-27,558		-21,332	
Acquisition costs		-717		0	
Total operating expenses	4		**-28,275**		**-21,332**
Investment management expenses			-9,789		-4,360
Investment income attributable to non-technical account			-17,033		-37,194
Result technical account life insurance			**-117,117**		**-75,870**
Investment income attributable from technical account		17,033		37,194	
Result before tax			**-100,084**		**-38,677**
Income tax	5		28,599		113
Net result			**-71,486**		**-38,564**

Part of the income from investments is allocated to the technical result; its realized return percentage on the investments is calculated on the average balance of the technical provision. When determining the allocated return on investments, the interest income from cash and cash equivalents are included.

6.3. Consolidated overview total result

in thousands of euros	2021		2020	
Consolidated result after tax		**-71,486**		**-38,564**
Change revaluation reserve investments	30,670		67,331	
Change in other reserve	-30,670		-67,331	
Total amount recognised directly in equity		-		-
Total net result		**-71,486**		**-38,564**

6.4. Cash Flow Statement

in thousands of euros	2021		2020	
Result for the year		**-71,486**		**-38,564**
Adjusted for:				
Change in Goodwill	0		88,500	
Change in technical provisions	-19,974		170,270	
Change in technical provisions / acquired business	0		783,985	
Change in technical provisions / reinsurance	-7,373		70,411	
Change in pension obligation	991		-99	
Change in other provisions	0		1,350	
Depreciation assets	117		61	
Fair value changes through profit or loss	150,006		-222,954	
Changes in:				
Receivables	13,361		7,983	
Liabilities	-20,900		11,349	
Other long term liabilities	-1,151		-1,301	
Net cash flow from operational activities		**43,591**		**870,992**
Cash flow from investing activities				
Investments and purchases				
Investment of group companies	0		-9,894	
Bonds	-937,492		-1,188,401	
Mortgages	-447,022		-167,707	
Investment funds	-445,868		-69,708	
Derivatives	0		-67,108	
Equipment	0		-561	
Disposals and redemptions				
Bonds	1,486,022		751,771	
Mortgages	44,588		12,336	
Investment funds	94,920		-	
Derivatives	0		66,122	
Net cash from investing activities		**-204,852**		**-673,150**
Cash flow from financing activities				
Capital contribution	5,000		0	
Subordinated debt	79,925			
Cash flow from financing activities		**84,925**		**0**
Net increase/decrease in cash		**-76,336**		**197,841**
Cash and cash equivalents beginning of period		**252,668**		**54,826**
Cash and cash equivalents end of period		**176,332**		**252,668**

6.5. Accounting Principles

Lifetri Groep B.V. (Lifetri Groep) with a statutory seat in Amsterdam, is a private limited liability company under Dutch law, Chamber of Commerce registration number 70148821. 100% of the shares of Lifetri Groep are held by ELG Holding Ltd (Cayman Islands).

Lifetri Groep is a holding company and the owner of its subsidiaries Lifetri Uitvaartverzekeringen N.V. and Klaverblad Levensverzekering N.V. The activities of Lifetri Groep consist of holding the shares and providing its subsidiaries with enough capital to be able to operate as envisaged. Lifetri Groep also functions as employer to staff for its underlying entities.

The main activities within the group consist of servicing individual life insurance policies in the Dutch market including pensions, term life and funeral.

General
The financial statements have been prepared 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 and in particular, Guideline 605.

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 Lifetri Groep 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 Lifetri Groep. 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, which is Lifetri Groep's functional and presentation currency. All amounts have been rounded to the nearest thousand.

Changes in presentation
The current presentation differs from last year's presentation in some aspects. Where applicable, comparative figures have been included in the new presentation format, including related disclosures, to ensure comparability. These changes in presentation have no impact on net result nor equity.

Business combinations
A business combination is a transaction whereby Lifetri Groep obtains control over the assets and liabilities and the activities of the acquired party.

Business combinations are accounted for using the 'carry-over accounting' method on the date that control is transferred to Lifetri Groep (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 acquire 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.

Financial reporting period

The financial statements cover the period from 1 January 2021 and ended at the balance sheet date of 31 December 2021.

Consolidation scope

The consolidated financial statements include the financial information of Lifetri Groep, its subsidiaries in the group, other group companies and other companies over which Lifetri Groep can exercise control or of which it conducts the central management. Subsidiaries are participating interests in which Lifetri Groep, or one or more of its subsidiaries, can exercise more than half of the voting rights in the general meeting, or can appoint or dismiss more than half of the managing directors or supervisory directors.

Group companies are participating interests in which Lifetri Groep has a majority interest, or in which it can exercise decisive influence (control) by other means. In assessing whether Lifetri Groep has control, potential voting rights are considered that can be exercised in such a way that they will provide Lifetri Groep with more or less influence.

Newly acquired participating interests are consolidated as from the date that decisive influence (control) can be exercised. Participating interests disposed of remain included in the consolidation until the date of loss of this influence.

Consolidation method
The consolidated financial statements are prepared by using uniform accounting policies for measurement and determination of result of the group.

In the consolidated financial statements, intragroup shareholdings, liabilities, receivables and transactions are eliminated. Also, the results on transactions between group companies are eliminated to the extent that the results are not realised through transactions with third parties outside the group and no impairment loss is applicable. For a transaction whereby, Lifetri Groep has a less than a 100% interest in the selling group company, the elimination from the group result is allocated pro rata to the minority interest based on the interest of the minority in the selling group company.

Subsidiaries are consolidated in full, whereby minority interest is presented separately within group equity. If losses to be allocated to the minority interest exceed the minority interest within equity of the consolidated entity, the difference, including any further losses, is fully charged to the majority shareholder, except to the extent that the minority shareholder has the obligation to, and is able to, compensate for the losses. The minority interest in the result is deducted from group result on a separate line item in the consolidated profit and loss account.

Changes in presentation
The current presentation differs from last year's presentation in some aspects. Where applicable, comparative figures have been included in the new presentation format, including related disclosures, to ensure comparability. These changes in presentation have no impact on net result nor equity.

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 recognized in the financial statements. Events that provide no information on the actual situation at the balance sheet date are not recognized 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.

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.

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

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
Depreciation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, considering any estimated residual value of the individual assets. Depreciation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, considering any estimated residual value of the individual assets.

Bonds
Bonds are measured at fair value. The fair value of bonds is measured using the fair value hierarchy as described above. Listed bonds in active markets are measured at fair value level 1, non-listed bonds as well as bond strips are measured at fair value level 2. Changes in the

fair value of investments are recorded in the income statement. In addition, for level 2 bonds a revaluation reserve is recognised within the shareholder’s funds. The revaluation reserve is recognised at an amount of the accumulated fair value changes less any provision for deferred tax.

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 constant prepayment rate (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 mortgages that are current.

Changes in the fair value of mortgages are recorded in the income statement. For mortgages without frequent market quotations, a revaluation reserve is recognised within the shareholder’s funds. The revaluation reserve is recognised at an amount of the accumulated fair value changes, less any provision for deferred tax.

Investment funds

Participations in investment funds without significant influence are measured at fair value. The fair value of these participations is measured using the fair value hierarchy as described above. Listed investment funds in active markets are measured at fair value level 1, non-listed investment funds are measured at fair value level 2.

Changes in the fair value of investments are recorded in the income statement. In addition, for level 2 investment funds a revaluation reserve is recognised within the shareholder's funds. The revaluation reserve is recognised at an amount of the accumulated fair value changes less any provision for deferred tax.

Receivables and other financial instruments

Receivables and other financial instruments 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. The carrying values of the receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognised, if necessary.

Cash

Cash is directly available funds held in bank accounts. Cash and cash equivalents are measured at nominal value. If cash and cash equivalents are not readily available, this fact is considered in the measurement.

Shareholder's equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholder's equity. Payments to holders of these instruments are deducted from the shareholder's 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 of Lifetri Groep 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 Lifetri Groep.

Revaluation reserve

Fair value changes of financial assets are recognised in the income statement. For financial assets without frequent market quotations a revaluation reserve is recognised for the cumulative unrealised fair value changes reported in the income statement, after deduction of deferred tax.

The revaluation reserve is established for such assets with a corresponding charge against other reserves. The revaluation reserve is established per individual asset. If an asset is sold, any revaluation reserve pertaining to that asset is released and credited to other reserves.

Provisions

A provision is recognised if the following applies: Lifetri Groep has a legal or constructive obligation, arising from a past event; and the amount can be estimated reliable; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If the time value of money is material and the period over which the cash outflows are discounted is more than one year, provisions are measured at the present value of the best estimate of the cash outflows that are expected to be required to settle the liabilities and losses. The provisions are measured at nominal value if the time value of money is not material or If the period over which the cash outflows are discounted is no longer than one year.

Insurance liabilities

The initial recognition of the 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 Lifetri Groep.

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.

Insurance risk

Insurance risk of Lifetri Groep includes all the Solvency II sub risks for mortality, longevity, lapse, expenses, and catastrophe. Lifetri uses the following definitions for these risks:

- Mortality: Risk of loss resulting from higher-than-expected mortality rates, which results in earlier death claims;

- Longevity: The risk of loss as a result of lower-than-expected mortality rates. Longevity risk exists due to the increasing life expectancy trends and can result in pay-out levels that are higher than what the insurer originally accounts for;
- Lapse: The risk of a loss as a result from unanticipated (higher or lower) rate of policy lapses, terminations, changes to paid-up status (cessation of premium payment), surrenders or mass lapse event;
- Expenses: The risk of a loss as a result of higher than expected expenses or inflation.
- Catastrophe: The risk of loss resulting from extreme or irregular events resulting in higher mortality rates which results in earlier death claims.

Lapse risk and expense risk are the highest risks within the life risks. The longevity risk is reduced due to the longevity reinsurance with Hannover Re.

Pensions and funeral deposits

Pension obligation is calculated as the discounted value of the expected yearly indexation budget for the former employees of Nuvema. The yearly indexation budget is equal to 3,2% of the salaries of the former employees of Nuvema. The calculation of the budget does take salary development and lapse rates into account. The discounted value is calculated with the risk-free rate (swap-curve).

Funeral deposits are reported at nominal value. No further increase of the deposits is considered.

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. A deferred tax asset is only recognised in so far as it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available to offset the temporary difference can be utilised. 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 25.8%.

Deferred tax assets and deferred tax liabilities are offset in the balance sheet if Lifetri Groep has a legally enforceable right to offset current tax assets against current tax liabilities, insofar as they relate to the same financial year and deferred tax assets relate to income taxes levied by the same tax authority on the same taxable Company, or the same fiscal unity.

Short-term liabilities
The short-term liabilities have an expected term of a maximum of one year. The carrying values of the current liabilities approximate their respective fair values, given the short maturities of the positions.

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
All changes in the fair value of financial investments are recognised directly in the income statement. For gains on investments without frequent market quotations, the shareholder's funds recognise a revaluation reserve.

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 25.0%, with due consideration to the tax facilities.

Leases
If Lifetri Groep acts as lessee in an operational lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are

recognised to the profit and loss account on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

Cashflow 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 Lifetri Groep 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. 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 Lifetri Groep are considered to be a related party. In addition, statutory directors, other key management of Lifetri Groep 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 Lifetri Groep 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 considered.

The net asset value is calculated on the basis of Lifetri Groep’s accounting policies.

If Lifetri Groep 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 Lifetri Groep 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 Lifetri Groep'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.

Lifetri Groep 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 twenty years (counting from the moment of initial operation/use).

6.6. Notes to the consolidated Balance Sheet

Specification fair value hierarchy

in thousands of euros	Level 1	Level 2	Level 3	Total
Bonds	1,315,711	635,659	-	1,951,370
Mortgage loans	31,721	143,061	-	174,782
Investment funds	72,515	-	-	72,515
Derivatives	-	-	-	-
At 31 December 2020	**1,419,947**	**778,720**	**-**	**2,198,666**

in thousands of euros	Level 1	Level 2	Level 3	Total
Bonds	1,041,064	209,417	-	1,250,481
Mortgage loans	-	566,357	-	566,357
Investment funds	283,221	153,022	-	436,243
Derivatives	-	9,504	-	9,504
At 31 December 2021	**1,324,285**	**938,300**	**-**	**2,262,586**

Investments

1. Bonds

in thousands of euros	2021	2020
At 1 January	**1,951,370**	**199,499**
Changes in the composition of the group	-	1,097,209
Purchases	937,491	1,188,401
Disposals	-1,486,022	-731,638
Redemption	-	-20,134
Fair value changes through profit or loss	-152,358	218,033
At 31 December	**1,250,481**	**1,951,370**

Cost of bonds amounts to € 1,139.8 million (2020: € 1,688.8 million).

in thousands of euros	31 December 2021	31 December 2020
Austria	228,974	361,220
Belgium	266,202	355,069
Germany	93,042	228,637
France	297,044	427,963
Netherlands	46,236	164,874
Luxembourg	209,417	119,640
Italy	83,560	-
Other	26,007	52,167
At 31 December	**1,250,482**	**1,709,570**

Bonds by credit rating

in thousands of euros	31 December 2021	31 December 2020
AAA	33,133	515,609
AA	872,106	1,258,737
A	17,539	30,074
BBB	104,563	27,310
None	223,141	119,640
At 31 December	**1,250,482**	**1,951,370**

2. Mortgages

in thousands of euros	2021		2020	
At 1 January		**152,096**		**820**
Purchases	447,022		161,501	
Redemption	-44,588		-12,254	
Disposals	-		-65	
Fair value changes through profit or loss	11,827		2,094	
At 31 December		**566,357**		**152,096**

Cost of mortgages in 2021 amounts to € 548.9 million (2020: € 179.3 million).

3. Investment funds

in thousands of euros	2021		2020	
At 1 January		**104,274**		**16,030**
Purchases	445,867		85,018	
Disposals	-94,920		-	
Fair value changes through profit or loss	-18,979		3,226	
At 31 December		**436,242**		**104,274**

in thousands of euros	31 December 2021	31 December 2020
Direct Lending	143,700	-
ETF	227,858	72,515
Money Market Fund	20,964	-
Mortgages	32,406	31,760
Real Estate Debt	11,315	-
Total Investment funds	**436,243**	**104,275**

During 2021 some mortgages were reclassed to Investment funds. Comparing numbers were adjusted with € 31.8 million accordingly. Cost of investment funds in 2021 amounts to € 433.5 million (2020: € 69.7 million).

4. Derivatives

in thousands of euros	2021	2020
At 1 January	**-**	**-**
Purchases	-	67,108
Disposals	-	-66,122
Fair value changes through profit or loss	9,504	-986
At 31 December	**9,504**	**-**

Acquired derivatives were included in the received payment to insure pension benefits for participants in a single premium transaction. These derivatives have been unwound as soon as the financial markets offered liquidity.

5. Deferred tax

in thousands of euros	01 January 2021	Movement through P&L	Movement through Shareholder's funds	31 December 2021
Deferred acquisition costs	5,206	-1,452	-	3,754
Subordinated liability	-	416		416
Valuation differences technical provision	174,490	-10,859	-	163,631
Deferred tax assets	**179,696**	**-11,895**	**-**	**167,801**
Equalisation reserve	3,254	504	-	3,758
Valuation differences investments	119,701	-83,485	-	36,216
Deferred tax liability	**122,955**	**-82,980**	**-**	**39,975**
Net deferred tax	**56,741**	**71,086**	**-**	**127,827**

in thousands of euros	01 January 2020	Movement through P&L	Movement through Shareholder's funds	31 December 2020
Deferred acquisition costs	3,652	-759	2,313	5,206
Valuation differences technical provision	-2,127	77,147	99,470	174,490
Deferred tax assets	**1,525**	**76,388**	**101,783**	**179,696**
Equalisation reserve	-	135	3,119	3,254
Valuation differences investments	8,389	75,394	35,918	119,701
Deferred tax liability	**8,389**	**75,529**	**39,037**	**122,955**
Net deferred tax	**-6,864**	**859**	**62,746**	**56,741**

6. Policyholders

The short-term receivables on policyholders relate to insurance premiums due. All receivables have an estimated maturity shorter than one year.

7. Other receivables

in thousands of euros	31 December 2021	31 December 2020
Non-insurance receivables	5,000	18,864
Insurance receivables	368	-
Prepaid operating expense	461	1,437
Tax reclaims	308	-
Other	100	
Total Short term receivables	**6,237**	**20,301**

All receivables have an estimated maturity shorter than one year. The non-insurance receivables relate to the custodian of mortgages.

8. Equipment

in thousands of euros	Hardware	Office equipment	Property	Total 2021	Total 2020
At 1 January	**5**	**-**	**505**	**510**	**10**
Purchases	-	-	-	-	561
Depreciation	-5	-	-112	-117	-61
At 31 December	**-**	**-**	**393**	**393**	**510**

A 20% depreciation rate on the purchase value is applied for the calculation of the annual depreciation expenses. The purchase of property is the improvement of the rented office. 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.

9. Cash and cash equivalents

For an amount of € 115.9 million (2020: € 160.3 million) cash and cash equivalents are not freely available. This amount is used as collateral for open mortgage proposals in our investments portfolio.

10. Group equity

in thousands of euros	Share capital	Share premium	Revaluation reserve	Other reserve	Result before appropriation	Total
At 1 January 2020	**-**	**58,497**	**6,074**	**-8,609**	**-7,698**	**48,264**
Result current year	-	-	-	-	-38,564	-38,564
Result previous year	-	-	-	-7,698	7,698	-
Share premium contribution		110,400				
Change reserves required by law	-	-	67,330	-67,330	-	-
At 31 December 2020	**-**	**168,897**	**73,404**	**-83,637**	**-38,564**	**120,100**
At 1 January 2021	**-**	**168,897**	**73,404**	**-83,637**	**-38,564**	**120,100**
Result current year	-	-	-	-	-71,486	-71,486
Result last year	-	-	-	-38,564	38,564	-
Share premium contribution	-	5,000	-	-	-	5,000
Change reserves required by law	-	-	30,670	-30,670	-	-
At 31 December 2021	**-**	**173,897**	**104,074**	**-152,871**	**-71,486**	**53,613**

11. Subordinated debt

On 1 December 2021 Lifetri Groep B.V. issued a subordinated Tier 2 loan of € 80.0 million. The bond has a maturity date of 2032 at a fixed rate of 5.25% paid annually on 1 June. After the reset date at 1 June 2027 the interest is calculated based on the 5 Year Mid Swap Rate plus a margin of 5.304 per cent. The loan is considered Tier 2 capital for regulatory purposes.

12. Insurance liabilities

Insurance liabilities for own risk

in thousands of euros	2021	2020
Best estimate	2,177,619	2,183,534
Risk margin	115,919	129,974
At 31 December	**2,293,537**	**2,313,508**

Insurance liabilities for own risk

in thousands of euros	2021		2020	
At 1 January		**2,313,508**		**201,053**
Changes in the composition of the group	-		1,158,200	
Acquired business	-		783,985	
Change in technical provisions	-19,971		170,270	
At 31 December		**2,293,537**		**2,313,508**

In the insurance contracts no other profit sharing, guarantees or other options are included other than the options stemming from the in-kind policies. The technical provision primarily has a long duration.

13. Pension obligations

in thousands of euros	2021		2020	
At 1 January		**560**		**659**
Change in provisions	-155		-99	
At 31 December		**405**		**560**

The pension obligation is calculated as the discounted value of the expected yearly indexation budget for the former employees of Nuvema. The yearly indexation budget is equal to 3.2% of the salaries of the former employees of Nuvema.

14. Long-term liabilities

in thousands of euros	2021		2020	
At 1 January		**10,009**		**11,310**
Deposits received	-		50	
Interest increase through P&L	-62		-107	
Deposit payments	-1,090		-1,244	
At 31 December		**8,857**		**10,009**

Funeral deposits are annually increased with interest and have primarily a long duration.

15. Policyholders

Premiums are collected several working days in advance of the period they are earned.

16. Short term liabilities

in thousands of euros	2021	2020
Due to customers	2,836	1,116
Creditors	83	1,130
Accruals for operational expenses	6,075	3,003
Accruals for investments	19,487	9,073
Short term employee benefits	3	225
Interest bank accrual	-	31
At 31 December	**28,484**	**14,578**

All short term liabilities have a duration of less than one year.

6.7. Notes to the Income statement

1. Insurance premiums

in thousands of euros	2021	2020
Periodic premiums	80,186	65,415
Single premiums	10,007	836,869
Reinsurers' share	-13,590	-6,106
Total net premiums earned	**76,603**	**896,178**

2. Unrealised gains and losses on investments

in thousands of euros	2021	2020
Bonds	-321,719	214,382
Mortgages	12,019	3,478
Investment funds	730	2,806
Derivatives	8,144	-
Unrealised gains and losses from liabilities	-1,497	-
Total unrealised gains and losses on investments	**-302,323**	**220,666**

3. Claims and benefits paid

in thousands of euros	2021	2020
Gross claims and benefits paid	-26,662	-25,036
Pensions	-17,063	-2,781
Reinsurers share	12,745	6,017
Total claims and benefits paid	**-30,980**	**-21,800**

4. Operating expenses

in thousands of euros	2021		2020	
Staff expenses	8,771		6,812	
External hires, advice and procurement of services	14,541		9,331	
Audit expenses	456		124	
General and administrative expenses	492		1,508	
Office expenses	193		1,107	
ICT	2,714		1,064	
Housing expenses	240		293	
Marketing expenses	36		55	
Depreciation	116		61	
Staff-, overhead- and depreciation costs		**27,559**		**20,355**
Acquisition costs		717		977
Total operating expenses		**28,276**		**21,332**

5. Income tax

in thousands of euros	2021		2020	
Deferred tax	71,086		860	
Current tax	-42,487		-747	
Total income tax		**28,599**		**113**

The effective income tax rate is 28.6%. The table below shows a reconciliation of the expected income tax expense with the actual income tax expense.

in thousands of euros	2021		2020	
Result before tax	-100,084		-38,677	
Current tax rate	25%		25%	
Expected income tax expense		**25,021**		**9,669**
Effects of				
Change in tax rate for deferred tax		649		-12,071
Other		2,929		2,515
Total income tax		**28,599**		**113**

During 2021 the income tax for current tax was 25%. For the upcoming years the tax rate of 25.8% is expected and used to calculate the deferred tax.

6.8. Contingent liabilities and commitments

Capital commitments

At 31 December 2021 the subsidiaries of Lifetri Groep are committed to provide funding for investments:

- For the private debt portfolio, the commitment for a capital contribution is € 423.7 million (2020: € 70.0 million);
- For the mortgage loans portfolio, the capital contribution amounts up to € 75.1 million (2020: € 5.0 million)

in thousands of euros	2021	2020
No Later than 1 year	38	32
later than one year and no later than 5 years	295	228
At 31 December	**333**	**260**

The lease commitments concern company cars, office rental and office equipment.

7. Company financial statements

7.1. Balance sheet

(before appropriation of result)

Assets

in thousands of euros	notes	31 December 2021		31 December 2020	
Financial investments					
Investments in subsidiaries	1	56,625		123,113	
Total financial investments			**56,625**		**123,113**
Loans Intragroup	2		**78,300**	**0**	
Short term receivables					
Group companies		43,282		3,678	
Other receivables	3	461		488	
Total short term receivables			**43,743**		**4,166**
Other assets					
Equipment		393		506	
Cash and cash equivalents		1,778		446	
Total other assets			**2,171**		**952**
Total assets			**180,839**		**128,231**

Liabilities

in thousands of euros	notes	31 December 2021		31 December 2020	
Shareholder's funds					
Share capital		0		0	
Share premium		173,897		168,897	
Revaluation reserve subsidiaries		104,074		73,404	
Other reserve		-152,872		-83,638	
Result before appropriation		-71,487		-38,564	
Total shareholder's funds	4		**53,613**		**120,100**
Subordinated liabilities			**78,300**		**0**
Provisions					
Provisions other than technical provisions		0		251	
Pension obligation		405		560	
Total provisions			**405**		**812**
Short term liabilities					
Tax and social security contributions		42,510		7,319	
Other liabilities		6,012			
Total short term liabilities	5		**48,521**		**7,319**
Total liabilities			**180,839**		**128,231**

7.2. Income Statement

in thousands of euros	notes	2021		2020	
Investment income					
Result from subsidiary		-71,487		50,049	
Interest income intra group		350		0	
Interest expense subordinated		-350		0	
Total investment income			**-71,487**		**50,049**
Impairment of goodwill			**0**		**-88,500**
Investment management expenses			0		4
Result before tax			**-71,487**		**-38,447**
Income tax			0		-118
Net result			**-71,487**		**-38,565**

7.3. Notes to the company financial statements

General

The company financial statements are part of the 2021 statutory financial statements of Lifetri Groep. The financial information of Lifetri Groep is included in Lifetri Groep's consolidated financial statements. In so far as no further explanation is provided of items in the company balance sheet and the company profit and loss account, please refer to the notes to the consolidated balance sheet and profit and loss account.

During 2021 Lifetri Groep B.V. bought Lifetri Verzekeringen at the same moment Lifetri Verzekeringen merged with Klaverblad Levensverzekeringen. Also during 2021 ELG Holding Ltd made a capital contribution of € 5.0 million to Lifetri Groep.

Accounting principles
The principles for the valuation of assets and liabilities and the determination of the result are the same as those applied to the consolidated profit and loss account, with the exception of the following principles:

Financial instruments
In the company financial statements, financial instruments are presented on the basis of their legal form.

Investments in subsidiaries
Investments in subsidiaries are accounted for in the company financial statements according to the equity accounting method on the basis of net asset value. For details we refer to the accounting policy for financial fixed assets in the consolidated financial statements.

Share of result from subsidiaries
This item concerns Lifetri Groep's share of the profit or loss of these subsidiaries. Results on transactions involving the transfer of assets and liabilities between Lifetri Groep and its subsidiaries and mutually between subsidiaries themselves, are eliminated to the extent that they can be considered as not realised.

Corporate income tax
Lifetri Groep recognises the portion of corporate income tax that it would owe as an independent taxpayer.

7.4. Notes to balance sheet

1. Investments in subsidiaries

in thousands of euros	2021	2020
At 1 January	123,111	**50,662**
Acquisitions	-	22,400
Capital contribution	5,000	-
Result from subsidiary	-71,487	50,049
At 31 December	**56,624**	**123,111**

Lifetri Groep is at the head of the group and has the following consolidated participating interests:

in thousands of euros		
Lifetri Uitvaartverzekeringen N.V.	Maarssen	100%
Klaverblad Levensverzekering N.V.	Maarssen	100%

2. Loans intragroup

The loan was downstreamed to the two insurance entities, € 65.0 million to Klaverblad Levensverzekering and € 15.0 million to Lifetri Uitvaartverzekeringen.

3. Other receivables

in thousands of euros	2021	2020
Non-insurance receivables	-	10
Income tax	-	299
Prepaid operating expenses	461	179
Total Short term receivables	**461**	**488**

4. Shareholder's funds

in thousands of euros	Share capital	Share premium	Revaluation reserve	Other reserves	Result before appropriation	Total
At 1 January 2020	**-**	**58,497**	**6,074**	**-8,609**	**-7,698**	**48,264**
Result current year		-	-		-38,565	-38,565
Result last year		-	-	-7,698	7,698	-
Changes in the composition of the group		-	3	-3	-	-
Contribution		110,400	-		-	110,400
Change reserves required by law		-	67,327	-67,327	-	-
At 31 December 2020	**-**	**168,897**	**73,404**	**-83,637**	**-38,565**	**120,100**
At 1 January 2021	**-**	**168,897**	**73,404**	**-83,637**	**-38,565**	**120,100**
Result current year		-	-		-71,487	-71,487
Result last year		-	-	-38,565	38,565	-
Capital contribution		5,000			-	5,000
Change reserves required by law		-	30,670	-30,670	-	-
At 31 December 2021	**-**	**173,897**	**104,074**	**-152,872**	**-71,487**	**53,614**

Lifetri Groep B.V. issued one share with a nominal value € 0.01.

The revaluation reserve pertains to consolidated participating interests that are measured at net asset value. The reserve is equal to the share in the results and direct changes in equity (both calculated on the basis of Lifetri Groep's accounting policies) of the participating interests since the first measurement at net asset value, less the distributions that Lifetri Groep has been entitled to since the first measurement at net asset value, and less distributions that Lifetri Groep may affect without restrictions. As to the latter share, this considers any profits that may not be distributable by participating interests that are Dutch limited companies based on the distribution tests to be performed by the management of those companies. The legal reserve is determined on an individual basis.

The Management Board proposes to charge € -71.5 million to the other reserves within the shareholder's funds. The Supervisory Board has approved this proposal. The Shareholder's General Meeting has to decide on this proposal.

5. Short-term liabilities

in thousands of euros	2021	2020
Short term employee benefit	291	389
Group companies	-	2,389
Tax and social contributions	42,510	953
Creditors	1,572	1,130
Accrued operational expenses	2,994	1,901
Other	1,155	557
At 31 December	**48,522**	**7,319**

7.5. Notes to the Income statement

The MB remuneration amount to € 1.4 million (2020: € 0.8 million) The raise of € 0.6 million is caused by the increase of members at the MB. The MB remuneration is charged to Lifetri Uitvaartverzekeringen N.V. and Klaverblad Levensverzekering N.V.

The SB remuneration is € 0.1 million (2020: € 0.1 million).

Audit fees

in thousands of euros	KPMG	Total
2020		
Audit of the financial statements	409	409
Other audit engagements	68	68
Tax-related advisory services	-	-
Total 2020	**409**	**409**
2021		
Audit of the financial statements	399	399
Other audit engagements	-	-
Tax-related advisory services	-	-
Total 2021	**399**	**399**

The fees for the audit of the financial statements 2021 relate to the total fees for the audit of the financial statements 2021, irrespective of whether the activities have been performed during the financial year 2021.

Employee information

Average number of employees (FTE) during the year	2021	2020
Permanent staff	67	51
Temporary staff	31	29
Total	**98**	**80**

7.6. Contingent liabilities and commitments

Fiscal unity

For income tax purposes Lifetri Groep is at the head of a fiscal unity which also includes Lifetri Uitvaartverzekeringen, Lifetri Verzekeringen and Klaverblad Levensverzekering. As a result, Lifetri Groep is liable for the tax of the fiscal unity. Due to the merger of Lifetri Verzekeringen and Klaverblad Levensverzekeringen Lifetri Verzekeringen is no longer a part of the fiscal unity. Lifetri Groep has a current account relationship with entities part of the fiscal unity. Amounts for income tax recognised at balance sheet date have been settled in this current account and are included in Lifetri Groep's balance sheet.

Subsequent events

For the disclosure on subsequent events that are relevant to Lifetri Groep, reference is made to the disclosure on subsequent events in the Report of the Management Board of the consolidated financial statements.

The board have evaluated all events and transactions subsequent to 31 December 2021 through the date these financial statements were issued.

Lease commitments

in thousands of euros	2021	2020
No Later than 1 year	38	32
later than one year and no later than 5 years	295	228
At 31 December	**333**	**260**

The lease commitments concern company cars, office rental and office equipment.

Rental company

in thousands of euros	2021	2020
No Later than 1 year	212	212
later than one year and no later than 5 years	460	673
At 31 December	**672**	**885**

Maarssen, 26 April 2022

Management Board	Supervisory Board
P.D.A. Wits, CEO	J.H.D. van Hemsbergen, Chairman
M.R.E. Harkema, CFRO	N. Albert
J.P.M. Rijken, CIO	H. Eggens
R. Zomer, COO	R. Singhal

signed version is available at the head office

8. Other Information

8.1. Appropriation result according to the Articles of Association

According to Lifetri Groep's articles of association, the results are at the disposal of the Shareholder's General Meeting.

8.2. Independent auditor's report

We refer for the independent auditor's report to the next page.

Independent auditor's report

To: The General Meeting of Shareholders and the Supervisory Board of Lifetri Groep B.V.

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

In our opinion the accompanying consolidated and parent financial statements give a true and fair view of the financial position of Lifetri Groep B.V. (“the company”) as at 31 December 2021 and of its result and its cash flows for the year then ended, in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the 2021 financial statements of Lifetri Groep B.V., based in Amsterdam, as set out on pages 28 to 60 of the annual report.

The consolidated financial statements comprise:

1 the balance sheet as at 31 December 2021;

2 the following statements for 2021: the income statement, the income statement and the cash flow statement; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1 the balance sheet as at 31 December 2021;

2 income statement 2021

3 the notes comprising a summary of the significant 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 ‘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).

Our audit procedures were determined in the context of our audit of the financial statements as a whole. Our observations in respect of going concern, fraud and non-compliance with laws and regulations and the key audit matters should be viewed in that context and not as separate opinions or conclusions.

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

Audit approach

Summary

Materiality

— Materiality of EUR 4.9 million, a decrease from the prior year
— Based on total assets equity (0.2%)

Going concern

— Going concern: no significant going concern risks identified

Fraud/Noclar

— Fraud & non-compliance with laws and regulations (Noclar): we identified management override of controls as presumed fraud risk

Key audit matter

— Valuation of insurance contract liabilities
— Hard to Value Financial Assets

Opinion

Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 4.9 million (2020: EUR 6.5 million). The materiality is determined with reference to total assets and amounts to 0.2% (2020: 0.3%). We continue to consider total assets as the most appropriate benchmark based on our assessment of the general information needs of the users of the financial statements of the financial institutions predominantly active in the life insurance business.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements identified during our audit in excess of EUR 315,000 (2020: EUR 325,000) would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Lifetri Groep B.V. is at the head of a group of components. The financial information of this group is included in the consolidated financial statements of Lifetri Groep B.V. The Group is structured with 2 subsidiaries: Lifetri Uitvaartverzekeringen N.V. and Klaverblad Levensverzekering. Because we are ultimately responsible for the audit opinion, we are responsible for directing, supervising and performing the group audit. In this respect, we have determined the nature and extent of the audit procedures to be carried out for the components.

In our risk assessment and related scoping, we took into account potential effects of COVID-19 and re-evaluated these during the process.

Our group audit mainly focused on significant components. Both components are individually financially significant due to their relative size within the Group and because we assigned a significant risk of material misstatement to one or more account balances of the components.

This resulted in a full scope audit for both components, in total covering 100% of core equity, 100% of total assets and 100% of profit before tax.

A specific point of attention as a result of COVID-19 was the virtual way of working, and in particular the impact thereof on the audit procedures and the reliability of the audit evidence obtained. For the largest part of 2021, Lifetri Groep B.V. employees were working from home. We performed the audit of Lifetri Groep B.V. also largely working from home.

By performing the procedures mentioned above, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the company's. financial information to provide an opinion about the financial statements.

Audit response to going concern – no significant going concern risks identified

The Management Board has performed its going concern assessment and has not identified any significant going concern risks. Our main procedures to assess the Management Board's assessment were:

- we considered whether the Management Board's assessment of the going concern risks included all relevant information of which we are aware as a result of our audit;
- we assessed whether the scenarios included in the Own Risk Solvency Assessment (ORSA) and Preparatory Crisis Plan that were submitted to De Nederlandsche Bank N.V. (the Dutch Central Bank, DNB) and other regulatory correspondence indicate a significant going concern risk; and
- we considered whether the outcome of our audit procedures on the Solvency II capital position and disclosures indicate a significant going concern risk.

The outcome of our risk assessment procedures, including our consideration of findings from our audit procedures on other areas, did not give reason to perform additional audit procedures.

Audit response to the risk of fraud and non-compliance with laws and regulations

In section 3.4 and section 5 of the annual report, the Management Board describes its response and procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the company and its business environment, and assessed the design and implementation and, where considered appropriate, tested the operating effectiveness of the company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, Supervisory Board and other relevant functions, such as Internal Audit, Legal Counsel, Compliance and the Actuarial Function Holder. As part of our audit procedures, we:

- assessed the fraud risk assessments performed by operational risk management coordinated by Operational Risk Management and evaluated these fraud risk assessments;
- assessed other positions held by the Management Board members and paid special attention to procedures and governance and compliance in view of possible conflicts of interest;
- evaluated internal compliance reports on indications of possible fraud and non-compliance;
- inspected correspondence with De Nederlandsche Bank (DNB), Autoriteit Financiële Markten (AFM) and other regulators and supervisory authorities; and
- evaluated legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the company.

Lifetri Groep B.V. is subject to many other laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognised or disclosures in the financial statements , or both, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an indirect effect:

- Wet op het financieel toezicht (Wft) (including the European Solvency II directives);
- Financial and economic crime (FEC) related regulation.

We evaluated with support of our forensics specialists, the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

— **Management override of controls (a presumed risk)**

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively such as: estimates related to valuation and reserve adequacy of insurance liabilities and Solvency II disclosures.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries and estimates.
- We performed data analysis of high-risk journal entries and evaluated key estimates and judgements for bias by the company, including retrospective reviews of prior year's estimates.
- Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk. These procedures also included testing of transactions back to source information.
- We incorporated elements of unpredictability in our audit including extensive substantive procedures over investments and investment gains and losses..
- We performed detailed testing on other emoluments in relation to the Management Board remuneration.
- Considered the outcome of our other audit procedures and evaluated whether any findings or misstatements were indicative of fraud or non-compliance. If so, we re-evaluated our assessment of relevant risks and its resulting impact on our audit procedures

We refer to the key audit matter that provides information of our approach related to areas of higher risk due to accounting estimates where management makes significant judgements.

We assessed the presumed fraud risk on revenue recognition as irrelevant, as we consider the likelihood remote that a material error results from fraud other than originating from management override of controls, which is covered by the risk described above.

We communicated our risk assessment, audit responses and results to the Management Board and the Supervisory Board. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements . We have communicated the key audit matters to the Management Board and the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters 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.

The COVID-19 pandemic has had both operational and financial impact on Lifetri Groep B.V. We refer to section 4 of the annual report.

1. Valuation of insurance contract liabilities

Description

Lifetri Groep B.V. has insurance contract liabilities of EUR 2,356 million representing 97% of its total liabilities. The valuation of the insurance contract liabilities involves judgement over uncertain future outcomes in the insurance contract liabilities as reported in the balance sheet and requires the application of significant management judgement in setting the assumptions related to expense overrun, risk margin and counterparty default adjustment.

Given the financial significance and the level of judgement required, we considered this a key audit matter.

Our response

Our audit approach included testing both the effectiveness of internal controls around determining insurance contract liabilities as well as substantive audit procedures.

Our procedures over internal controls focused on controls around the adequacy of policyholder data, the governance and controls around assumption setting and the review procedures performed on the Best Estimate Liability (BEL) and Risk Margin by the Actuarial Function Holder. In our audit we also considered the process around the internal validation and implementation of the models used to determine the valuation of the insurance contract liabilities.

With the assistance of our actuarial specialists we performed the following substantive audit procedures:

- assessing the appropriateness of the data and verifying the accuracy and completeness of claim data used in the valuation and assumption setting;
- assessing the appropriateness of assumptions used in the valuation of insurance contract by reference to company and industry data and expectations of investment returns and expense developments;
- analysis of developments in actuarial results and movements in reserve adequacy during the year and corroborative inquiries with management and the Actuarial Function Holder in that regard;
- evaluation of the robustness of management's substantiation that the insurance contract liabilities are adequate as at 31 December 2021.

Our observation

Overall, we found that management estimated the valuation of the insurance contract liabilities neutral. We also found the related disclosure to be adequate and refer to Note 12 of the financial statements.

2. Hard to value Financial assets

Description

For non-listed investments quoted prices are not available and fair values are based on valuation techniques which often involve the exercise of judgement by management and the use of assumptions, estimates and valuation models. Where significant pricing inputs are unobservable, management has no reliable, relevant market data available in determining the fair value. For these investments estimation uncertainty can be high, especially since the outbreak of COVID-19 with increased market volatilities. This is mainly applicable to mortgages and unlisted investment funds.

Given the financial significance and estimation uncertainties we considered the valuation of non-listed investments a key audit matter.

Our response

We assessed management's approach to the valuation for non-listed investments and performed the following procedures:

— evaluated the processes and controls governing the valuation of investments;

— inspected the supporting valuation documents prepared by management's external valuation experts;

— KPMG valuation specialists assisted us in challenging the appropriateness of the models and methodologies used by management in calculating fair values of mortgages. We tested the source data used and assessed the appropriateness of critical valuation parameters. Our valuation specialists independently calculated whether the fair value for the mortgage portfolio as a whole as determined by management is within the acceptable fair value range; and

— assessed the disclosures in the financial statements.

Our observation

The results of our testing were satisfactory and we considered the fair value of hard to value investments to be appropriate.

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.

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

— is consistent with the financial statements and does not contain material misstatements; and

— contains the information as required by Part 9 of Book 2 of the Dutch Civil Code report and other information.

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 responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the General Meeting of Board of Directors of Lifetri Groep B.V. as auditor of the Company, as of the audit for the year 2021 and have operated as statutory auditor since the financial year 2018.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Management Board and the Supervisory Board 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 management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Management Board under supervision of the Supervisory Board is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

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 frameworks 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 Group's ability to continue as a going concern in the financial statements .

The Supervisory Board is responsible for overseeing the company's financial reporting process.

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 detect all material errors and fraud during our audit.

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 based on these 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.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at http://www.nba.nl/ENG_algemeen_01. This description forms part of our auditor's report.

Utrecht, 26 April 2022

KPMG Accountants N.V.

A.J.H. Reijns RA

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 based on these 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.

A further description of our responsibilities for the audit of the financial statements is located at the website of de ‘Koninklijke Nederlandse Beroepsorganisatie van Accountants’ (NBA, Royal Netherlands Institute of Chartered Accountants) at http://www.nba.nl/ENG_algemeen_01. This description forms part of our auditor’s report.

Utrecht, 26 April 2022

KPMG Accountants N.V.

A.J.H. Reijns RA