**LIFETRI GROEP BV**

ANNUAL REPORT

# 2024

lifetri

# Contents.

# 1. About Lifetri

## 1.1 AT A GLANCE

As the only Dutch insurer solely dedicated to providing guarantees to our customers, we stand out in simplicity and focus. By specializing in offering (paid up) guarantees we streamline operations, reduce complexity and ensure our customer's long-term needs are met.

In Q4 2024 the shareholder of Lifetri, Sixth Street, and Achmea have decided to start a strategic partnership through a joint venture in the Dutch pension and life market aiming to combine the pension and life portfolios of both Achmea and Lifetri. The transaction creates a top three Dutch pension and life insurance provider, serving over 2.1 million customers with growth opportunities in the pension buy-out market and a combination of asset management capabilities. The joint venture is expected to go live in the second half of 2025. Pending the following approvals; declaration of no objection by DNB, ACM and approval by the Working Council.

Currently Lifetri services approximately 550,000 term life and funeral insurance customers and provides pension guarantees to (former) employees of Allianz Nederland and Klaverblad cooperation with a total of € 1.7 billion in AuM. In total Lifetri's liabilities amount to € 1.6 billion.

We employ 63 insurance and pension professionals, of which many have a wealth of relevant experience in the insurance and pension fund industry. We are well established in the Dutch society, with Dutch management under Dutch supervision.

Lifetri is sufficiently capitalized with € 248.4 million of own funds and a Solvency II ratio of 157% at the end of 2024.

## 1.2 MESSAGE FROM THE CEO

**Strategic partnership between Achmea, Sixth Street and Lifetri, results in a strong insurer which is well positioned to re-enter the PRT market again.**

Since its establishment in 2019, Lifetri's strategic goal is to offer long term guarantees to policyholders, with a strong focus on the market for Dutch pension risk transfer for defined benefit pensions ("PRT market"). Because of the slower than expected development of this market in general and Lifetri's commercial results on actual transactions specifically, Lifetri in the first half of 2024 reconsidered its commercial approach to further ensure readiness for when opportunities would materialize. Lifetri and its shareholder continued to believe in the long-term potential of the PRT market. Strategic explorations therefore were aimed to make sure that Lifetri would become part of a – especially for this market opportunity important - larger, stronger and better diversified balance sheet. Furthermore a new set-up ideally should take away Lifetri's limited brand recognition and short history in the PRT space.

I am very proud that in the end of 2024 this strategic reorientation led to the announcement of a strategic partnership between Achmea, Sixth Street and Lifetri in the field of pension and life insurance. The joint venture, which will operate under the name Achmea Pension & Life Insurance, will rank among the top three Dutch pension and life insurance providers in terms of customer base. It is my strong conviction that this transaction is in the interest of all stakeholders involved.

- For our employees, this transaction means that they will join Achmea. An established, future-proof employer with a strong focus on personal development and career opportunities.
- For our policyholders, this transaction means that our customer services will continue under the Centraal Beheer brand, which offers a digital platform with an integrated range of insurance, savings and investment products.
- For our shareholder and bondholders, this transaction means that the joint venture will be well positioned to seize growth opportunities in the pension buy-out market.

I am delighted to see how dedicated Achmea, Lifetri and Sixth Street are currently cooperating to make sure that the announced transaction ultimately can be closed and to ensure that integration activities are well prepared.

In terms of financial performance, the continued volatility in the Solvency II ratio was again an important area of attention. The solvency ratio of Lifetri Group decreased from 185% to 157%, including the impact of the UFR step down in the beginning of January 2024. Lifetri's very long dated liabilities lead to a discrepancy between economic and regulatory lenses given the Last Liquid Point in the Solvency II framework at 20 years. To reduce sensitivities, in 2024 interest rate hedges were brought closer to the regulatory framework. Despite these measures Lifetri's Solvency II ratio however remains volatile as a result of VA basis risk (different impact of spread movements on investments compared to the VA on the liabilities) and second order impact of interest rates on the SCR and on the Risk Margin. Lifetri will continue its endeavors to stabilize the ratio where possible, also in preparation of the joint venture. In 2024 the shareholder again showed its long term commitment to the platform with a capital injection of € 50 million.

I am very much looking forward to 2025. The announcement of the strategic partnership with Achmea marks the start of a renewed and exciting future for Lifetri, our employees, our policyholders and all other stakeholders. We expect the closing of the transaction to take place in the second half of 2025.

Rutger Zomer,

Chief Executive Officer

## 1.3 COMPOSITION OF THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

The composition of the Supervisory Board (SB) and the Management Board (MB) of Lifetri Groep BV as per 8 April 2025 is shown hereafter.

**Supervisory Board**

P.J.C. Borgdorff, Chairman

A.S. Birrell

P.M. Engelberts

H. Eggens

**Management Board**

R. Zomer CEO

J.P.M. Rijken, CIO

C.K. Madsen, CRO

**Changes in the composition of the Supervisory Board during 2024**

- Mr. R. (Rohan) Singhal: stepped down as member of the Supervisory Board in February 2024
- Ms. P.M. (Pauline) Engelberts: appointed as member of the Supervisory Board in August 2024

**Changes in the composition of the Management Board during 2024**

- Mr. P.D.A. (Philippe) Wits: stepped down as CEO in June 2024
- Mr. R. (Rutger) Zomer: appointed as CEO, including responsibility for the finance domain in July 2024 (previously CFRO)
- Mr. C.K. (Chris) Madsen: appointed as CRO in August 2024

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

Lifetri Groep BV,

Bisonspoor 3002

3605 LT Maarssen

www.lifetri.nl

# 2. Strategy

## 2.1 MARKET ENVIRONMENT

In 2024, the world continued to face challenges on many fronts, including the prolonged Russian invasion of Ukraine, further intensification of Israeli-Palestinian conflict, as well as the presidential election in the US, all of which impacted the global economy and financial markets. After an initial economic shock induced by war and trade deglobalization over 2022-2023, inflationary pressure have eased and central banks started to decrease interest rates in the second half of 2024. Monetary policy, inflation and interest rates are particularly relevant to Lifetri economics.

The Dutch market for pension risk transfers presents significant growth opportunities for insurers, driven by a strong demand for guarantees.

The enforcement of the new Dutch pension law in July 2023 is an important catalyst for pension risk transfers, expected to drive market growth through 2028 (the compliance deadline for the law). A number of pension risk transfers, with close to 3.5 billion AuM together, have materialized in 2024, confirming the viability of insured solutions as a value proposition to pension funds.

Although Lifetri has not actively pursued commercial opportunities in the pension risk transfer market in 2024, it strongly believes in the market's potential and in the value of insured solutions for specific groups of pension funds participants.

## 2.2 BUSINESS STRATEGY

Lifetri’s strategic goal was to offer long term guarantees to policyholders, with a strong focus on the market for Dutch pension risk transfer for defined benefit pensions (“PRT market”). Because of the slower than expected development of this market in general and Lifetri’s commercial results on actual transactions specifically, Lifetri in the first half of 2024 reconsidered its commercial approach to further ensure readiness for when opportunities would materialize. Lifetri and its shareholder continued to believe in the long-term potential of the PRT market.

Strategic explorations therefore were aimed to make sure that Lifetri would become part of a – especially for this market opportunity important - larger, stronger and better diversified balance sheet. Furthermore a new set-up ideally should take away Lifetri's limited brand recognition and short history in the PRT space.

In Q4 of 2024 this strategic reorientation led to the announcement of a strategic partnership between Achmea, Sixth Street and Lifetri in the field of pension and life insurance. The joint venture, which will operate under the name Achmea Pension & Life Insurance, will rank among the top three Dutch pension and life insurance providers in terms of customer base.

## 2.3 SUSTAINABILITY

Well-being of customers, employees, and all other stakeholders is an important cornerstone in everything that Lifetri does. Lifetri also takes care of the planet by investing responsibly, pursuing a sustainable society for current and next generations.

**ESG Ambitions**
Inspired by the self-assured mission and with the aim of making the sustainability policy concrete, three sustainability themes have been identified. These themes are:

1. Lifetri is a good employer for its employees.
2. Lifetri applies a client centric approach in its operations.
3. Lifetri aims to provide a sustainable future for current and future generations.

*Good employer*
This theme fits well within the values of Lifetri. It implies that employees feel welcomed and respected. That inclusivity is not a target, but a given. An inspirational environment, where creativity and learning are important competences. Such an environment is essential for Lifetri to attract and maintain a diverse and highly skilled workforce. This is essential to remain successful. Lifetri' s ambition is to empower people by:

- having meaningful dialogue;
- facilitating lifelong learning; and
- being aware of the Lifetri DNA.

Lifetri aims to be a diverse and inclusive organization, because we believe that these are the organizations of the future. We strive to create an environment where all our employees are given equal and fair opportunities and where everyone feels valued and secure. We aim for diversity not only in terms of background (gender, nationality, age, educational background, religion, sexual orientation etc), but also across personal experiences, characteristics and the different skills that people bring. In terms of gender diversity, Lifetri formulated the following objective for the coming years: the ambition by 2027 is to have at least 33% female in the SB, the MB and the leadership team. With the appointment of a female SB member in 2024 the percentage of female SB members is now 25%. Currently, the leadership team (MB and managers) consists for 25% of female members and 75% of male members.

*Client centricity*
Lifetri is focused on supporting customers to make conscious decisions. Comprehensible information and communication is imperative to safeguard that customers – consciously – make choices that are in line with their objectives and desires.

*Sustainable future for current and future generations*
Within the theme "Sustainable future for current and future generations" Lifetri focuses on the impact of climate change. Key focus areas of Lifetri are the reduction of greenhouse gases and preservation of biodiversity, as both are essential for a livable world.

To make a meaningful contribution Lifetri has set the ambition to become a net zero carbon company by 2050. Building on its mission, the UN Sustainable Development Goals (SDG) 3, 4 and 13 and its Responsible Investing policy, Lifetri has set the first ESG (Environment Social Governance) ambitions and themes. The ESG foundation and governance has further been strengthened in 2024 by establishing an ESG panel, in which ESG related topics that are relevant for Lifetri are discussed and has an advisory role for the Management Board. Further, a formal ESG policy is being created that, in contrast of the Responsible Investing Policy, spans the entire organizational scope.

**Progress**
Throughout 2024, Lifetri concentrated on several areas aligned with our objectives:

- Lifetri' s readiness for the Corporate Sustainability Reporting Directive (CSRD);
- Further strengthening Responsible Investing; and
- Identification of Lifetri's Carbon Footprint of own operations and investment portfolio.

*1. Lifetri's readiness for CSRD Implementation and reporting*
During 2024 several steps towards the CSRD implementation have been taken to prepare Lifetri for sustainability reporting. A Double Materiality Assessment (DMA) as well as a technical gap analysis have been executed and a high level implementation roadmap has been created.

*Double Materiality Assessment*
The sustainability topics from the CSRD together with a desk review resulted in a short list and the following clusters that have been assessed in several workshops: Climate Change and biodiversity loss, Own workforce - diversity & equality, Own workforce - working conditions, Workers in the value chain, Consumer interest, Privacy and Business Conduct.

During these workshops, assessments have been made per topic on the potential positive or negative impacts on Lifetri (financial materiality) and Lifetri's potential positive or negative impacts on the topic (impact materiality), including the identification of any risks and opportunities for Lifetri. All potentially material topics have been ranked according to their scale, scope, remediability and likelihood, whereas the risks and opportunities have been scored on their financial effect in terms of impact on resource use, relationships in the value chain as well as on their likelihood of occurrence. Based on these scores, all sustainability clusters have become material, on either the impact score, the financial score or on both.

These results have been validated by the Management Board of Lifetri as well as with the Supervisory Board and the ESG experts of the shareholder. For 2025, an update on the DMA as well as external stakeholder engagement is planned as a further step in preparation for the CSRD implementation. All necessary activities to become CSRD compliant have been identified and are planned accordingly.

*2. Further strengthening Responsible Investing*

The focus of 2024 has been to further integrate ESG in the investment process, improve asset screening and SFDR classifications as well as to identify the carbon footprint of multiple asset classes and related sustainability engagements with several investment managers.

Our Responsible Investing policy underscores the importance of integrating Environmental, Social, and Governance (ESG) factors as a vital component of our investment process. In the selection process of external asset managers, Lifetri emphasizes ESG integration alongside various criteria, such as the presence of a responsible investing policy and a clear ESG ambition.

Moreover, a consistent screening process for all investments on all three criteria (E, S and G) is in place. The ESG screening done by the external asset managers are assessed by Lifetri and well documented and reported in both the asset manager selection and periodic evaluation process.

Finally, the responsible investing policy contains exclusions on Government bonds or state-owned corporates of countries sanctioned by the UN Security Council and / or the European Union or subject to an arms embargo, that is updated on a yearly basis. The same counts for companies appearing on one or more sanctions lists (United Nations, European Union, United States, United Kingdom, the Netherlands), companies with one or more Ultimate Beneficiary Owners appearing on a sanctions list or in breach with the UN Global Compact.

*Current ESG screening ratio and SFDR asset classification*

As of December 31, 2024, 91% of Lifetri's assets underwent annual ESG screening. This percentage is divided into 100% internally managed assets and 86% externally managed assets.

Additionally, Lifetri invests in SFDR Article 8 (or 9) strategies. By the end of 2024, 42% of the externally managed assets of Lifetri Verzekeringen met the criteria for SFDR 8 (or 9) classification and 49% for Lifetri Uitvaartverzekeringen.

| | | 2024 | | 2023 |
|---|---|---|---|---|
| | **LTV** | **LTU** | **LTV** | **LTU** |
| % of assets with annual ESG screening | | | | |
| - Internally managed | 100% | 100% | 100% | 100% |
| - Externally managed | 86% | 86% | 89% | 88% |
| Total annual screening | 91% | 90% | 93% | 92% |
| % of externally managed assets with SFDR article 8 or 9 classification | 42% | 49% | 47% | 49% |

Given the fact that Lifetri allocates a significant portion of its assets to private markets, it acknowledges the challenge faced by asset managers in fully complying with SFDR requirements in these markets. Nevertheless, Lifetri is pleased that the majority of its portfolio demonstrates a strong commitment to sustainability. Lifetri maintains ongoing dialogue with its external asset managers to align their ambitions with the goal of constructing more sustainable portfolios.

*3. Carbon footprint of own operations and investment portfolio*

Aligned with its aspiration to become a net-zero carbon company by 2050, Lifetri is committed to reducing the carbon footprint of its investment portfolio and internal operations. Given the fact that the impact of and the potential reduction on the investment portfolio is much larger than on our own operations, focus for 2024 has been on the investment portfolio. In order to identify the carbon footprint of Lifetri's investment portfolio, we rely heavily on external data. Lifetri has been engaging with several external asset managers to identify financed emissions for its asset classes and the alignment with industry standards and methodologies for calculating financed emissions like the Partnership for Carbon Accounting Financials (PCAF). The intention is to have this included in next year's annual report, although there will be some data quality issues left due to maturity differences between asset managers and challenges regarding availability of reliable data.

To assess its own carbon footprint, Lifetri partners with an external company. We put effort in identifying the operational carbon emissions over 2023 and 2024 but require more time to come up with a proper and reliable baseline measurement that can function as the basis for future disclosures, including to identify the emission-decreasing potential.

**Responsible Investing Council meeting frequency and topics**

Lifetri's Responsible Investing Council (RI Council) met once in 2024, discussing various topics and advising the Asset & Liability Committee (ALCO) where pertinent. These discussions included CSRD compliance, the exclusion list concerning government-related exposures.

**Development of staff and organization**

*Engagement*

- Engagement is the most important KPI by which work at Lifetri is measured and assessed. The measurement consists of 28 questions and can be completed by all employees, both internal and external.
- High commitment is important because this is a strategic pillar of success. Involved employees largely determine the organization's success. High commitment fuels company pride and ensures that employees are retained in the organization and that Lifetri is recognised as an interesting employer on the labour market.
- The objective is to achieve a score of 4 out of 5. This ambition is within sight at 3.96 in December 2024 with 82% response rate. This is the highest score since we started measuring. The upward trend that started in 2022 has continued. This is remarkable given

that in 2024 it was decided to discontinue commercial ambitions and finding a 'new port' became the most important objective.

*Current workforce*

The current workforce at the end of December consists of 63 employees (59 FTE). In 2024, 3 vacancies have been filled.  13 employees (12,1 FTE) have left Lifetri.

The absenteeism percentage in 2024 was 1,64% which in considerably lower than the objective. The CBS average for the financial sector 2,8%.

*Education and training*

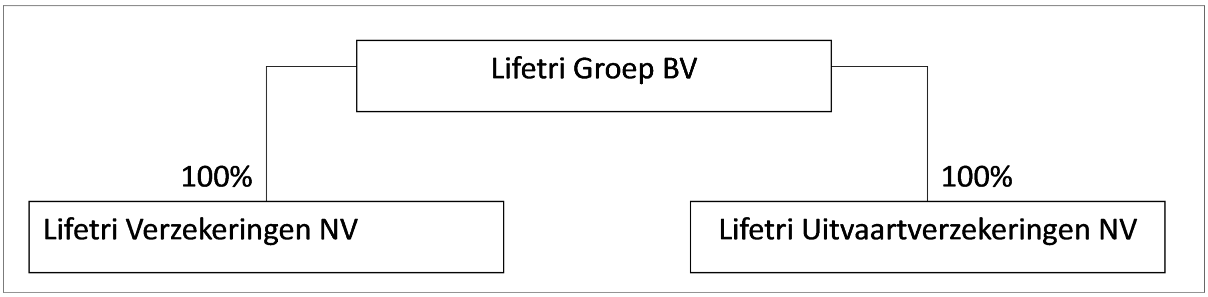
Of all employees employed in 2024, 79% have completed education or training in 2024. This consists of professional training, sustainable employability such as career development and team development.

# 3. Governance and risk

## 3.1 GOVERNANCE (INCLUDING REMUNERATION)

**Group structure**
Lifetri Groep BV (Lifetri Groep) has two operating companies: Lifetri Verzekeringen N.V. (Lifetri Verzekeringen) and Lifetri Uitvaartverzekeringen N.V. (Lifetri Uitvaartverzekeringen). These two entities acquire and service individual life insurance policies and pensions.

Lifetri Groep, Lifetri Verzekeringen and Lifetri Uitvaartverzekeringen have unity of management. The following report describes the main activities during the year for the group (Lifetri Groep, Lifetri Verzekeringen and Lifetri Uitvaartverzekeringen). With due respect to and in compliance with the articles of association, charters and characteristics of each legal entity, Lifetri Groep is organisationally managed as a whole.




**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 maximization 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 based on 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.

## 3.2 RISK MANAGEMENT

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. Also refer to 6.7 Risk management (see page 72).

**Organisation**

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


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 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.

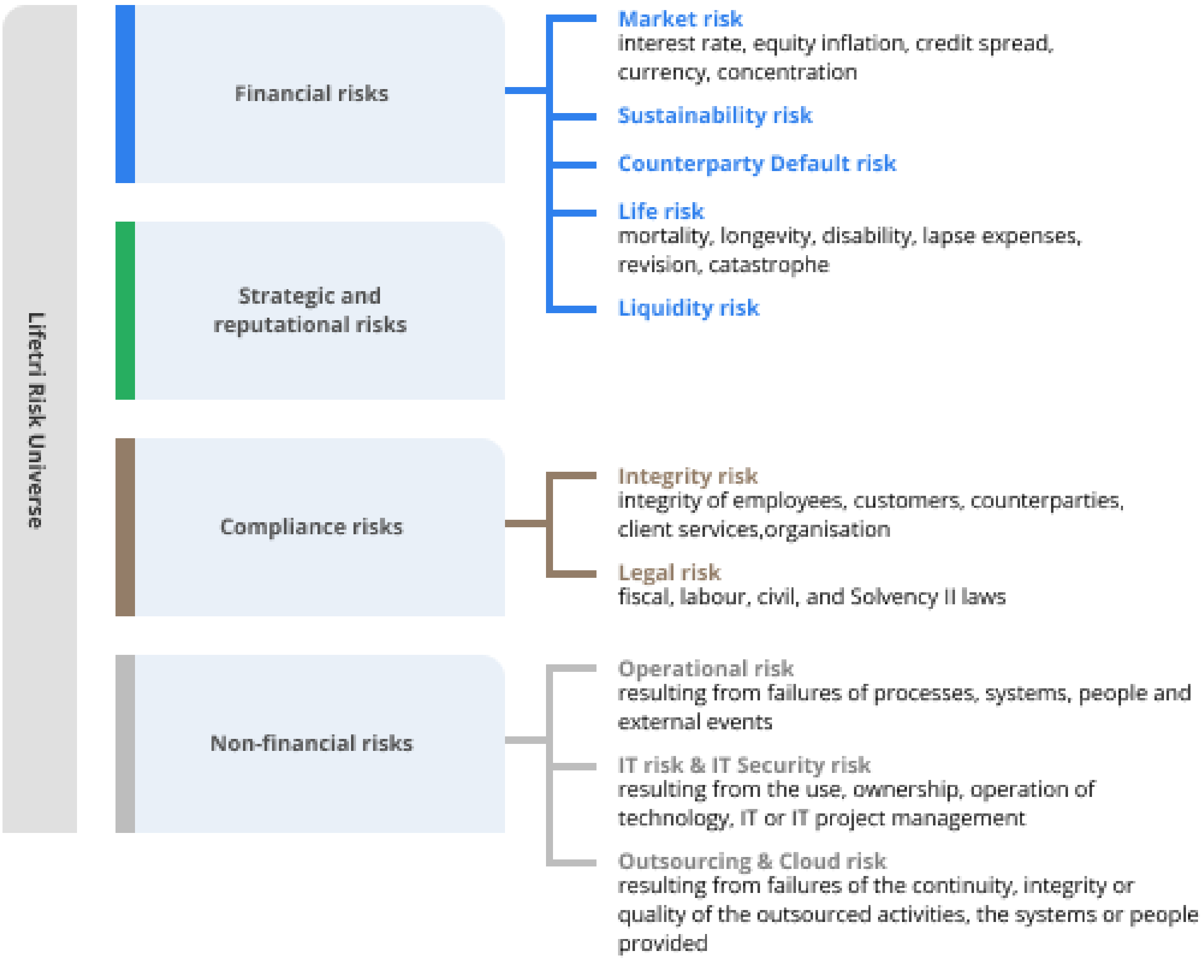
The Supervisory Board's duties, powers and working methods are regulated in the 'Supervisory Board charter'. The SB supervises the MB and its key functions and is informed at least annually or earlier if needed on the topics of risk management, laws and regulations and adherence thereof.

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

**Lifetri risk universe**

Lifetri Groep management, with the independent opinion of second 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.



The financial risk types which Lifetri Groep uses are in line with the Solvency II regulation, and recognize that different types of investment instruments can result in more than one risk category. The financial risks follow the Solvency II categorisation of market risks (interest rate, credit spread, currency, concentration, property, liquidity and equity), counterparty default risk and actuarial life risks (mortality, longevity, disability, lapse, expenses, revision and catastrophe). In 2023, Lifetri extended the financial risks with sustainability risk.

During the normal course of business, Lifetri Groep uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, Lifetri Groep has instituted a policy including a general and a private transactions code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of Lifetri Groep.

Lifetri Groep applies derivatives, including interest rate swaps, inflation swaps, forward exchange contracts and purchased swaptions to control its risks. Lifetri Groep does not trade in financial derivatives.

Risk management contains information on the relevant risks of Lifetri Groep and is described in detail in the risk management paragraph, including the above mentioned exposures to the financial instruments risks and the derivatives applied to mitigate these risks.

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

The Digital Operational Resilience Act (DORA) touches on many of these elements. During 2024, DORA compliance was a key focus area for IT leading to further documentation, controls and reporting, and Lifetri is preparing for the data request that De Nederlandsche Bank (DNB) is expected to issue in the second quarter of 2025 to close the current gaps. The required information has been identified, and we are ready to provide complete and timely responses to this obligation.

**Risk appetite statements and limits**

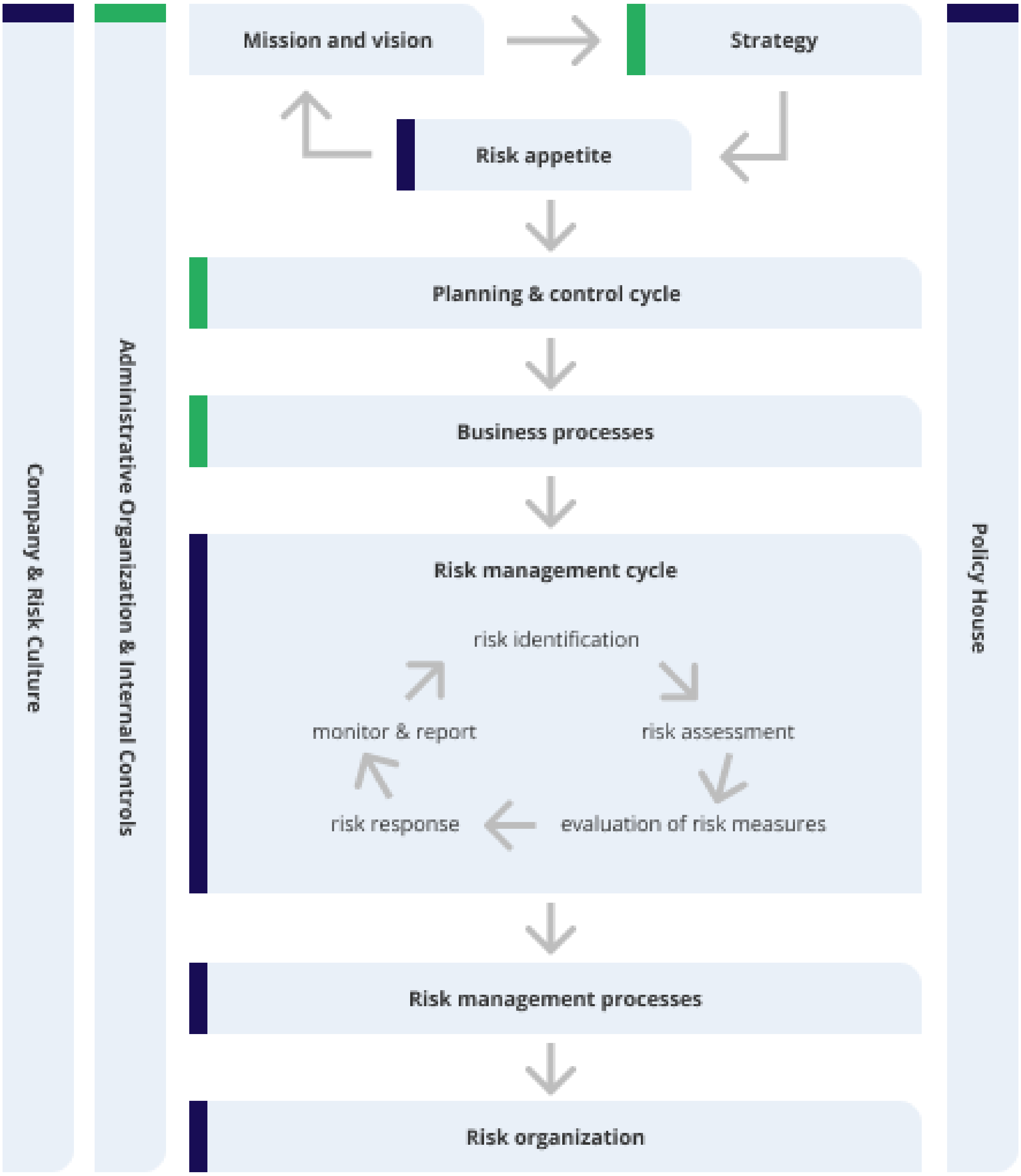
The risk appetite of Lifetri Groep is described in the risk appetite statements (RAS) which include qualitative statements as well as quantitative measures with respect to earnings, capital, risk measures, liquidity and relevant measures related to operational and IT risks. The risk appetite statements are reviewed annually 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.

In 2024, the MB updated the RAS and identified specific key risk indicators to be complied with and/or monitored in regular reports. Specifically, interest rate was assigned a risk limit in terms of a maximum sensitivity of the SII-ratio to a change in interest rates.

**Risk Management Cycle**

The risk management cycle is aimed at identifying and mitigating the inherent risks of the insurer which are material, and as such increases the likelihood that Lifetri's strategy and objectives are achieved. The risk management cycle is a continuous process.

The risk management cycle below depicts the risk management process.



The Management Board, line management and process owners identify the inherent risks which could occur and subsequently determine the risk measures and/or controls to mitigate these risks.

Specifically, for financial risks, the inherent risks can result from scenario analysis and/or stress testing. Identified risks are documented in Lifetri's risk & control framework.

Annually, the MB updates the Strategic Risk Assessment to analyse the risks that might jeopardize Lifetri's strategic objectives. Risk management facilitates the SRA for the Management Board alongside the business and financial planning process. Due to the change in focus of the strategy, the currently identified strategic risks are related to retention of staff and realisation of cost savings.

The Strategic Risk Assessment is an important source of the risk scenarios in the annual Own Risk & Solvency Assessment (ORSA). The main goal of the ORSA is to support an understanding of the current risk profile of the business and anticipated changes over the strategized time horizon. It also helps understand how the risk profile of the business might change under different adverse scenarios. This will help shape the risk and capital management of the business. Lifetri has included scenarios to reflect its change in strategy, including combined scenarios.

The climate risk analysis showed that Lifetri is not exposed to material climate-related risks.

**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 three Lines of Defence have their own report(s) as follows:

*First line reporting*

The managers of the departments issue various management reports which analyse and explain the performance of financial and non-financial indicators for the responsibility area. Depending on the nature of the report the frequency is monthly or quarterly. The monthly and quarterly ALCO Report combines input from Finance, Balance Sheet Management and Asset Management.

*Second line reporting*

Reports by the 2nd lines of defence, i.e. Risk Management, Compliance and the Actuarial Function, 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.

*Third line reporting*

Internal audit has its own reports which are discussed with the SB / ARC.

Depending on the nature of the report these are discussed in the Management Board, Management Board-RCC, ALCO and / or SB / ARC. The ALCO Report is specifically discussed in the Asset Liability Committee (ALCO) and Management Board. The outcomes and potentially 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**

Lifetri Groep has company policies to support the effective governance and risk management of Lifetri Groep. Lifetri Groep has organised 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) and the Own Risk and Solvency Assessment (ORSA).

The Policy House is reviewed each year for completeness or possible necessary changes and is formally endorsed in the Risk & Compliance Committee. All policies, such as the Code of Conduct, are mandatory for all employees.

Continuous compliance with laws and regulations is an important focus at an insurer. Where appropriate non-compliance issues are analysed and proactively 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.

Lifetri Groep depends on third party providers for administration and IT services and other back-office functions. Any interruption in these services could imply a risk to Lifetri Groep’s performance and reputation. Outsourcing risk is controlled intensively and critical outsourcing services are reported to DNB.

**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) divided by 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 in addition to the technical reserves and the regulatory solvency capital. The group’s target solvency level is set at 170% (LTU 165%), while the norm solvency level is set at 140% (LTU 135%). The underpinning of the target and lower limits is provided in the Capital

Management & Dividend Policy and re-assessed annually. Lifetri Groep applies the standard formula to calculate the regulatory capital requirements.

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.

# 4. Business developments

## 4.1 KEY FIGURES

| | 2024 | 2023 |
|---|---|---|
| Group equity | 248,353 | 244,370 |
| Eligible own funds | 225,450 | 230,494 |
| Solvency capital required (SCR) | 143,385 | 124,437 |
| Solvency II ratio | 157% | 185% |
| Net premiums earned | 56,650 | 58,540 |
| Total claims and benefits general account | 35,851 | 33,518 |
| Total operating expenses | 24,392 | 27,292 |
| Result after tax | -46,017 | -20,830 |
| Employees (average FTE) | 65 | 66 |

## 4.2 FINANCIAL DEVELOPMENTS

In 2024, the net result of Lifetri Groep decreased to € -46.0 million, compared to € -20.8 million in 2023. The Solvency II ratio decreased from 185% end of 2023 to 157% on 31 December 2024. The result in 2024 was mainly driven by the impact of changes of interest rates on assets and insurance liabilities, and the step-down of the Ultimate Forward Rate (UFR); these negative effects were partly offset by updated long-term expense assumption, aligned to the industry approach to expense modelling.

The accounting principles of Lifetri and its operating entities are largely in line with the Solvency II valuation principles. This means that fair value movements of both assets and liabilities are recognized in the profit or loss account. Given the long term nature of its funeral liabilities, the duration of Lifetri's assets is (far) beyond the Last Liquid Point (LLP) of 20 years that is applied in the Solvency II discounting curve for the liabilities. The assets of Lifetri are therefore more sensitive to interest rate movements than the Solvency II (and Dutch GAAP) liabilities. As a consequence and despite the fact that Lifetri in general has no appetite for interest rate risk, both Lifetri's net result and the development of the Solvency II ratio are dependent on the rate developments in the financial markets.

Compared to prior year, the net result decreased on significantly lower investment result, which includes investment income, realised and unrealised gains and losses on investments. At the same time, market impacts on insurance liabilities (primarily effect of changes of discount rate), were less stringent in 2024 than in 2023.

Total operating expenses decreased from € 27.3 million in 2023 to € 24.4 million in 2024, especially due to suspension of commercial activities. Project expenses in 2024 were mainly related to strengthening of key processes, including governance, investment process, risk management, capital and interest rate risk management.

The main drivers of the change in the Solvency II ratio of Lifetri in 2024 were the step-down of the Ultimate Forward Rate (UFR), development of interest rates, additional required capital driven by the use of shorter-term swaps and swaptions and by lower loss-absorbing capacity of deferred taxes. These negative effects were partly offset by investment income from illiquid assets, effect of updated long-term expense assumptions and capital injected by the shareholder.

The volatility of the Solvency II ratio is translated in Lifetri's capital management policy and consequently in the capital steering levels. These steering levels include significant buffers on top of the Solvency II threshold of 100%, safeguarding that Lifetri always delivers on the promises towards policyholders and always has capacity to absorb rare and unlikely stress scenarios as required by Solvency II. Should the ratio however drop to levels below Lifetri's minimum zone of 140% (2023: 135%), the norm solvency, Lifetri is pleased with the long-term commitment of its shareholder to support the Solvency II ratio. In 2024 the shareholder injected € 50.0 million in Lifetri because of the pressure on the Solvency II ratio.

Despite interest rate developments equity remained broadly in line with prior year,€ 248.4 million as of year-end 2024 due to capital injections amounting to € 50.0 million in 2024.

## 4.3 ASSET MANAGEMENT

In 2024, Lifetri made a strategic shift in its investment approach in line with the strategic repositioning of Lifetri, prioritizing balance sheet stability over further re-risking in response to new strategic developments. This marks a significant evolution in its investment strategy, reflecting the company's focus on maintaining a robust financial position while continuing to support its existing clients.

Both the European Central Bank (ECB) and the Federal Reserve (FED) began lowering interest rates after a prolonged period of rate hikes. This shift in monetary policy created a favourable environment for capital markets.

Across all asset classes, performance met or exceeded expectations, driven by strategic asset allocation decisions and favourable market conditions. Asset classes such as commercial real estate loans, direct lending, and private equity continued to deliver strong results.

Given the ample market liquidity in 2024, Lifetri's liquidity position remained strong, supported by liquidity facilities and the continued use of repo arrangements. The liquidity stress test framework, previously enhanced in 2023, proved effective, ensuring Lifetri's readiness for various interest rate scenarios.

In alignment with its updated strategy, Lifetri maintained its focus on asset diversification while stabilizing its balance sheet. The company opted to hold its current asset allocations steady rather than expanding investments in interest-sensitive asset classes.

These strategic adjustments reflect Lifetri's ongoing commitment to prudent asset management and the support of long-term value creation for its stakeholders.

Please refer to paragraph 6.6 for a more detailed insight of the composition of Lifetri's investments.

## 4.4 CAPITAL MANAGEMENT

Lifetri's capital management aims to protect policyholders' rights, comply with regulatory requirements, and ensure that financial setbacks can be absorbed without endangering the continuity of the business and strategy. Therefore, Lifetri holds an additional buffer, apart from the technical reserves and the regulatory solvency capital requirement (SCR). The target solvency level is set at 170%, while the norm solvency level, our internal minimum level, is set at 140%. These levels have been effective since December 2024. The norm level for the solvency ratio is is comprised of two components: a quantified buffer to be able to absorb market volatility, and not fall below the statutory solvency requirement of 100%. The primary measure to determine the buffer is represented by a combined shock of the current investment portfolio, swap rates (including impact value guarantees to policyholders (VOG)) and VA impact reflecting at least an 90th percentile event, taking into account current economic conditions. The second component is a buffer to absorb any ancillary risks not reflected in the quantified buffer.

The target level for the solvency ratio is the Minimum internal solvency plus an additional buffer. The buffer is comprised of two components: a quantified buffer to be able to absorb market volatility, and not fall below the Minimum internal solvency. The primary measure to determine the buffer is represented by a combined shock of the current investment portfolios, swap rates and VA impact reflecting at least an 80th percentile event, taking into account current economic conditions. In case not all relevant risks are captured by the quantified buffer, a buffer to absorb the ancillary risks can be added by the Management Board.

Lifetri has very long dated liabilities and operates in an environment that is regulated by Solvency II. The Solvency II framework demands the use of certain parameters that deviate from the financial markets, most notably with respect to the interest rate curve that is used to discount liabilities. As there are no observable interest rates for (very) long-term liabilities, the regulatory authorities prescribe the use of the so-called ultimate forward rate (UFR) in the interest rate curve. This means that discount rates beyond a certain point (the last liquid point) converge to this UFR. The last liquid point for Euro is set at 20 years. As a result, in the current situation that the UFR is higher than the market rate, the value of liabilities due in 20 years and beyond is lower than the value based on market rates. The UFR is part of the EIOPA Long-Term Guarantee measures that were aimed at reducing the effect of artificial volatility for long-term insurance products.

The observable interest rates in the financial markets deviate significantly from the EIOPA interest rate structure. As per end 2024, the thirty-year swap was 2.2% whereas the EIOPA rate was 2.4%, and the fifty-year swap was 1.9% whereas the EIOPA rate was 2.7%.

In its interest risk hedging policy, Lifetri chooses to:

- minimise the volatility of the interest rate risk due to interest fluctuations;
- mitigate curve-risk sensitivity due to deviation between the Solvency II curve beyond the LLP and the economic curve;
- mitigate convexity risk; and
- stay within a 15% limit for the SCR ratio sensitivity in a 50bps parallel shock.

In 2024 the UFR decreased from 3.45% to 3.30%, putting pressure on Lifetri's Solvency II ratio. During the year capital injections were received totalling € 50 million to strengthen Lifetri's solvency to 157% at the end of 2024.

Lifetri does not have an appetite for inflation risk. The inflation guarantees in the pension liabilities are hedged on a cash flow basis with the derivatives. Based on Solvency II the liabilities are slightly overhedged. The inflation risk in the expense provisions is hedged with inflation linked bonds, where Lifetri considers the central banks to manage the inflation rates to a long-term objective of 2% over time.

Lifetri reinsures its longevity risk up to 85%.

## 4.5 OUTLOOK

On November 28th, 2024, Achmea, Sixth Street and Lifetri announced the intended formation of a joint venture. The announced joint-venture, to be organized after completion of regulatory approvals, will benefit from strong capabilities in the field of risk and capital management, asset management and customer-focused solutions, and will provide an extra alternative for funds considering pension risk transfers in the Netherlands.

Together with Sixth Street and Achmea, in 2025 Lifetri will prepare for the closing of the transaction and ensuing integration including securing the necessary approvals. The closing of the transaction is expected in the second half of 2025. At that time, ownership of Lifetri will shift from ELG Holding Ltd. to the joint venture – a Netherlands based insurer.

Given that this could substantially change the future of Lifetri, it is not possible to give more specifics in terms of an actual business outlook.

Maarssen, 8 April 2025

Rutger Zomer

Han Rijken

Chris Madsen

# 5. Supervisory Board

# 5.1 FOREWORD OF THE CHAIRMAN OF THE SUPERVISORY BOARD

**2024 has been a challenging year for Lifetri**

During the year, the SB spent considerable time discussing with the MB the strategy of the company following a slowdown in growth, resulting in the decision of Lifetri to reconsider its approach to the Dutch pension risk transfer market. The SB is very pleased that following this strategic reorientation, a strategic partnership between Achmea, Lifetri, and Sixth Street in the field of pension and life insurance was announced in the last quarter of 2024.

Several changes in the composition of the SB and the MB occurred during 2024, which were discussed extensively with the SB, MB and the shareholder. The SB dedicated time in building relationships with the different members of the SB and the MB, with specific attention to board dynamics.

For further improving the SB and MB's own effectiveness and performance, both boards held evaluation sessions with the support of an external advisor. A more extension evaluation on the company's system of governance took place in the last quarter of 2024, which provided helpful insights with attention points that the company plans to address in the coming year.

During SB meetings, monitoring capital management and the volatility of the balance sheet, as well as further improvement of risk management and internal controls were recurring topics during the year and the SB is pleased with the good progress made in the company organization-wide.

2025 marks the start of a new adventure for Lifetri. Having carefully weighed all the interests, the SB strongly believes that the strategic partnership is in the best interest of Lifetri and all its stakeholders. The SB will continue to collaborate with the MB and the shareholder towards the closing of the transaction, expected to occur in the second half of 2025.

The SB expresses its appreciation for the positive and constructive relationship with the different MB members and all the work performed during a challenging year.

The SB extends a special thanks to Mr. Philippe Wits, former CEO, and Mr. Rohan Singhal, former Supervisory Board member, for their important role in building Lifetri and for the pleasant cooperation during their tenure. The SB is extremely pleased with the appointments of Mr. Rutger Zomer as CEO (including responsibility for the finance domain), Mr. Chris Madsen as CRO and with the appointment of Ms. Pauline Engelberts as Supervisory Board member, who bring valuable expertise both in the MB and in the SB.

The SB is grateful to the MB and all Lifetri staff for their dedication in steering the company through turbulent times and achieving a successful year.

Peter Borgdorff,

Chairman of the Supervisory Board

## 5.2 REPORT OF THE SUPERVISORY BOARD

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, Lifetri Verzekeringen and Lifetri Uitvaartverzekeringen).

**Composition of the Supervisory Board**
The SB consists of the following four members, as per 8 April 2025.

**P.J.C. (Peter) Borgdorff (Chairman)**

| | |
|---|---|
| Date of birth | 1953 |
| Nationality | Dutch |
| Independence | Independent |
| Principal | None |
| Other Positions | Chairman of the Supervisory Board of Bartiméus |
| | Member of the Supervisory Board of ANBO-PCOB |
| | Member of the Advisory Board of Pensioenlab |
| Term of Office | 2022-2026 (1st term) |

**A.S. (Andrew) Birrell**

| | |
|---|---|
| Date of birth | 1969 |
| Nationality | British/South African |
| Independence | Non Independent |
| Principal | Senior Advisor Sixth Street |
| Other Positions | Non-Executive Director, ELG Holding & Subsidiaries |
| | Lead Independent Non-Executive Director, Sanlam Developing Markets |
| | Independent Non-Executive Director, Esure Group Plc, Esure Insurance Limited, Esure Services Limited |
| | Independent Non-Executive Director, SANLAM Limited and SANLAM Life Limited |
| | Independent Non-Executive Director Sanlam Allianz Africa Limited |
| | Independent Non-Executive Director, Assupol Holdings and Assupol Life Limited |
| | Non-Executive Director, Clara Pensions Group Holdings |
| | Non-Executive Director, ARGO Investment Managers Limited |
| | Non-Executive Director, Friedshelf 1491 (Proprietary) Limited |
| | Non-Executive Director, Mabushka Lodge (Proprietary) Limited |
| Term of Office | 2022-2026 (1st term) |

**H. (Henk) Eggens**

| | |
|---|---|
| Date of birth | 1957 |
| Nationality | Dutch |
| Independence | Independent |
| Principal | None |
| Other Positions | Chairman of the Supervisory Board of NV GEMS |
| | Member of the investment committee of CFK |
| Term of Office | 2024-2028 (2nd term) |

**P.M. (Pauline) Engelberts**

| | |
|---|---|
| Date of birth | 1963 |
| Nationality | Dutch |
| Independence | Independent |
| Principal | Global Chief Operations Officer & Chief Sustainability Officer, ABN AMRO Clearing Bank NV |
| Other Positions | Director: Children's Development Khazana Foundation |
| | Member of the AEX Steering Committee |
| Term of Office | 2024-2028 (1st term) |

**Meetings of the Supervisory Board and its committees**

In 2024, the SB held sixteen meetings, both regular and ad-hoc meetings. The members of the MB were invited to attend the meetings. In addition, managers were invited from time-to-time to present topics to the SB. The overall attendance rate of SB members at SB meetings during 2024 was more than 90%. Both the chairman of the SB and of the ARC have regular contact with the CEO (who also has responsibility for the finance domain) outside meetings.

Main recurring topics discussed during the meetings were the governance of the company, the strategy and funding of the company, the budget and business plan, the financial performance including capital and interest rate management, 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 and the implementation of DORA, the development of business activities, including ESG progress, the relationship with the external regulators, including the Dutch Central Bank (DNB) and the Dutch Authority for Financial Markets (AFM) and the performance and functioning of the SB and of the MB.

The SB spent considerable time during the year discussing the strategy of the company resulting in a strategic reorientation announced in May 2024, which was followed by the announcement of a strategic partnership between Achmea, Lifetri and Sixth Street in the field of pension and life insurance, as announced in November 2024.

The SB also discussed certain changes in the composition of the MB and in the SB. After a diligent process and careful consideration, the following changes were made in the MB and the SB:

- Rutger Zomer was appointed as CEO, including responsibility of the finance domain. Rutger succeeded Philippe Wits as CEO.
- Chris Madsen was appointed as CRO
- Pauline Engelberts was appointed as Supervisory Board member. Pauline succeeded Rohan Singhal who resigned in February 2024.

**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. In addition, in 2024 a more extensive evaluation on the company's system of governance took place. The outcome of the assessment included actions to further strengthen where needed the effectiveness of board dynamics, corporate governance and checks & balances.

The SB continuously dedicates time in maintaining a constructive and cooperative relationship both among SB members as well as with the MB members. The SB also pays well attention to the relationship with the shareholder.

**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).

The following SB members are members of the Committees:

| *ARC:* | *RemCo:* |
|---|---|
| Henk Eggens, Chairman | Andrew Birrell, Chairman |
| Andrew Birrell | Peter Borgdorff |

The ARC met four times. All SB members have a standing invitation to attend the ARC meetings. The MB members, the internal auditor and the external auditor are usually invited to the meetings, as well as specific 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 2024 were the annual financial statements and together with the external auditor all his reportings to us, the external auditor's plan, the financial performance including capital and interest rate management specifically in relation to the volatility of the solvency ratio, the Own Risk Solvency Assessment (ORSA), the Systematic Integrity Risk Analysis (SIRA), 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 and their independence.

The RemCo met during a regular meeting and several ad hoc meetings during 2024. Main topics discussed were the implementation of the remuneration policy for the MB and for the organization, the performance review for 2023, the remuneration and performance objectives for 2024, changes in the MB and the SB and the impact of the strategic reorientation announced during the year.

The SB would like to express its appreciation to the MB and the organization for the work performed during 2024.

*Maarssen, 8 April 2025*

Peter Borgdorff, Chairman

Andrew Birrell

Henk Eggens

Pauline Engelberts

# 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 2024 – 31 December 2024 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 58 form an integral part of these financial statements. All amounts quoted in these financial statements are in euros and rounded to the nearest thousand, unless otherwise indicated. Calculations are made using unrounded figures. As a result rounding differences can occur.

# 6.1 CONSOLIDATED BALANCE SHEET

Balance sheet as per 31 December (Before appropriation of result)

| | notes | 2024 | | 2023 | |
|---|---|---|---|---|---|
| **Financial investments** | | | | | |
| Bonds | 1 | 531,244 | | 534,544 | |
| Mortgages | 2 | 433,491 | | 429,121 | |
| Investment funds | 3 | 643,407 | | 560,625 | |
| Derivatives[1] | 4 | 84,444 | | 73,940 | |
| **Total financial investments** | | | **1,692,586** | | **1,598,231** |
| **Deferred tax** | 5 | | **94,025** | | **77,726** |
| **Receivables** | | | | | |
| Policyholders and intermediaries | 6 | 669 | | 1,285 | |
| Tax and social security contributions | | 14,091 | | 12,134 | |
| Other receivables | 7 | 12,905 | | 16,004 | |
| **Total receivables** | | | **27,666** | | **29,422** |
| **Other assets** | | | | | |
| Equipment | 8 | 56 | | 169 | |
| Cash | 9 | 225,182 | | 275,082 | |
| **Total other assets** | | | **225,238** | | **275,251** |
| **Total assets** | | | **2,039,515** | | **1,980,630** |

1 Correction of error reclassification derivatives liabilities.

Overview of adjustments for comparison purposes, refer to section 6.5 of financial statement for restatement made on face of balance sheet and note 4 for changes made to derivatives disclosure.

| | notes | 2024 | | 2023 | |
|---|---|---|---|---|---|
| **Group equity** | 10 | | **248,353** | | **244,370** |
| **Subordinated debt** | 11 | | **78,799** | | **78,637** |
| **Net insurance liabilities** | | | | | |
| For own risk | 12 | 1,554,384 | | 1,494,723 | |
| Reinsurers' share | | 53,582 | | 49,606 | |
| **Total net insurance liabilities** | | | **1,607,966** | | **1,544,329** |
| **Provisions** | | | | | |
| Pension obligations | 13 | 145 | | 212 | |
| **Total provisions** | | | **145** | | **212** |
| **Other liabilities** | | | | | |
| Direct insurance liabilities | | 2,836 | | 1,884 | |
| Savings deposits | | 6,283 | | 7,115 | |
| Payables | | 18,450 | | 52,199 | |
| Derivatives liabilities[1] | 4 | 72,357 | | 46,788 | |
| **Total other liabilities** | 14 | | **99,927** | | **107,985** |
| **Accruals** | 15 | | **4,325** | | **5,096** |
| **Total equity and liabilities** | | | **2,039,515** | | **1,980,630** |

1 Correction of error reclassification derivatives liabilities.

# 6.2 CONSOLIDATED PROFIT OR LOSS ACCOUNT

| | notes | 2024 | | 2023 | |
|---|---|---|---|---|---|
| **Technical account life insurance** | | | | | |
| **Insurance premiums earned** | | | | | |
| Gross premiums | | 72,326 | | 73,596 | |
| Outgoing reinsurance premiums | | -15,675 | | -15,057 | |
| **Net premiums earned** | | | **56,650** | | **58,540** |
| **Investment income** | | | | | |
| Other investment income | 16 | 55,954 | | 52,030 | |
| Realised gains on investments | 20 | 5,143 | | 735 | |
| **Total investment income** | | | **61,096** | | **52,765** |
| **Unrealised gains on investments** | 17 | | **57,415** | | **317,293** |
| **Claims and benefits paid general account** | | | | | |
| Gross claims and benefits paid | | -51,517 | | -48,531 | |
| Reinsurers' share claims | | 15,666 | | 15,013 | |
| **Total claims and benefits general account** | 18 | | **-35,851** | | **-33,518** |
| **Changes in insurance liabilities general account** | | | | | |
| Gross change in insurance liabilities | | -59,673 | | -87,037 | |
| Reinsurers share | | -3,976 | | -4,280 | |
| **Net change in insurance liabilities general account** | | | **-63,650** | | **-91,317** |
| **Operating expenses** | | | | | |
| Management and personnel expenses; depreciation of assets | | -22,705 | | -25,583 | |
| Commissions and profit-sharing received from reinsurers | | -1,687 | | -1,709 | |
| **Total operating expenses** | 19 | | **-24,392** | | **-27,292** |
| **Investment expense** | | | | | |
| Administrative and interest expense | 21 | -26,240 | | -22,798 | |
| Realised losses on investments | 20 | -46,239 | | -275,598 | |
| **Total investment expense** | | | **-72,479** | | **-298,395** |
| **Unrealised losses on investments** | 17 | | **-40,805** | | **-760** |
| Investment income attributable to non-technical account | | | 707 | | 8,797 |
| **Result technical account life insurance** | | | **-61,308** | | **-13,887** |
| | | | | | |
| **Non-technical account life insurance** | | | | | |
| **Result technical account life insurance** | | | **-61,308** | | **-13,887** |
| Investment income attributable from technical account | | | -707 | | -8,797 |
| **Result before tax** | | | **-62,015** | | **-22,684** |
| Income tax | 22 | | 15,998 | | 1,854 |
| **Result after tax** | | | **-46,017** | | **-20,830** |

Part of the income from investments is allocated to the technical result; its realised 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 STATEMENT OF COMPREHENSIVE INCOME

| | 2024 | 2023 |
|---|---|---|
| **Result after tax** | **-46,017** | **-20,830** |
| Total amount recognised directly in equity | - | - |
| **Comprehensive income** | **-46,017** | **-20,830** |

No amounts are recognised directly through equity.

# 6.4 CONSOLIDATED CASH FLOW STATEMENT

| | notes | 2024 | | 2023 | |
|---|---|---|---|---|---|
| **Cash flow from operational activities** | | | | | |
| Result after tax | | -46,017 | | -20,830 | |
| Adjusted for: | | | | | |
| Change in insurance liabilities | 12 | 59,661 | | 86,926 | |
| Change in reinsurance liabilities | 12 | 3,976 | | 4,280 | |
| Depreciation assets | 8 | 112 | | 112 | |
| Fair value changes through profit or loss | 1 2 3 4 | -11,211 | | -145,710 | |
| Changes in: | | | | | |
| Receivables | 7 | 3,812 | | 76,618 | |
| Liabilities | 11, 13, 14, 15 | -30,105 | | 45,333 | |
| Deferred tax | 5 | -16,299 | | -7,560 | |
| Paid current tax | 7 | -2,055 | | 0 | |
| Paid interest | | -4,200 | | -4,200 | |
| **Total cash flow from operating activities** | | | **-42,325** | | **34,970** |
| **Cash flow from investing activities** | | | | | |
| Investments and purchases: | | | | | |
| Bonds | 1 | -31,919 | | -133,320 | |
| Mortgages | 2 | -14,638 | | -22,238 | |
| Investment funds | 3 | -104,467 | | -265,912 | |
| Net derivatives | 4 | -7,315 | | -39,438 | |
| Disposals and redemptions: | | | | | |
| Bonds | 1 | 0 | | 88,600 | |
| Mortgages | 2 | 29,375 | | 130,711 | |
| Investment funds | 3 | 55,653 | | 208,316 | |
| Net derivatives | 4 | 15,736 | | 1,157 | |
| **Total cash flow from investing activities** | | | **-57,575** | | **-32,123** |
| **Cash flow from financing activities** | | | | | |
| Capital contribution | 10 | 50,000 | | 85,000 | |
| **Total cash flow from financing activities** | | | **50,000** | | **85,000** |
| Net increase/decrease in cash | | | -49,900 | | 87,847 |
| Cash and cash equivalents beginning of period | | | 275,082 | | 187,236 |
| **Cash and cash equivalents end of period** | 9 | | **225,182** | | **275,082** |

## 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 NV and Lifetri Verzekeringen NV. 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 life insurance policies in the Dutch market including pensions, term life and funeral.

**General**

The consolidated financial statements have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code, including the required models according to "Regeling Besluit modellen jaarrekening" 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.

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.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. However, in circumstances where the transaction does not significantly change the economic reality of an asset or liability, this asset or liability remains recognised on the balance sheet. In such cases, the results of the transaction are directly recognised in the profit or loss account, taking into account any provisions related to the transaction.

If assets are recognised of which Lifetri Groep does not have the legal ownership, this fact will be disclosed.

Income is recognised in the profit or loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability.

Revenues and expenses are allocated to the respective period to which they relate. Revenues are recognised when Lifetri Groep has transferred the significant risks and rewards.

**Functional currency**
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.

**Going concern principle**
The financial statements of Lifetri Groep BV have been set up assuming a going concern basis. This is based on the reasonable assumption that Lifetri is, and will be, able to continue its normal course of business in the foreseeable future. Relevant facts and circumstances relating to the financial position on December 31, 2024, were assessed to conclude on the going concern assumption. The main areas assessed are the financial position, liquidity and solvency. Considering all these areas management concluded that the going concern assumption for Lifetri Groep is appropriate for preparing the financial statements.

**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, intra-group 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. Subsidiaries are consolidated in full.

**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.

**Correction of errors**

After adoption of the 2023 financial statements, a material error were identified with respect to derivative investment. As per 31 December 2023, the presentation of derivative investment was presented on a net basis on the face of the balance sheet, this should have been presented as an asset for its asset portion and as liability for its liability portion. The impact on shareholders' equity is nil as per 31 December 2023. The impact on the net result/result after tax for the year 2023 is nil. Further, the comparative figures for the year 2023 have been restated.

Please refer to section 6.1 of financial statement for restatement made on face of balance sheet and note 4 for changes made to derivatives disclosure.

The total assets for 2023 increased by € 47 million from € 1.93 billion to € 1.98 billion and total equity and liabilities increased by € 47 million from € 1.93 billion to € 1.98 billion. The balance sheet impact is an increase in € 47 million for derivative financial asset and a corresponding € 47 million increase in derivative financial liability.

**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 or 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.

**Pension obligations**

Pension obligations are calculated as the discounted value of the expected yearly indexation level for the former employees of Nuvema. The yearly indexation level is equal to 3.2% of the salaries of the former employees of Nuvema. The calculation of the level does take salary development and lapse rates into account. The discounted value is calculated with the risk-free rate (swap-curve).

**Longterm liabilities**

Longterm liabilities consist of funeral deposits. Funeral deposits are reported at present value. No further increase of the deposits is considered.

**Financial reporting period**

The financial statements cover the period from 1 January 2024 and ended at the balance sheet date of 31 December 2024.

**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 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. These relate primarily to the following:

Included among the material (or potentially material) reported amounts and disclosures that require extensive use of estimates are the fair value of certain investment funds, mortgages, derivatives, the measurement of (re)insurance contracts and deferred tax.

A detailed explanation of the estimates and assumptions is given in the relevant notes to the consolidated financial statements.

When making judgements, estimates and assumptions, Lifetri has taken into consideration the current macro-economic context.

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 fair value hierarchy based on the inputs used in the valuation techniques used.

*Published prices in active markets (Level 1)*

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)*

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)*

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 or loss account on a straight-line basis at 20% annually over the estimated useful lives of each item of the tangible fixed assets, considering any estimated residual value of the individual assets.

**Recognition of financial investments**
A financial investment is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the instrument has a cost price or value of which the amount can be measured reliably. Financial investments that are not recognised in the balance sheet are considered as off-balance sheet items.

A financial investment is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability been transferred to a third party.

Investment income and expenses are allocated to the respective period to which they relate.

**Bonds**
Bonds are measured at fair value. Listed bonds in active markets are categorized at fair value level 1, Listed bonds in less active markets as well as bond strips are categorized at fair value level 2 or level 3. Changes in the fair value of investments are recorded in the profit or loss account. In addition, for non-liquid bonds a revaluation reserve is recognised within equity. The revaluation reserve is recognised at an amount equal to the positive accumulated fair value changes less any provision for deferred tax.

**Mortgages**
Changes in the fair value of mortgages are recorded in the profit or loss account. For mortgages without frequent market quotations, a revaluation reserve is recognised within equity. The revaluation reserve is recognised at an amount of the positive accumulated fair value changes, less any provision for deferred tax.

Mortgages are measured at fair value. The morgages 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 is 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.

The valuation of the mortgages is measured conform article 75 of the Solvency II Directive (2009/138/EC), applying to the valuation of mortgage loans.

*Change in accounting policy with respect to 'Specification fair value hierarchy' of mortgages*
The mortgage investment portfolio within Lifetri was classified as a level 2 financial investment as the majority of the data input to determine the valuation was based on level 2 data. On 26th March 2025, the Verbond Van Verzekeraars published a memo on guidelines for mortgage valuation principles and level classification. In this guideline, it is explicitly stated that mortgage investments should be classified as level 3 asset, as any level 3 data is used to determine the valuation of mortgage loans. The presentation in the financial statements is adjusted accordingly for 2023 and 2024.

**Investment funds**
Participations in investment funds without significant influence are measured at fair value. Listed investment funds in active markets are categorized at fair value level 1, non-listed investment funds is categorized at fair value level 2 or level 3. The valuation of the non-listed investment funds is provided by the external managers and must be in line with our accounting principles.

In the case of illiquid investment funds, where the market valuation is based on the previous period, the net asset value is corrected with the capital calls and withdrawals that occurred and are applicable where the due date is after the market valuation date.

The participations in investment funds include private equity, trade finance, corporate and commercial real estate debt. The fair value of these funds is determined on the basis of valuation techniques using objective current market data, with or without the use of standard models such as discounted cash flow models. In case the underlying annual report of the investment fund is based on amortised cost, Lifetri values those funds at redemption value.

Changes in the fair value of investments are recorded in the profit or loss account. In addition, for non-liquid investment funds a revaluation reserve is recognised within equity. The revaluation reserve is recognised at an amount equal to the positive accumulated fair value changes less any provision for deferred tax.

**Derivatives**
Derivatives are measured at fair value based on the Annual Reporting Guidelines of the Dutch Accounting Standards Board. The hierarchy as described above is used to categorise the derivatives. Listed derivatives in active markets are categorised at fair value level 1, non-listed derivatives are categorised at fair value level 2 or 3. The fair value of the non-listed derivatives is

calculated based on the interest rate structure published by the regulatory authority. The price of the warrants is based on the price of the underlying security.

Changes in the fair value of investments are recorded in the profit or loss account. In addition, for non-liquid derivatives a revaluation reserve is recognised within equity. The revaluation reserve is recognised at an amount equal to the positive accumulated fair value changes less any provision for deferred tax.

Derivatives are primarily used for hedging interest rate, inflation and currency risks. Derivatives are measured at fair value through profit or loss. Lifetri does not apply hedge accounting.

**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 represents directly available funds held in bank accounts, cash collateral and other short-term highly liquid investments. Cash is measured at nominal value. If cash is not readily available, this fact is considered in the measurement.

**Equity**

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under equity. Payments to holders of these instruments are deducted from 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 investments are recognised in the profit or loss account. For financial assets without frequent market quotations a revaluation reserve is recognised for the cumulative unrealised fair value changes reported in the profit or loss account, 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 positive asset. If an asset is sold, any revaluation reserve pertaining to that asset is released and credited to other reserves.

**Subordinated debt**
The subordinated debt is measured at amortised cost, net of transaction cost incurred, based on the effective interest rate method.

**Provisions**
A provision is recognised if the following applies:

- Lifetri Groep has a legal or constructive obligation, arising from a past event;
- the amount can be estimated reliably; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

**Insurance liabilities**
The provision for insurance liabilities is calculated on basis of SII principles. The Solvency II provision for insurance liabilities is calculated based on the interest rate structure published by the regulatory authority, including volatility adjustment and ultimate forward rate.

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.

*Assumptions*
Lifetri Groep uses the following assumptions:

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 not longer than one year.

Best Estimate assumptions

The technical provisions are calculated on valuation date 31 December 2024 which is the end date of the reporting period and consequently the starting point for projecting the future cashflows that are used to calculate the technical provisions. In June 2024 Lifetri's Management

Board decided to close the company for new business and invoked the Future Management Action (FMA) as the company's strategy shifted from actively pursuing new business through pension buy-outs to finding a buyer to purchase (parts) of the Lifetri portfolio. This is because managing the Lifetri portfolio is not sustainable on a stand-alone basis.

The assumptions underlying the future cashflows are therefore set based on the presumption that Lifetri will pursue finding a buyer to purchase (parts) of the Lifetri portfolio.

The Best Estimate assumptions represent the (weighted) average of possible outcomes of an uncertain event. The assumptions are split into economic and operating assumptions.

Economic assumptions

The assumed risk free curve is the risk free structure as provided by EIOPA. The EIOPA risk free interest structure is based on the swap rate at valuation date and with the following adjustments, (between brackets the corresponding figures per 31 December 2023):

• Reduction by 10bps (10bps) to account for credit risk adjustment;

• Extrapolation from year 20 (last liquid point) to the ultimate forward rate of 3.30% (3.45%) with convergence in year 60 using the Smith-Wilson extrapolation method; and

• Including the Volatility Adjustment of 23bps (20bps) as provided by EIOPA to the spot rates for the first 20 years.

• The applied long-term inflation rates are obtained from the Harmonised Index of Consumer Prices excluding Tobacco (HICPxT).

Operating assumptions

Operating or non-economic assumptions capture the uncertainties related to decrements as a result of underwriting. These assumptions were set using statistical analyses on recent experience factoring in expected future trends. The operating assumptions are updated once per year and are set by Lifetri's Finance & Control department.

Mortality and longevity

Lifetri sets its mortality assumptions based on the expected mortality rates of the general Dutch population as published by the Dutch Actuarial Society, Het Koninklijk Actuarieel Genootschap. As from 2024 onwards this is the Prognosetafel AG 2024. The mortality rates are multiplied by product specific experience factors to obtain Lifetri product specific best estimate mortality expectations. The experience factors are specific by age, gender and product group and measured on number of mortalities.

Lapses and paid-ups

A policy becomes paid-up at the moment when a policyholder decides to terminate the contractual payments before the end of the policy term. A policy lapses when a policyholder decides to terminate the contractual payments before the end of the policy term and agrees to receive the applicable contractually agreed surrender value.

For individual and funeral policies the lapse and paid-up assumptions are based on the elapsed duration of the policy and historical observations for each product.

Although we have observed outgoing value transfers (lapses on an individual level) for the pensions portfolio, the lapse rates for the pensions portfolio are assumed to be zero as the amount transferred is not significant to the size of the portfolio.

Expenses

The expense assumption must give a true and fair view of the costs that are necessary to be able to settle the portfolio. This is based on the current business design after invoking the FMA in June 2024.

The expenses included in the Technical Provisions reflect this new strategy and are based on the Long Term Target expenses as part of a potential buyer's portfolio, the additional expenses that Lifetri faces during the transitional period towards the sale of the portfolio and the period during which Lifetri assumes this project to complete, i.e. two years since invoking the FMA, so until 31 May 2026.

The expenses that Lifetri incurs can be split into five categories:

- norm-expenses;
- investment expenses;
- expense overrun;
- one-off expenses; and
- acquisition expenses

The norm-expenses are the expected expenses that a prospective buyer would incur when managing Lifetri's existing portfolio as part of their larger portfolio.

The investment expenses cover the expenses for managing the asset portfolio to obtain the risk free yield to service the portfolio. The investment expenses are 7.5bps of the technical provisions. The investment expenses exceeding the cost to run a risk-free portfolio are funded with additional spread gained.

The expense overrun is determined by comparing the norm-expenses with the actual expenses from the budget.

The one-off expenses are zero as there are no non-structural expenses foreseen in the budget.

Acquisition expenses are zero as Lifetri no longer sells any new business following the FMA in June 2024.

Inflation and indexation

Two types of inflation are distinguished in the models:

- The expense inflation curve; and
- The indexation of the pension benefits of the (former) members of the SPANG pension fund and Klaverblad Pensions.

Both types of inflation are based on the projected HICPxT index. The indexation of the pension benefits of the pension benefits of Allianz (SPANG) at 1 January of each year is contractually agreed and equals 59% of the increase of the HICPxT index at 31 October of the previous year. This contractual indexation is fully hedged on an economic basis.

The indexation of the pension benefits of Klaverblad at 1 January of each year is contractually agreed and equals 37.91% of the increase of the HICPxT index at 31 October of the previous year. This contractual indexation is fully hedged on an economic basis.

Whereas in 2022 and 2023 inflation rates have shown a rapid increase resulting in high inflation (10%+) rates across the European Union, in 2024 inflation rates stabilised again towards the long term ECB target of 2% per annum.

Currently, Lifetri hedges already a large proportion of the expense inflation risk. Even though the inflation risk was hedged within the risk appetite of Lifetri, the impact of the increase in inflation was more severe than anticipated given the unprecedented increase, the second order impact to the SCR and the third order impact to the risk margin.

In order to mitigate the inflation risk on the short term an ultimate forward inflation rate (UFI) is introduced. The UFI ensures stable expense inflation on the long term and mitigates the overreaction of the market currently observed. The UFI is set equal to the ECB target at 2% and is also in line with the inflation level that is used in the construction of the UFR used in the Solvency II risk-free rate.

The use of an ultimate forward inflation rate is considered a common approach by market participants to mitigate artificial volatility from short term market movements on the balance sheet. When the markets converge to the target inflation of the central banks, Lifetri will hedge the inflation risk fully and decrease the impact of the UFI as the need for the inflation UFI ceases to exist.

Profit sharing

Lifetri holds two types of funeral policies in its entities LTV and LTU: profit sharing funeral policies (only at LTV) and non-profit sharing funeral policies (both at LTV and at LTU). The proft sharing funeral policies at LTV can be split into two types:

1. Profit sharing on base of the REH-return (Rente Eerste Hypotheek)
2. Profit sharing on basis of the U-rate

The REH is the mortgage interest with a term of 5 years. Therefore, the REH is set equal to the 5-year forward plus the REH spread. The REH spread is modelled as the outcome of an AR (1) model. The parameters for this model are based on the historical spreads, taking into account the break in the trend as of 2008 and 2016.

For both types of profit sharing the expected profit sharing return is determined. The time value of the profit sharing option is calculated with a stochastic model.

The u-spread is determined as the difference between the “deel u”-yield at the valuation date and the weighted average forward rates. The difference between the risk-free rate and the u returns are in line with each other. More than the difference between the REH and the risk-free rate. Therefore the u-spread is assumed to be the same during projection.

**Reinsurance liabilities**
Reserves, plus any other liabilities (such as amounts due reinsurers), less any other assets arising from reinsurance transactions for the reinsured part of business.

Reinsurance premiums, commissions and benefits, as well as the technical provisions for reinsurance contracts are accounted for in the same way as the direct insurance policies for which the reinsurance has been taken out. The share of reinsurers in the technical provisions and benefits to which Lifetri is entitled to under its reinsurance contract deducted from the gross technical provisions and gross claims. The short-term claims on reinsurers are included under receivables. These claims are dependent of the expected claims and benefits arising from the relevant reinsurance contracts.

The valuation of amounts paid by and to reinsurers, is done in accordance with the terms of the reinsurance contracts. Obligations from reinsurance mainly concern premiums payable for reinsurance contracts. These premiums are recognized as an expense over the period in which they are due.

**Deferred taxes**
Deferred tax assets and liabilities are measured at nominal value. Deferred taxes concern the tax claim that rests on all qualifying differences between commercial valuations and valuations for tax purposes of assets and liabilities multiplied by the current company tax rate of 25.8%, 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, derivatives, investment funds, (re) insurance liabilities and mortgages.

Deferred tax assets are recognized for temporary differences, carry forward of unused tax losses and carry forward of unused tax credits when, in the opinion of management, it is probable that they can be utilized.

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. The liability recognised for cash collateral received on repurchase agreements is presented under short-term liabilities. As per 31 December 2024 (2023 nil at year-end) the repurchase facility hasn't been used.

**Contingent liabilities and legal proceedings**

In the normal course of business Lifetri is involved in regulatory inspections, claims and proceedings from policyholders and from (former) employees.

Only if this will lead to an outflow of cash, which is reliable to estimate, a provision is taken into account for these cases.

**Insurance premiums earned for own account**

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

**Investment income**

This includes the proceeds realised gains on investments such as bonds.

**Unrealised gains or losses on investments**

All changes in the fair value of financial investments are recognised directly in the profit or loss account. For gains on investments without frequent market quotations, a revaluation reserve is recognised within the equity.

**Claims and benefits paid**

The benefit payments own account consists of the total liabilities arising from the payment of pensions and funeral policies minus the amounts to be received from the re-insurers.

**Change in insurance liabilities**

The change in insurance liabilities is equal to the difference between the opening balance and the final balance of the insurance liabilities including re-insurers' share. 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.

**Investment expenses**

Investment expenses are determined on a historical basis and are allocated to the financial year to which they relate. This includes interest expenses and the proceeds realised losses on investments.

**Cost allocation**

Lifetri Groep allocates expenses to its business portfolios, namely the pension portfolio, and the individual life insurance book, using allocation keys such as based on FTEs, AuM (Asset under Management), or a general allocation key, depending on the part of the organization where expenses are incurred. Subsequently, the expenses for the individual life insurance book are allocated to the operating entities, Lifetri Verzekeringen and Lifetri Uitvaartverzekeringen, mainly based on the size of the portfolio serviced by each of the entities.

**Result technical account life insurance**

Part of the income from investments is allocated to the technical result; its realised 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 is included.

**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 or loss account at a tax rate of 25.8%, with due consideration to the tax facilities. Lifetri Groep is at the head of a fiscal unity which also includes Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen.

**Credit facility**

Lifetri has a credit facility that can be used for multiple purposes including investment purposes, balance sheet management and short-term cash flow management. Interest regarding the credit facility are recognised to the profit or loss account.

**Cashflow statement**

The statement of cash flows, prepared according to the indirect method, shows the structure of and changes in cash of Lifetri Groep during the financial year from cash flows arising from operating activities, investing activities and financing activities. Cash includes 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. The cash flows in foreign currencies have been converted at the exchange rate on the transaction date.

**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.

# 6.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Financial investments**

During the normal course of business, Lifetri Groep uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, Lifetri Groep has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of Lifetri Groep.

Lifetri Groep applies derivatives, including interest rate swaps, inflation swaps, forward exchange contracts and purchased swaptions to control its risks. Lifetri Groep does not trade in financial derivatives.

Risk management contains information on the relevant risks of Lifetri Groep and is described in detail in the risk management paragraph, including the above mentioned exposures to the financial instruments risks and the derivatives applied to mitigate these risks.

Financial investments are categorised according to the following fair value hierarchy.

**Specification fair value hierarchy**

| 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Bonds | 531,244 | - | - | 531,244 |
| Mortgage loans | - | - | 433,491 | 433,491 |
| Investment funds | - | 298,778 | 344,628 | 643,407 |
| Derivatives | - | 84,444 | - | 84,444 |
| **Financial investments** | **531,244** | **383,223** | **778,120** | **1,692,586** |
| **Derivatives liabilities** | **-** | **-72,357** | **-** | **-72,357** |
| **Net financial investments** | **531,244** | **310,865** | **778,120** | **1,620,229** |

Based on the accounting policy change, the 'Specification fair value hierarchy' disclosure has decreased by € 433 million (2023 € 429 million) for level 2 mortgage loans and increased by € 433 million (2023 € 429 million) for level 3 mortgage loans.

| 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Bonds | 479,783 | 54,762 | - | 534,544 |
| Mortgage loans | - | - | 429,121 | 429,121 |
| Investment funds | - | 299,308 | 261,317 | 560,625 |
| Derivatives | - | 73,940 | - | 73,940 |
| **Financial investments** | **479,783** | **428,010** | **690,438** | **1,598,231** |
| **Derivatives liabilities** | **-** | **-46,788** | **-** | **-46,788** |
| **Net financial investments** | **479,783** | **381,222** | **690,438** | **1,551,443** |

## 1. Bonds

| | 2024 | 2023 |
|---|---|---|
| **At 1 January** | **534,544** | **467,358** |
| Purchases | 31,919 | 133,320 |
| Disposals | - | -88,600 |
| Movement of accrued interest | 235 | 1,815 |
| Fair value changes through profit or loss | -35,454 | 20,651 |
| **At 31 December** | **531,244** | **534,544** |

Cost price of bonds at 31 December 2024 amounts € 755.9 million (2023: € 724.0 million).

**Bonds by region**

| | 2024 | 2023 |
|---|---|---|
| Austria | 44,228 | 36,402 |
| Belgium | 243,566 | 258,219 |
| Germany | 35,633 | 36,074 |
| France | 114,846 | 132,136 |
| Italy | 73,547 | 71,714 |
| Netherlands | 8,809 | - |
| Spain | 10,615 | - |
| **Total bonds** | **531,244** | **534,544** |

**Bonds by credit rating**

| | 2024 | 2023 |
|---|---|---|
| AAA | 8,809 | - |
| AA | 438,273 | 462,831 |
| A | 10,615 | - |
| BBB | 73,547 | 71,714 |
| **Total bonds** | **531,244** | **534,544** |

**Remaining term of the bonds**

| | 2024 | 2023 |
|---|---|---|
| 0-10 year | 38,468 | 5,615 |
| 10-20 year | 72,222 | 71,603 |
| 20-30 year | 158,548 | 86,436 |
| 30-40 year | 36,847 | 147,006 |
| 40-50 year | 204,883 | 203,006 |
| 50+ year | 20,276 | 20,879 |
| **Total derivatives** | **531,244** | **534,544** |

## 2. Mortgages

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **At 1 January** | | **429,121** | | **530,459** |
| Purchases | 14,638 | | 22,238 | |
| Redemption and sales | -29,375 | | -130,711 | |
| Fair value changes through profit or loss | 19,108 | | 7,135 | |
| **At 31 December** | | **433,491** | | **429,121** |

Cost price of mortgages at 31 December 2024 amounts to € 500.7 million (2023: € 515.0 million). There is currently no indication that a (constant) default rate must be applied for mortgages that are current. All mortgages are issued in the Netherlands.

**Market value of the mortgages split by loan to value**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| 0%-60% | 342,144 | | 292,143 | |
| 60%-70% | 51,862 | | 80,759 | |
| 70%-80% | 25,740 | | 28,864 | |
| 80%-90% | 11,852 | | 16,763 | |
| 90%-100% | 1,893 | | 9,977 | |
| >100% | 0 | | 614 | |
| **Total mortages** | | **433,491** | | **429,121** |

All the mortgages are without National Mortgage Guarantee.

## 3. Investment funds

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **At 1 January** | | **560,625** | | **476,670** |
| Purchases | 104,467 | | 265,912 | |
| Disposals | -55,653 | | -208,316 | |
| Fair value changes through profit or loss | 33,967 | | 26,359 | |
| **At 31 December** | | **643,407** | | **560,625** |

**Investment funds by sub-asset class**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| Corporate debt developed markets | 333,712 | | 306,890 | |
| Trade finance debt | 105,234 | | 98,767 | |
| Commercial real estate debt | 100,081 | | 95,717 | |
| Private equity | 104,380 | | 59,250 | |
| **Total investment funds** | | **643,407** | | **560,625** |

Cost price of investment funds at 31 December 2024 amounts to € 577.5 million (2023: € 527.7 million). Lifetri does not consolidate these funds based on minority interest, contractual agreements, or funds that can be classified as held for sale investments. Lifetri has no policy making influence on these investments.

Investment funds include closing-end funds in:

- Corporate debt developed markets: mid-term loans to companies mainly situated in Europe and North-America.
- Trade finance debt: short-term loans to companies mainly situated in Europe and North-America.
- Commercial real estate debt: mid-term financing to companies for real estate located in Europe.
- Private equity: minority interests in companies via fund- and co-investor constructions, mainly in Europe and North-America.

## 4. Derivatives

**Derivatives split in assets and liabilities**

| | 2024 | 2023 |
|---|---|---|
| Derivatives (assets) | 84,444 | 73,940 |
| Derivatives liabilities | -72,357 | -46,788 |
| **Total net derivatives** | **12,087** | **27,153** |

**Movement schedule**

| | 2024 | 2023 |
|---|---|---|
| **At 1 January** | **27,153** | **-100,877** |
| Purchases | 7,315 | 39,438 |
| Disposals | -15,736 | -1,157 |
| Movement of accrued interest | 2,259 | -735 |
| Fair value changes through profit or loss | -8,904 | 90,484 |
| **At 31 December** | **12,087** | **27,153** |

Cost price of net derivatives at 31 December 2024 amounts € 22.3 million (2023: € 37.8 million). Based on the conditions of the interest linked swaps, the inflation linked swaps and the foreign exchange contracts the company is required to deposit collateral or receive collateral on the basis of fair value. Deposit collateral is disclosed in Note 7 Other receivables and received collateral is disclosed in 14 Other liabilities.

**Derivatives by type**

| | 2024 | 2023 |
|---|---|---|
| Interest linked swaps | 72,719 | 25,615 |
| Inflation linked swaps | 0 | 709 |
| Swaptions | 7,418 | 36,868 |
| Warrants | 4,308 | 9,505 |
| Foreign exchange contracts | 0 | 1,244 |
| **Total derivatives (assets)** | 84,444 | 73,940 |
| Interest linked swaps | -45,507 | -39,182 |
| Inflation linked swaps | -25,983 | -7,605 |
| Foreign exchange contracts | -867 | - |
| **Total derivatives liabilities** | -72,357 | -46,788 |
| **Total net derivatives** | **12,087** | **27,153** |

**Derivatives by type in nominal**

| | 2024 | 2023 |
|---|---|---|
| Interest linked swaps | 659,000 | 1,204,000 |
| Inflation linked swaps | -284,110 | -450,470 |
| Swaptions | 7,425,000 | 4,675,000 |
| Warrants | 500 | 500 |
| Foreign exchange contracts | 200,180 | 153,042 |
| **Total net derivatives** | **8,000,570** | **5,582,072** |

**Remaining term of the derivatives**

| | 2024 | 2023 |
|---|---|---|
| 0-10 year | 18,152 | 51,891 |
| 10-20 year | 25,674 | 7,049 |
| 20-30 year | -12,994 | -7,738 |
| 30-40 year | -13,521 | -4,097 |
| 40-50 year | -5,225 | -19,953 |
| **Total net derivatives** | **12,087** | **27,153** |

## 5. Deferred tax

| | 2023 | Movement through P&L | 2024 |
|---|---|---|---|
| Deferred acquisition costs | 1,933 | -480 | 1,453 |
| Subordinated loan | - | - | - |
| Valuation differences insurance liabilities | -70,981 | 10,472 | -60,508 |
| Unused tax losses | 61,109 | 1,116 | 62,225 |
| Equalisation reserve | - | - | - |
| Reinsurance liability | 12,798 | 1,026 | 13,824 |
| Valuation differences investment | 72,867 | 4,164 | 77,032 |
| **Total deferred tax** | 77,726 | **16,298** | 94,025 |

| | 2022 | Movement through P&L | 2023 |
|---|---|---|---|
| Deferred acquisition costs | 2,958 | -1,025 | 1,933 |
| Subordinated loan | - | - | - |
| Valuation differences insurance liabilities | -75,900 | 4,919 | -70,981 |
| Unused tax losses | - | 61,109 | 61,109 |
| Equalisation reserve | - | - | - |
| Reinsurance liability | - | 12,798 | 12,798 |
| Valuation differences financial investments | 143,108 | -70,240 | 72,867 |
| **Total deferred tax** | 70,166 | **7,560** | 77,726 |

The deferred tax assets relate to the deductible temporary differences and recognised unused tax loss carry-forwards. The deferred tax will be realised within realisable future. All tax loss carry-forwards are included in this amount.

The unused tax losses arise out of realised temporary differences of financial investments and are dependent on future taxable profits. For the following amounts relating to deductible temporary differences the realization of the deferred corporate income tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Gross amounts | Deferred tax | Gross amounts | Deferred tax |
| Deferred until market recovery or maturity | 123,257 | 31,800 | 64,409 | 16,617 |
| Unused tax losses | 241,181 | 62,225 | 236,855 | 61,109 |
| **Total deferred tax** | **364,438** | **94,025** | **301,264** | **77,726** |

### 6. Policyholders and intermediaries

The short-term receivables on policyholders and intermediaries of € 0.7 million (2023 € 1.3 million) relate to insurance premiums due. All receivables have an estimated maturity shorter than one year.

### 7. Other receivables

| | 2024 | 2023 |
|---|---|---|
| Prepaid operating expense | 496 | 390 |
| Mortgage deposit | 6,296 | 3,171 |
| Tax reclaims | 308 | 309 |
| Collateral | 5,735 | 11,739 |
| Other | 70 | 394 |
| **Total other receivables** | **12,905** | **16,004** |

All other receivables have a term shorter than one year.

## 8. Equipment

| | 2024 | 2023 |
|---|---|---|
| **At 1 January** | **169** | **281** |
| Depreciation | -112 | -112 |
| **At 31 December** | **56** | **169** |

A 20% depreciation rate on the purchase value is applied for the calculation of the annual depreciation expenses. Equipment is related to 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

| | 2024 | 2023 |
|---|---|---|
| Money market fund | 136,479 | 173,754 |
| Due from banks | 87,929 | 98,601 |
| Cash at mortgage manager | 773 | 2,728 |
| **Total cash** | **225,182** | **275,082** |

For an amount of € 77.0 million (2023: € 78.3 million) cash and is not freely available. This amount is used as collateral for derivatives and open mortgage proposals in our investments portfolio.

**Cash pool**

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

## 10. Group equity

| | Share capital[1] | Share premium | Revaluation reserve | Other reserve | Result before appropriation | Total |
|---|---|---|---|---|---|---|
| **At 1 January 2023** | - | **173,897** | **17,396** | **68,475** | **-79,567** | **180,199** |
| Result current year | | | | | -20,830 | -20,830 |
| Result prior year | | | | -79,567 | 79,567 | - |
| Share premium contribution | | 85,000 | | | | 85,000 |
| Transfer between equity classes | | | 15,264 | -15,264 | | - |
| **At 31 December 2023** | - | **258,897** | **32,660** | **-26,359** | **-20,830** | **244,370** |
| **At 1 January 2024** | - | **258,897** | **32,660** | **-26,359** | **-20,830** | **244,370** |
| Result current year | - | - | - | - | -46,017 | -46,017 |
| Result prior year | - | - | - | -20,830 | 20,830 | - |
| Share premium contribution | - | 50,000 | - | - | - | 50,000 |
| Transfer between equity classes | - | - | 5,954 | -5,954 | - | - |
| **At 31 December 2024** | - | **308,897** | **38,615** | **-53,142** | **-46,017** | **248,353** |

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

**Revaluation reserve**

| | 2024 | 2023 |
|---|---|---|
| Investment funds | 38,614 | 23,460 |
| Derivatives | - | 9,199 |
| **Total revaluation reserve** | **38,614** | **32,659** |

## 11. Subordinated debt

The subordinated debt is valued at amortised cost. The nominal value of the subordinated debt is € 80.0 million similar as at 31 December 2023 and is listed on the Dublin Euronext stock exchange, Ireland. No covenant is applicable.

The bond is first callable after 5 years with a maturity date 1st of June 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 bond is considered Tier 2 capital for regulatory purposes.

| | 2024 | 2023 |
|---|---|---|
| **At 1 January** | **78,637** | **78,475** |
| Amortisation | 162 | 162 |
| **At 31 December** | **78,799** | **78,637** |

## 12. Insurance liabilities

| | 2024 | 2023 |
|---|---|---|
| Best estimate | 1,483,709 | 1,399,043 |
| Risk margin | 70,675 | 95,680 |
| Reinsurers' share | 53,582 | 49,606 |
| **Total insurance liabilities** | **1,607,966** | **1,544,329** |

| | 2024 | 2023 |
|---|---|---|
| **At 1 January** | **1,544,329** | **1,453,123** |
| Reinsurance | 3,976 | 4,280 |
| UFR step down | 25,906 | - |
| Model change | -599 | -3,282 |
| Unwind | 58,020 | 72,101 |
| New business | - | 216 |
| Existing business | -7,103 | -27,316 |
| Economic assumptions | 7,414 | 42,784 |
| Non economic assumptions | -23,976 | 2,571 |
| Other | 0 | -148 |
| **At 31 December** | **1,607,966** | **1,544,329** |

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

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

| | 2024 | 2023 |
|---|---|---|
| **At 1 January** | **212** | **249** |
| Indexation | 17 | 8 |
| Withdrawals | -84 | -45 |
| **At 31 December** | **145** | **212** |

## 14. Other liabilities

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Direct insurance liabilities | | 2,836 | | 1,884 |
| Savings deposits | | 6,283 | | 7,115 |
| **Payables** | | | | |
| Deposits derivatives | 13,031 | | 47,864 | |
| Deposits mortgages | 2,141 | | 2,224 | |
| Tax and social contributions | 78 | | 307 | |
| Creditors | 1,279 | | 584 | |
| Short term employee benefits | 1,921 | | 1,220 | |
| **Total payables** | | 18,450 | | 52,199 |
| Derivatives liabilities | | 72,357 | | 46,788 |
| **Total other liabilities** | | **99,927** | | **107,985** |

Saving deposits are annually increased with interest and have primary a long duration. The other liabilities have a duration of less than one year. The deposits for the derivatives are related to collateral for derivatives, which is largely monthly settled.

**Savings deposits**

| | | 2024 | | 2023 |
|---|---|---|---|---|
| **At 1 January** | | **7,115** | | **7,784** |
| Interest increase through P&L | 168 | | 268 | |
| Deposit payments | -1,000 | | -937 | |
| **At 31 December** | | **6,283** | | **7,115** |

## 15. Accruals

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Accruals for operational expenses | 1,875 | | 2,614 | |
| Accruals for investments | - | | 33 | |
| Interest accrual | 2,450 | | 2,450 | |
| **Total accruals** | | **4,325** | | **5,096** |

## 16. Other investment income

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Interest from bonds | 13,623 | | 11,378 | |
| Interest from mortgages | 10,903 | | 12,362 | |
| Income investment funds | 28,972 | | 23,120 | |
| Interest from cash | 2,455 | | 5,170 | |
| **Total other investment income** | | **55,954** | | **52,030** |

## 17. Unrealised gains and losses on investments

| | 2024 | 2023 |
|---|---|---|
| Unrealised gains on investments | 57,415 | 317,293 |
| Unrealised losses on investments | -40,805 | -760 |
| **Total unrealised gains and losses on investments** | **16,610** | **316,533** |

| | 2024 | 2023 |
|---|---|---|
| Bonds | -35,454 | 151,698 |
| Mortgages | 19,108 | 35,455 |
| Investment funds | 32,946 | 37,995 |
| Derivatives | -1,820 | 91,010 |
| Cash | 1,830 | 375 |
| **Total unrealised gains and losses on investments** | **16,610** | **316,533** |

## 18. Claims and benefits paid general account

| | 2024 | 2023 |
|---|---|---|
| Gross claims and benefits paid | 29,968 | 27,388 |
| Pensions | 21,549 | 21,143 |
| Reinsurers share | -15,666 | -15,013 |
| **Total claims and benefits paid general account** | **35,851** | **33,518** |

## 19. Operating expenses

| | 2024 | 2024 | 2023 | 2023 |
|---|---|---|---|---|
| Salaries | 9,174 | | 8,645 | |
| Social security expense | 890 | | 755 | |
| Pension expenses | 906 | | 1,316 | |
| Other | 860 | | 895 | |
| **Total staff expenses** | | **11,830** | | **11,611** |
| External hires, advice and procurement of services | 4,245 | | 7,031 | |
| Audit expenses | 801 | | 753 | |
| General and administrative expenses | 913 | | 857 | |
| Office expenses | 365 | | 335 | |
| ICT | 3,817 | | 4,310 | |
| Housing expenses | 434 | | 303 | |
| Marketing expenses | 188 | | 272 | |
| Depreciation | 112 | | 112 | |
| **Staff-, overhead- and depreciation costs** | | **10,875** | | **13,972** |
| Commissions and profit sharing received from reinsurers | | 1,687 | | 1,709 |
| **Total operating expenses** | | **24,392** | | **27,292** |

**Audit fees**

| | KPMG Accountants N.V. | Total |
|---|---|---|
| **2024** | | |
| Audit of the financial statements | 594 | 594 |
| Other audit engagements | 29 | 29 |
| Tax advisory services | - | - |
| Other non-audit services | - | - |
| **Total 2024** | **623** | **623** |
| | | |
| **2023** | | |
| Audit of the financial statements | 678 | 678 |
| Other audit engagements | - | - |
| Tax advisory services | - | - |
| Other non-audit services | - | - |
| **Total 2023** | **678** | **678** |

The fees for the audit of the financial statements 2024 relate to the total fees for the audit of the financial statements 2024 and the regulatory reporting 2024, irrespective of whether the activities have been performed during the financial year 2024. The amounts in the table above are exclusive of VAT. Services are only provided by KPMG Accountants NV.

## 20. Realised gains and losses on investments

| | 2024 | 2023 |
|---|---|---|
| Realised gains on investments | 5,143 | 735 |
| Realised losses on investments | -46,239 | -275,598 |
| **Total realised gains and losses on investments** | **-41,097** | **-274,863** |

| | 2024 | 2023 |
|---|---|---|
| Bonds | - | -131,047 |
| Mortgages | - | -28,320 |
| Investment funds | 1,021 | -11,636 |
| Derivatives | -46,239 | -103,687 |
| Cash | 4,122 | -173 |
| **Total realised gains and losses on investments** | **-41,097** | **-274,863** |

### 21. Administrative and interest expense

| | 2024 | 2023 |
|---|---|---|
| Investment management expenses | 10,202 | 13,387 |
| Interest on derivatives | 11,669 | 4,845 |
| Interest on repos | - | 103 |
| Interest on long term liabilities | 168 | 268 |
| Interest on subordinated debt | 4,200 | 4,194 |
| **Total administrative and interest expense** | **26,240** | **22,798** |

### 22. Income tax

| | 2024 | 2023 |
|---|---|---|
| Deferred tax | 16,299 | 7,560 |
| Current tax | -301 | -5,706 |
| **Total income tax** | **15,998** | **1,854** |

The effective income tax rate is 25.8% (2023: 8.2%). The table below shows a reconciliation of the expected income tax expense with the actual income tax expense. The income tax charge on the result for the year comprises current and deferred tax.

| | 2024 | 2023 |
|---|---|---|
| Result before tax | -62,015 | -22,684 |
| Applicable tax rate | 25.8% | 25.8% |
| **Expected income tax expense** | 16,000 | **5,852** |
| | | |
| **Effects of:** | | |
| Prior-year adjustments | 10 | -3,270 |
| Other | -12 | -728 |
| **Total income tax** | 15,998 | **1,854** |

Current tax is calculated taking into account items that are non-taxable or disallowed, using rates that have been enacted or substantively enacted by the reporting date and any adjustments to tax payable relating to previous years.

### 23. Contingent liabilities and legal proceedings

In the normal course of business Lifetri Group is involved in regulatory inspections, claims and proceedings from policyholders and from (former) employees. Only if this will lead to an outflow of cash, which is reliable to estimate, a provision is taken into account for these cases.

Contingent liabilities are not present.

### 24. Off-balance sheet items

#### Capital commitments

At 31 December 2024 the subsidiaries of Lifetri Groep are committed to provide funding for investments. For the private debt portfolio, the commitment for a capital contribution is

€ 211.5 million (2023: € 286.4 million). For the mortgage loans portfolio, the capital contribution amounts up to € 0 million (2023: € 21.9 million).

**Credit facility**

At 31 December 2024 the amount of the credit facility is € 110.7 million (2013: € 111.7 million). As per 31 December 2024 the credit facility was undrawn and fully available.

**Lease commitments**

| | 2024 | 2023 |
|---|---|---|
| No later than one year | 50 | 38 |
| Later than one year and no later than five years | 37 | 151 |
| **Total Lease commitments** | **87** | **189** |

**Office rental**

| | 2024 | 2023 |
|---|---|---|
| No later than one year | 280 | 212 |
| Later than one year and no later than five years | 1,119 | 35 |
| **Total office rental** | **1,399** | **247** |

**25. Related parties**

Transactions with related parties have occurred at arm's length basis. Further information is available in the remuneration paragraph in chapter 7.4 note 7.

**26. Employee information**

The average number of fulltime employees during the year was 65 (2023: 66). No staff was employed outside of the Netherlands.

**27. Subsequent events**

The Solvency II ratio of Lifetri does not include any contingent liability potentially arising from products sold, issued, or advised on by Lifetri in the past as the potential liability cannot be reliably quantified at this point.

On 24 September 2024 EIOPA published an update to its deep, liquid, and transparent (DLT) assessment. This analysis included changes to the swap tenors used in the construction of the euro risk-free rate discount curve. From 1 January 2025 onwards tenors 13 and 19 are deemed deep, liquid and transparent (DLT) in addition to the existing tenors 1-12, 15 and 20. This change – although only a technical change – impacts the dynamics in the extrapolation of the Solvency II curve resulting in an estimated decrease in the ratio of 5%.

The ratio of LTV was below the internal minimal required ratio at year-end, Lifetri has received a capital contribution of € 10 million from the shareholder in March 2025 to reach the desired minimum level in line with the Capital and Dividend policy.

The board has evaluated all events and transactions subsequent to 31 December 2024 through the date these financial statements were issued.

## 6.7 RISK MANAGEMENT

This paragraph contains specific information on the relevant risks of Lifetri Groep. Lifetri uses the Solvency II standard formula for the calculation of risks.

**Underwriting risk**

*Risk profile*

Underwriting risk represents the uncertainty in Lifetri's Solvency II position due to unexpected fluctuations in timing, frequency or severity of insured events or timing and amount of claim settlements and expenses.

- 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 payout 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 and or inflation.
- Catastrophe: The risk of loss resulting from extreme or irregular events resulting in higher mortality rates which results in earlier death claims.

The Solvency II required capital for the life underwriting risk is the highest of all risks. Lapse risk and expense risk are the highest risks with the life risks. At the end of 2024, the SCR for life underwriting risk was € 80.3 million (2023: € 104.3 million).

**Underwriting risk**

| | Lifetri Verzekeringen | Lifetri Uitvaart verzekeringen | Lifetri Groep |
|---|---|---|---|
| Mortality | 30,511 | 8,754 | 39,266 |
| Longevity | 15,616 | 83 | 15,698 |
| Disability | 0 | - | 0 |
| Lapse | 7,570 | 16,737 | 12,576 |
| Expences | 32,622 | 13,493 | 46,115 |
| Revision | 0 | - | 0 |
| Catastrophe | 11,347 | 747 | 12,094 |
| Diversification | -37,281 | -10,836 | -45,441 |
| **Life underwriting risk** | **60,385** | 28,978 | **80,308** |

*Risk mitigation*

- Lifetri accepts its exposure to mortality risk. The risk diversifies well with the retained longevity risk and to a lesser extent with lapses and expenses risk.
- Lifetri strives to hedge excess of the longevity risk, which is not well diversified with mortality. From a required capital perspective, longevity risk needs not be fully eliminated as there is a diversification benefit with mortality risk which exists in other Lifetri products. The longevity risk is reduced due to the longevity reinsurance with Hannover Re. This is reflected in the required capital above.
- The lapse risk for funeral insurance is limited. Lifetri accepts its exposure to lapse risk.
- Lifetri accepts its exposure to expense risk but aims to reduce exposure to inflation risk as part of the expense risk.
- The life catastrophe risk for Lifetri is both in absolute and relative terms very small. Lifetri accepts its exposure to life catastrophe risk.

*Risk measurement*

- Mortality risk is quantified using the SII standard formula (all mortality rates increase with 15%), which is based on a 99.5% VaR measure on a one-year time horizon.
- Longevity risk is quantified using the SII standard formula (all mortality rates decrease with 20%), which is based on a 99.5% VaR measure on a one-year time horizon.
- Lapse risk is quantified using the SII standard formula (three sub-stress scenarios of which the maximum is taken), which is based on a 99.5% VaR measure on a one-year time horizon.
- Expense risk is quantified using the SII standard formula (sub-stress scenarios for expense level risk and expense inflation risk), which is based on a 99.5% VaR measure on a one-year time horizon.
- Life Catastrophe risk is quantified using the SII standard formula (all mortality rates plus 0.15%-point) , which is based on a 99.5% VaR measure on a one-year time horizon.

## Market risk

*Risk profile*

Market risk includes all the risks as a result of losses on financial investments caused by adverse price movements. The relevant market risks for Lifetri are the following:

- Interest rate risk: the risk that is introduced by the influence of interest rate changes on both the valuation and future cashflow from investments in relation to the valuation of the Lifetri liabilities. The gross interest rate risk of Lifetri is relatively high due to the long duration of the liabilities.
- Credit spread and VA risk: risk of loss arising from the widening of market spreads due to actual, or perceived, increase in risk not compensated by a similar movement of the VA in the valuation of the liabilities.
- Concentration risk: risk of loss due to deterioration from default of a single counterparty to which Lifetri has a significant exposure.
- Currency risk: risk due to movements in relative value of currencies.
- Equity risk: risk due to movements in prices of equities.

Due to the investments in different asset classes as well as the changes in interest rates 2024 SCR market risk increased from € 61.4 million to € 111.7 million. Please refer to Notes to the consolidated financial statements at page 58 until page 72.

**Market risk**

| | Lifetri Verzekeringen | Lifetri Uitvaart-verzekeringen | Lifetri Groep |
|---|---|---|---|
| Interest risk | 41,811 | 11,568 | 53,379 |
| Equity risk | 38,229 | 5,461 | 43,691 |
| Property risk | 0 | 0 | 0 |
| Credit spread risk | 30,520 | 4,533 | 35,053 |
| Currency risk | 0 | 0 | 0 |
| Concentration risk | 0 | 0 | 0 |
| Diversification | -16,935 | -3,206 | -20,376 |
| **SCR Market risk** | **93,625** | **18,356** | **111,747** |

**Sensitivity on Solvency II ratio**

| | 2024 | 2023 |
|---|---|---|
| **Shock** | | |
| Interest rate - parallel +50 bps | -8% | -34% |
| Interest rate - parallel -50 bps | 20% | 34% |
| Equity shock -10% relative shock | -1% | -3% |
| Government bonds +30 bps increase in spreads[1] | -19% | -30% |
| Mortgages +70 bps increase in spreads | -16% | -19% |
| VA -1 bp | -2% | -3% |

1 Standalone shock, no offset in VA.

*Risk mitigation*

- Interest rate risk: Lifetri has extensive interest rate risk management in place. Interest rate risk management is covered in detail in the Interest Rate Risk Management Policy. Lifetri has various limits on interest rate risk in terms of maximum decrease of the solvency ratio. In practice, Lifetri keeps interest rate risk within these limits by using fixed income assets, swaps and swaptions.
- Credit spread and VA risk: Lifetri accepts the risk from spread movements in government and corporate bonds, loans and mortgages not compensated by the VA because it is the main driver of investment income in the long run, if and only if expected volatility can be absorbed. Spread risk is limited by the Total Market Risk measure and limits on exposures of spread-bearing asset classes. Lifetri has opted to use the VA as to absorb sharp market spread increases in spread-bearing assets.
- Concentration risk: is limited by limits on exposures on individual counterparties, sector, countries, etc. and by the Total Market Risk measure.
- Currency risk: Lifetri accepts marginal currency risk related to underlying investments. Currency risk on fixed income assets must be fully hedged.
- Equity risk: is limited by the Total Market Risk measure and limits on equity risk bearing asset classes.

*Risk measurement*

- Interest rate risk: is quantified using the SII standard formula (upward and downward interest rate risk scenarios), which is based on a 99.5% VaR measure on a one-year time horizon. The capital requirement also reflects the risk of replacement costs of the rolling short-term swaptions strategy. In pratice, the risk is measured and managed in terms of maximum senstivities to the solvency ratio.
- Credit spread and VA risk: is quantified using the SII standard formula (stress scenarios for rating and duration buckets), which is based on a 99.5% VaR measure on a one-year time horizon. For risk management purposes, spread risk is measured as part of the Total Market Risk measure.
- Concentration risk: is quantified using the SII standard formula, which is based on a 99.5% VaR measure on a one-year time horizon. The risk is measured by monitoring exposures versus limits as reflected in risk appetite statements, the Investment Policy and key criteria per asset class. For risk management purposes, concentration risk is measured as part of the Total Market Risk measure.
- Currency risk: is managed at minimal levels by setting respective key criteria for investment mandates (defined in the Investment Policy). It is currently not quantified using the SII standard formula as it is not material.
- Equity risk: is quantified using the SII standard formula (with different stress scenarios for different types of exposures, as well as an equity dampener), which is based on a 99.5% VaR measure on a one-year time horizon. Equity risk, through the SCR, has a direct link to the overall solvency needs. In case of pressure on the solvency position, a management action is available in the form of a capital injection request. For risk management purposes, equity risk is measured as part of the Total Market Risk measure.

**Credit risk**

*RIsk profile*

Counterparty default risks for government bonds are limited by rating based limits per sovereign (BBB- or better rated), default risk for other instruments by relatively small issuer limits. Credit risk on the credit portfolio is managed by limiting the Solvency Capital Requirement (SCR) for spread risk as a percentage of the credit investments.

Credit risk in the form of counterparty default risk is the risk of loss arising from default of a borrower or a transaction counterparty (note that credit spread risk is a market risk, see above). Counterparty default risk may result from the likelihood or probability that one of those involved in a transaction might default on its contractual obligation. Counterparty risk can exist in credit, investment and trading transactions including retail mortgages and reinsurance contracts.

The Solvency II required capital of counterparty default risk decreased in 2024 from € 8.8 million to € 6.8 million.

*RIsk mitigation*

Counterparty default is limited by limits on exposures on individual counterparties and by the Total Market Risk measure.

*RIsk measurement*

Counterparty default risk is measured by both the required capital of the Solvency II standard formula and the Total Market Risk measure.

**Inflation risk**

*Risk profile*

Inflation risk is the loss arising from increasing CPI, resulting in higher expenses and inflation-linked claims.

*Risk mitigation*

Indexation of pensions with guaranteed inflation increases is fully hedged with inflation-linked bonds and swaps. The Solvency ratio impact due to a 30bps upward parallel shock of inflation-linked liabilities shall not exceed 3%.

*Risk measurement*

Inflation risk is not part of the Solvency II capital requirement.

**Liquidity risk**

*Risk profile*

Liquidity risk is comprised of:

- Cash flow Liquidity: Risk of being unable to meet obligations to policyholders or other creditors arising from a lack of available liquidity. Most of Lifetri's payments to policyholders have a long-term time horizon and are predictable; therefore this liquidity risk is limited.

- Asset Liquidity: Risk of being unable to sell a given asset at short-notice to fulfil collateral requirements and or shocks in the liability cash flows.

*Risk mitigation*

Lifetri has extensive liquidity risk management framework in place, covered in detail in the Liquidity Policy. Lifetri has provided for additional sources of liquidity when needed. The aim of liquidity risk management is to manage the risk within risk appetite, i.e. have sufficient available liquidity to meet liquidity requirements and also in stressed situations.

*Risk measurement*

Liquidity risk is not quantified using the SII standard formula and as such not part of the solvency capital requirement. Lifetri determines on a monthly rolling basis, all sources and needs of liquidity, for the short and long term, including in stressed situations. The stressed situation reflects a 1-in-200 scenario.

**Operational risk**

*Risk profile*

Within operational risk, Lifetri has identified IT Risk and Outsourcing and Cloud risk as separate risks because of the extensive use of, and dependence on IT. The following sub risks fall in this category:

- Operational risk: The risk of losses as a result of shortcomings in or failures of internal processes, systems and people, or from external events.
- IT risk: The risk that the continuity, integrity or availability (CIA) of the business processes and the information services is inadequately supported by IT systems, services and personnel. The IT risk relates to the following topics:
    - IT and technology strategy;
    - Information security;
    - Continuity, integrity and availability of information systems and processes

Lifetri Group has embraced the new Digital Operational Resilience Act (DORA) with high priority and successfully implemented the required measures. DORA is European legislation aimed at strengthening the digital resilience of financial institutions. The regulation imposes requirements on areas such as ICT risk management, incident reporting, operational resilience testing, and the oversight of critical ICT service providers. Lifetri has shown compliance by 17 January 2025 as described below.

In collaboration with the third line of defense (Internal Audit) and the internal teams a comprehensive gap analysis was performed to assess our current state against the DORA requirements. Using a risk-based approach, we addressed and mitigated the identified gaps, ensuring that the most critical compliance risks were resolved effectively.

Additionally, specific attention was given to our critical or important (KOB) ICT service providers. Lifetri has taken measures to ensure that these parties also achieve DORA compliance on time, safeguarding our end-to-end compliance across the supply chain before the regulatory deadline.

Lifetri is preparing for the data request that De Nederlandsche Bank (DNB) is expected to issue in the second quarter of 2025. The required information has been identified, and we are ready to provide complete and timely responses to this obligation.

Through this integrated approach, Lifetri has made significant progress toward full DORA compliance, contributing to a secure and robust digital operational environment.

- Outsourcing and Cloud risk: Outsourcing may result in the risk that the continuity, integrity or quality is impaired of the activities outsourced to third parties, or of the systems or people provided by these third parties. This risk is mitigated by ISAE 3402 reports which provide independent assurance on controls over processes that have been outsourced. Cloud technology is seen by supervisory authorities as a form of outsourcing. Cloud risks may result when an insurer makes use of an on-demand service model (e.g. SaaS-based) for the delivery of IT services (e.g. data storage, applications, e-mail, IT infrastructure), which are often based on virtualisation and/or distributed computer environments.

At the end of 2024, the SCR operational risk was € 6.7 million (2023 € 6.3 million).

*Risk mitigation*

The operational risk-taking philosophy is risk averse. Lifetri has a cautious approach to risk taking and is only willing to accept a small negative impact. Lifetri ensures that processes, systems and external events are managed efficiently and effectively; working with a sufficient number of competent and engaged staff with a high level of integrity.

Lifetri accepts a low rate of performance error in business operations and learns from mistakes if and when they occur.

*Risk measurement*

The measurement is done on the basis of qualitative and quantitative elements. Based on these elements, an opinion is formed as to whether the risk-taking philosophy is being complied with at least the following elements are included: 1. periodic interviews with process owners and department managers; 2. monitoring key controls on effectiveness (KRI); 3. review of the Performance reporting (KPI); 4. incident reports and 5. outstanding (audit) findings.

**Other material risks**

Lifetri has identified two additional categories of risk, i.e. strategic & reputation risks and compliance risks. Solvency II does not require insurance companies to hold capital for strategic & reputation risks.

*Strategic risks*

Strategic risk & reputation risk: In general, strategic & reputation risks are risks that jeopardize the achievement of the strategic objectives of a company and/or have a negative impact on the reputation of the company. The category focuses on the long-term risks which may result from strategic choices, dependencies of stakeholders, changes in competition, markets, politics, the economy or the external environment in general.

Strategic risks are identified in collaboration between the Management Board and the Risk Management department. All of these risks are monitored periodically.

*Sustainability risks*
With the Corporate Sustainability Reporting Directive (CSRD) now in effect, Lifetri is well equipped for sustainability reporting in accordance with the CSRD standard starting from 2025. During 2024 several steps towards the CSRD implementation have been taken to prepare Lifetri for sustainability reporting. A Double Materiality Assessment (DMA) as well as a technical gap analysis have been executed and a high level implementation roadmap has been created.

In the Double Materiality Assessment, several clusters with sustainability topics have been assessed, including Climate Change & Biodiversity loss, Own workforce - diversity & equality, Own workforce - working conditions, Workers in the value chain, Consumer interest, Privacy and Business Conduct.

For these clusters, both the impacts, risks and opportunities have been identified and scored accordingly. Based on the outcomes of this DMA, the clusters have been qualified as material from an impact materiality, financial materiality perspective, or both. These outcomes are used as the basis for the CSRD report.

Climate risk is assessed on an annual basis as part of the Own Risk & Solvency Assessment. The 2024 assessment resulted in the conclusion that Lifetri is not exposed to material climate risks.

*Compliance risks*
Compliance risk is the risk of legal or supervisory sanctions, material, financial or reputation loss which an organization may incur as a result from a failure to adhere to laws and regulations. Laws and regulations include internal policies, charters and codes of conduct.

Compliance risks consist of two categories: Integrity risk and Legal risk. The Compliance Universe shows for each law or regulation if it applies to integrity or not. Integrity related laws and regulations have a direct impact on the Integrity risk. Other laws and regulations fall under the Legal risk category.

*Integrity risk*
The Integrity risk relates to the integrity of employees, customers, counter parties (including intermediaries), the financial services provided by Lifetri, and of the Lifetri organization.

- Integrity of employees: The integrity of employees including temporary staff (contractors) deals with the question whether employees are fit and proper; and it focuses on competencies, remuneration, conflicts of interest, integrity sensitive jobs, fraud prevention and other integrity related issues.
- Integrity of clients: This topic deals with client acceptance, client due diligence, monitoring of unusual transactions and checks against sanction lists.
- Integrity of third parties: This focuses on the integrity of third parties when entering into and exiting a business relationship, fraud prevention and other integrity related issues. Third parties consist of all parties with which Lifetri cooperates but excluding clients. Insurance intermediaries and re-insurers are included in this definition of third parties.

- Integrity of financial services: This focuses on providing careful and diligent products or services to clients (duty of care towards and providing information to clients), complaints, Product Approval and Review Proces (PARP) and Marketing.
- Integrity of the organization: This deals with the internal governance of the organization, asset management, dealing with sensitive information of the company and financial markets, operating the proper license, reporting to supervisors, adherence with anti-trust laws, financial laws & regulations, privacy, information security and prevention of cybercrime.

Risks are managed by the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control as well as the outcomes.

*Legal risk*

The Legal risk relates to (non-compliance with) laws and regulations which does not involve integrity. It relates to fiscal, labour, civil and Solvency II laws and regulations.

- Fiscal laws: This consists of all fiscal regulations applicable to the insurance undertaking (Value Added Tax, wage tax, corporate tax) for which non-compliance can directly result in a fine.
- Labour laws: This consists of the risk of non-compliance with labour laws (employment contract, CAO (collective employees' agreement), working conditions) which may result in liabilities and claims for the employer.
- Civil law: Civil law is related to legal entities, annual financial statements, agreements and contracts, insurance, liability, tenancy law and copyright which may result in liabilities towards third parties or clients.
- Solvency II: Solvency II is a European directive which focuses on the organization and business operations of insurance undertakings in general. The Solvency II (SII) framework consists of three pillars. Pillar 1 focuses on quantifiable risks and capital requirements. Pillar 2 relates to, among other things, the required key Solvency II functions i.e. RMF, compliance and internal control, AF, Internal Audit Function. Pillar 3 consists of requirements for publishing information and reports to the supervisory authorities.
- Fraud risk: The Fraud risk relates to integrity in accordance with (legal) written and unwritten agreements. Lifetri considers violation of this as unacceptable. Fraud as a form of unethical conduct damages confidence in Lifetri, puts pressure on the affordability of insurance and is not acceptable from a social point of view. The aim of fraud control is to prevent fraud as much as possible. Lifetri achieves this by managing internal and external fraud risks as an integral part of business operations by preventing fraud and timely identifying, handling and reducing fraud.

Lifetri's risks are identified in collaboration between the Management Board and the Risk Management & Compliance department. All of these risks are monitored periodically. The underlying action plans are challenged on their rigor and depth in order to address the risks at hand and reduce the residual risks to an acceptable level.

# 6.8 SOLVENCY II

On 31 December 2024, the Solvency II level of Lifetri was 157% (2023: 185%), which is below the internal target Solvency II level of 170%. The decrease of the Solvency II ratio compared to 2023 was predominantly caused by the step-down of the UFR and development of intrest rates partly mitigated by four capital injections of € 50.0 million in total.

Given the specific composition of the balance sheet, Lifetri remains sensitive to interest movements albeit this has reduced from previous year. As of December 2024, a fall of interest rates by 0.5% would have a positive impact on the Lifetri Groep's Solvency II Ratio of 20% (2023: 34%), whereas an increase in rates by 0.5% would have a negative impact of -8% (2023: -34%).

In practice, management intervention actions may further prevent risks. Especially under the current volatile market circumstances this may result in Solvency II ratios that are at the lower end of the desired target range. The aim of Lifetri's capital management policy is to always have sufficient buffers in the system to secure the rights of our customers. In this policy the long-term commitment of the shareholder and its willingness to support the Solvency II coverage ratio once the norm Solvency II would be breached, is an important cornerstone. This enables Lifetri to take economic decisions to stabilise the ratio.

Lifetri uses the Solvency II standard formula for the calculation of risks.

**Own funds and Solvency II requirement**

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Equity | | **248,353** | | **244,370** |
| Subordinated liability valuation difference | -326 | | 1,211 | |
| **Excess asset over liabilities** | | **248,027** | | **245,581** |
| Subordinated liabilities | 79,238 | | 77,005 | |
| **Total own funds** | | **327,265** | | **322,586** |
| **Eligible own funds** | | **225,450** | | **230,494** |
| - of which Tier 1 unrestricted | 153,889 | | 168,275 | |
| - of which Tier 1 restricted | - | | - | |
| - of which Tier 2 | 71,561 | | 62,219 | |
| - of which Tier 3 | - | | - | |
| **Solvency capital requirements** | | **143,385** | | **124,437** |
| Solvency II ratio | | **157%** | | **185%** |

**Available own funds (AOF) and Eligible own funds (EOF)**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | AOF | EOF | AOF | EOF |
| **Tier 1** | 153,889 | 153,889 | 168,275 | 168,275 |
| **Tier 2+3** | **173,376** | **71,561** | **154,310** | **62,219** |
| Tier 2 | 79,238 | 71,561 | 77,005 | 62,219 |
| Tier 3 | 94,138 | - | 77,305 | - |
| **Total own funds** | **327,265** | **225,450** | **322,586** | **230,494** |

**Available own funds**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Share capital** | | **308,897** | | **258,897** |
| Reconciliation reserve | -155,008 | | -90,622 | |
| Subordinated debt | 79,238 | | 77,005 | |
| Net deferred tax assets[1] | 94,138 | | 77,305 | |
| **Available own funds** | | **327,265** | | **322,586** |

1 The net deferred tax assets for calculating available own funds relates to SII valuation.

**Solvency capital requirement**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| Market risk | 111,747 | | 61,373 | |
| Counterparty risk | 6,807 | | 8,813 | |
| Life underwriting risk | 80,308 | | 104,295 | |
| Diversification | -43,543 | | -37,908 | |
| **BSCR** | | **155,318** | | **136,573** |
| Operational risk | | 6,677 | | 6,294 |
| LACDT | | -18,610 | | -18,430 |
| **Total solvency capital requirement** | | **143,385** | | **124,437** |
| Eligible own funds | | **225,450** | | **230,494** |
| Solvency II ratio | | 157% | | 185% |
| Minimum capital required ratio | | 360% | | 416% |

**For each entity EOF, scr and Solvency II ratio**

| 2024 | *Lifetri Verzekeringen* | *Lifetri Uitvaart-verzekeringen* | *Lifetri Groep* |
|---|---|---|---|
| Eligible own funds | 162,259 | 58,944 | 225,450 |
| Solvency capital requirement | 121,824 | 29,027 | 143,385 |
| Solvency II ratio | 133% | 203% | 157% |

| 2023 | *Lifetri Verzekeringen* | *Lifetri Uitvaart-verzekeringen* | *Lifetri Groep* |
|---|---|---|---|
| Eligible own funds | 166,127 | 56,515 | 230,494 |
| Solvency capital requirement | 94,407 | 34,957 | 124,437 |
| Solvency II ratio | 176% | 162% | 185% |

# 7. Company financial statements

# 7.1 BALANCE SHEET

(Balance sheet as per 31 December before appropriation of result)

| | notes | 2024 | | 2023 | |
|---|---|---|---|---|---|
| **Financial investments** | | | | | |
| Investments in subsidiaries | 1 | 251,365 | | 247,382 | |
| **Total financial investments** | | | **251,365** | | **247,382** |
| **Loans Intra-group** | 2 | | **78,799** | | **78,300** |
| **Short term receivables** | | | | | |
| Tax and social security contributions | | 14,091 | | 12,134 | |
| Other receivables | 3 | 560 | | 454 | |
| **Total short term receivables** | | | **14,651** | | **12,588** |
| **Other assets** | | | | | |
| Equipment | | 56 | | 169 | |
| Cash | | 408 | | 160 | |
| **Total other assets** | | | **464** | | **329** |
| **Total assets** | | | **345,280** | | **338,599** |

| | notes | 2024 | | 2023 | |
|---|---|---|---|---|---|
| **Shareholders' equity** | | | | | |
| Share capital | | 0 | | 0 | |
| Share premium | | 308,897 | | 258,897 | |
| Legal reserve for participating interest | | 38,615 | | 32,660 | |
| Other reserve | | -53,142 | | -26,359 | |
| Result before appropriation | | -46,017 | | -20,830 | |
| **Total shareholders' equity** | 4 | | **248,353** | | **244,370** |
| **Subordinated liabilities** | 5 | | **78,799** | | **78,300** |
| **Provisions** | | | | | |
| Pension obligation | | 145 | | 212 | |
| **Total provisions** | | | **145** | | **212** |
| **Other liabilities** | 6 | | **13,658** | | **10,653** |
| **Accruals** | | | **4,325** | | **5,064** |
| **Total equity and liabilities** | | | **345,280** | | **338,599** |

## 7.2 PROFIT OR LOSS ACCOUNT

| | notes | | 2024 | | 2023 |
|---|---|---|---|---|---|
| **Result from subsidiaries** | | | -46,017 | | -20,829 |
| **Interest income** | | | | | |
| Interest income intra group | | 4,699 | | 4,206 | |
| Interest expense subordinated debt | | -4,699 | | -4,206 | |
| **Total interest income** | 5 | | **0** | | **0** |
| **Result before tax** | | | **-46,017** | | **-20,829** |
| Income tax | | | 0 | | 0 |
| **Result after tax** | | | **-46,017** | | **-20,829** |

## 7.3 ACCOUNTING PRINCIPLES

**General**

The company financial statements are part of the 2024 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 or loss account, please refer to the notes to the consolidated balance sheet and profit or loss account.

**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 or loss account, with the exception of the following principles:

**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.

**Intra group loan**

This item concerns intra-group loans. The results on those loans involving the transfer of assets and liabilities between the group companies are eliminated to the extent that the can be considered as not realised. These loans are valued at nominal value less costs.

**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.

**Pension obligations**
Pension obligations are calculated as the discounted value of the expected yearly indexation level for the former employees of Nuvema. The yearly indexation level is equal to 3.2% of the salaries of the former employees of Nuvema. The calculation of the level does take salary development and lapse rates into account. The discounted value is calculated with the risk-free rate (swap-curve).

## 7.4 NOTES TO THE COMPANY FINANCIAL STATEMENTS

### 1. Investments in subsidiaries

| | | 2024 | | 2023 |
|---|---|---|---|---|
| **At 1 January** | | 247,382 | | **183,212** |
| Capital contribution | 50,000 | | 85,000 | |
| Result from subsidiaries | -46,017 | | -20,829 | |
| **At 31 December** | | **251,365** | | **247,382** |

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

| | | |
|---|---|---|
| Lifetri Uitvaartverzekeringen N.V. | Maarssen | 100% |
| Lifetri Verzekeringen N.V. | Maarssen | 100% |

### 2. Loans intra-group

The subordinated loan was downstreamed to the two insurance entities in 2021 with maturity date 1 June 2032 and an interest rate of 5,25%. € 64.4 million market value (€ 65.0 million nominal) to Lifetri Verzekeringen and € 14.9 million market value (€ 15.0 million nominal) to Lifetri Uitvaartverzekeringen.

### 3. Other receivables

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Deposit | 64 | | 64 | |
| Prepaid operating expenses | 496 | | 390 | |
| **Total short term receivables** | | **560** | | **454** |

None of the other receivables have a term of more than one year.

## 4. Shareholder's equity

| | Share capital | Share premium | Legal reserve for participating interest | Other reserves | Result before appropriation | Total |
|---|---|---|---|---|---|---|
| **At 1 January 2023** | **0** | **173,897** | **17,395** | **68,474** | **-79,567** | **180,200** |
| Result current year | | - | - | | -20,829 | -20,829 |
| Result last year | | - | - | -79,567 | 79,567 | - |
| Share premium contribution | | 85,000 | | | - | 85,000 |
| Change reserves required by law | | - | 15,265 | -15,265 | - | - |
| **At 31 December 2023** | **0** | **258,897** | **32,660** | **-26,358** | **-20,829** | **244,371** |
| **At 1 January 2024** | **0** | **258,897** | **32,660** | **-26,358** | **-20,829** | **244,371** |
| Result current year | | - | - | | -46,017 | -46,017 |
| Result last year | | - | - | -20,829 | 20,829 | - |
| Share premium contribution | | 50,000[1] | | | - | 50,000 |
| Change reserves required by law | | - | 5,954 | -5,954 | - | **-** |
| **At 31 December 2024** | **0** | **308,897** | **38,614** | **-53,142** | **-46,017** | **248,354** |

1 Due to current and expected interest developments the shareholder contributed with a capital injection of € 50.0 million.

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

### Share premium
The share premium reserve relates to capital contributions which have occurred since incorporation without issuing new shares.

### Legal reserve for participating interest
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.

### Other reserves

*Appropriation of the result*

The Management Board proposes to charge € -46.0 million to the other reserves within equity. The Supervisory Board has approved this proposal. The Shareholder's General Meeting has to decide on this proposal.

### 5. Subordinated liabilities

The subordinated liabilities are valued at amortised cost. The nominal value of the subordinated liabilities are € 80.0 million similar as at 31 December 2023 and are listed on the Dublin Euronext stock exchange, Ireland. No convenant is applicable.

The bond is first callable after 5 years with a maturity date 1st of June 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 percent. The bond is considered Tier 2 capital for regulatory purposes.

| | | 2024 | | 2023 |
|---|---|---|---|---|
| **At 1 January** | | **78,300** | | **78,300** |
| Amortisation | 499 | | - | |
| **At 31 December** | | **78,799** | | **78,300** |

### 6. Other liabilities

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Group companies | 10,483 | | 8,612 | |
| Short term employee benefit | 1,921 | | 1,220 | |
| Tax and social contributions | 78 | | 309 | |
| Creditors | 1,176 | | 513 | |
| **Total other liabilities** | | **13,658** | | **10,653** |

All other liabilities have a duration of less than one year.

### 7. Remuneration

The MB remuneration for actual and former members of Management Board amount to € 2.1 million (2023: € 2.0 million). The MB remuneration consists of short-term employee benefits, post-employment benefits and termination benefits.

The SB remuneration is € 0.2 million (2023: € 0.1 million).

More information about the remuneration is available in chapter 3.1 Governance (including remuneration).

### 8. Fiscal unity

For income tax purposes Lifetri Groep is at the head of a fiscal unity which also includes Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen. As a result, Lifetri Groep is liable for the tax 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.

**9. Related parties**

Transactions with related parties have occurred at arm's length basis. Futher information is available in the remunaration paragraph. in chapter 3.1 Governance (including remuneration) . Operational and investment costs are allocated from Lifetri Group to Lifetri Uitvaartverzekeringen and Lifetri Verzekeringen.

**10. Employee information**

The average number of fulltime employees during the year was 65 (2023: 66). No staff was employed outside of the Netherlands.

**11. Subsequent events**

The Solvency II ratio of Lifetri does not include any contingent liability potentially arising from products sold, issued, or advised on by Lifetri in the past as the potential liability cannot be reliably quantified at this point.

On 24 September 2024 EIOPA published an update to its deep, liquid, and transparent (DLT) assessment. This analysis included changes to the swap tenors used in the construction of the euro risk-free rate discount curve. From 1 January 2025 onwards tenors 13 and 19 are deemed deep, liquid and transparent (DLT) in addition to the existing tenors 1-12, 15 and 20. This change – although only a technical change – impacts the dynamics in the extrapolation of the Solvency II curve resulting in an estimated decrease in the ratio of 5%.

The ratio of LTV was below the internal minimal required ratio at year-end, Lifetri has received a capital contribution of € 10 million from the shareholder in March 2025 to reach the desired minimum level in line with the Capital and Dividend policy.

The board has evaluated all events and transactions subsequent to 31 December 2024 through the date these financial statements were issued.

Lifetri Groep B.V.

Maarssen, 8 April 2025

| Management Board | Supervisory Board |
| --- | --- |
| R. Zomer, CEO | P.J.C. Borgdorff, Chairman |
| J.P.M. Rijken, CIO | A.S. Birrell |
| C.K. Madsen, CRO | H. Eggens |
| | P.M. Engelberts |

# 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 2024 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 2024 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 2024 financial statements of Lifetri Groep B.V. based in Amsterdam. The financial statements comprise:

1 the consolidated and company balance sheet as at 31 December 2024;

2 the consolidated and company profit or loss account, the consolidated statement of comprehensive income and the consolidated cash flow statement; and

3 the notes comprising material accounting policy information 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).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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 4.5 million.<br>— Based on 2% of group equity. |

| Group audit |
|---|
| — Audit coverage of 98% of total revenues.<br>— Audit coverage of 100% of total assets. |

| Risk of material misstatements related to Fraud & NOCLAR and Going concern |
|---|
| — Fraud risks: risk of management override of controls, identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'.<br>— Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified.<br>— Going concern: no significant going concern risks identified. |

| Key audit matters |
|---|
| — Valuation of insurance contract liabilities.<br>— Valuation of hard to value financial assets<br>— Assessment of recoverability of deferred tax asset. |

### Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 4.5 million (2023: EUR 4.8 million). The materiality is determined with reference to total equity and amounts to 2%. We consider group equity as the most appropriate benchmark based on emphasis on net assets from regulators, management/shareholders and to align with materiality used for financial statements of 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 214,000 (2023: EUR 240,000) 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 annual accounts of the company.

This year, we applied the revised group auditing standard in our audit of the financial statements. The revised standard emphasizes the role and responsibilities of the group auditor. The revised standard contains new requirements for the identification and classification of components, scoping, and the design and performance of audit procedures across the group.

We performed risk assessment procedures throughout our audit to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements. To appropriately respond to those assessed risks, we planned and performed further audit procedures, either at component level or centrally. We identified three components associated with a risk of material misstatement. We as group auditor audited these components. We set component performance materiality levels considering the component's size and risk profile.

We have performed substantive procedures for 98% of Group total revenue and 100% of Group total assets. At group level, we assessed the aggregation risk in the remaining financial information and concluded that there is less than reasonable possibility of a material misstatement. We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the financial statements as a whole.

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

In section 6.7 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 company's code of conduct, whistleblowing procedures, anti-fraud policy and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the Management Board, the Supervisory Board and other relevant functions, such as Internal Audit, Legal Counsel, Compliance and the Actuarial Function Holder and included correspondence with relevant supervisory authorities and regulators in our evaluation. We have also incorporated elements of unpredictability in our audit, such as:

— We tested (on a sample basis) personnel expense declarations by inspecting the supporting evidences;

— We requested external confirmations from fund managers with the ownership % for all mortgages and investment funds.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

— Wet op het financieel toezicht (Wft) (including the European Solvency II directives);

— Data privacy regulation (GDPR).

We assessed together, with our forensic specialist, the presumed fraud risk on revenue recognition as not significant, because of the following:

a) Insurance premium income: Premium is determined at inception of policy and is only adjusted for indexation based on public index or changes by policyholder (e.g. insured amount). Furthermore, this revenue is not subject to management judgements or estimates.

b) Investment income: All investments are held by the external custodian (Caceis) and managed by the external investment managers. Furthermore, this revenue is not subject to management judgements or estimates.

We identified the following fraud risk relevant to our audit and responded as follows:

**Management override of controls**

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: controls around estimates related to valuation of insurance liabilities.

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.
- 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 matters set out below that provides information of our approach related to areas of higher risk due to accounting estimates where management makes significant judgements.

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.

### *Audit response to going concern*

The Management Board has performed its going concern assessment evaluating the financial position, liquidity and solvency of Lifetri Groep B.V as of Dec 31, 2024 and concluded that the going concern assumption is appropriate for preparing the financial statements. To assess the Management Board’s assessment, we have performed, inter alia, the following procedures:

— We considered whether the of Management Board’s assessment of the going concern risks, including the scenarios in the Own Risk Solvency Assessment (ORSA) and Preparatory Crisis Plan that was submitted to De Nederlandsche Bank N.V. (the Dutch Central Bank, DNB), includes all relevant information of which we are aware as a result of our audit, including the impact of other regulatory correspondence indicate a significant going concern risk; and

- We assessed the company's financial position and Solvency II ratio and the outlook for the coming 12 months and compared it to the internal minimum capital requirement as set by the Management Board in terms of indicators that could identify going concern risks;
- We assessed the company's liquidity position and liquidity forecast for the coming 12 months in terms of indicators that could identify going concern risks;
- We have discussed with management the potential impact of the announced shareholder transaction between Sixth Street and Achmea for joint venture between Achmea Pensioen&Levensverzekeringen N.V. and Lifetri Groep B.V. (which is still subject to approval by the authorities) on the going concern assumption applied by the Management Board;
- We evaluated whether the Management Board's assessment of going concern, including the Solvency II ratio, is adequately disclosed in the annual report.

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.

## *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.

### 1. Valuation of insurance contract liabilities

#### Description

Insurance and investment contract liabilities (in short: insurance liabilities) amount to EUR 1,608 million as at 31 December 2024 representing 79% of total equity and liabilities. The valuation of the insurance liabilities involves limited management judgement as the valuation is based on contractual terms and conditions and locked-in assumptions. Management judgement is involved especially in setting the assumptions related to expenses, mortality experience factors and lapse rates. Given the financial significance and the level of judgement required, we considered this a key audit matter.

#### Our response

Our audit approach involved testing the design and implementation of internal controls for determining insurance contract liabilities, along with substantive audit procedures. In our audit we also considered the process around the validation and implementation of the models used to determine the valuation of the insurance contract liabilities. Our procedures over internal controls focused on controls around the analysis of change, governance, assumption setting and the review procedures performed by the Actuarial Function Holder on the insurance contract liabilities splited into own risk and reinsurers' share.

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 and policy data used in the valuation and assumption setting;

- assessing the appropriateness and adequacy of assumptions used in the valuation of insurance contract liabilities by reference to company, industry data, expectations of expense developments and corroborative inquiries with management and the Actuarial Function Holder;
- 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 2024.
- evaluation of the appropriateness of the disclosures in Note 12 of the consolidated financial statements, as required by Part 9 of Book 2 of the Dutch Civil Code.

### Our observation

We consider the valuation of the insurance contract liabilities to be appropriate. We also found the related disclosure to be adequate and refer to Note 12 of the consolidated financial statements.

## 2. Valuation of 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, This is mainly applicable to mortgages and non-listed 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;
- Subsequent events testing was carried out for the investment funds, involving a comparison of the preliminary net asset value (NAV) with the NAV stated in the audited financial statements or the unaudited final Q4 statement.
- We performed back testing of investments where audited financial statements of 2024 of the investee company was not yet available; and

— evaluation of the appropriateness of the disclosures in Note 2 and 3 of the consolidated financial statements, against the requirements of Part 9 of Book 2 of the Dutch Civil Code.

**Our observation**

The results of our testing were satisfactory and we considered the fair value of hard to value investments to be appropriate. We also found the related disclosure to be adequate and refer to Note 2 and 3 of the consolidated financial statements.

## 3. Assessment of recoverability of deferred tax assets

**Description**

As disclosed in Note 5 of the consolidated financial statements, as at December 31, 2024 the company recorded deferred tax assets of EUR 94 million relating to tax losses incurred and temporary differences. The assessment of the recoverability of these deferred tax assets is dependent on the generation of future taxable income. Significant judgment and estimation is required to assess the sufficiency of future taxable income to utilize the recognized deferred tax assets. The company uses projections of future taxable income in order to assess the probability that the deferred tax assets will be realized. Predicting future taxable income is dependent on assumptions and judgments regarding future market conditions, realisible investment spreads and expected costs. The company determined that the realization of these deferred tax assets is probable. Given the high degree of judgment required in assessing the significant assumptions and judgments that are reflected in the projections of future taxable income, we considered this a key audit matter.

**Our response**

We assessed management's approach to the recoverability of deferred tax assets and performed the following procedures:

— obtained an understanding of the company's tax position per 31 December 2024 through inspecting the tax calculation prepared by the company and the correspondence with the tax authorities and advisors. We recalculated and reconciled the actual tax position;

— assessed the future profitability estimated by management using LACDT model. This model is approved by Actuarial Function Holder and together with our actuarial specialists, we assess the assumptions included in this model to verify the accuracy and substantiation of the recoverability of deferred tax assets;

— KPMG tax specialists assisted us and together we discussed the tax position with company's representative in charge of tax; and

— evaluation of the appropriateness of the disclosures in Note 5 of the consolidated financial statements, as required by Part 9 of Book 2 of the Dutch Civil Code.

**Our observation**

The results of our testing were satisfactory and we considered recoverability of deferred tax assets to be appropriate. We also found the related disclosure to be adequate and refer to Note 5 of the financial statements

## 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.

## 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.

KPMG

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 www.nba.nl/eng_beursgenoteerd_20241203. This description forms part of our auditor's report.

Utrecht, 8 April 2025

KPMG Accountants N.V.

A.R.B. de Bruin RA